

LIQUIDITY SERVICES INC

Form 4

October 05, 2016

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Dudley Gardner H

2. Issuer Name and Ticker or Trading Symbol  
LIQUIDITY SERVICES INC  
[LQDT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
10/03/2016

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Pres, Capital Assets Group

C/O LIQUIDITY SERVICES, INC., 1920 L STREET, N.W., 6TH FLOOR

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

WASHINGTON, DC 20036

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	10/03/2016		J <sup>(18)</sup>		18,492	A	\$ 10.65
Common Stock	10/03/2016		S <sup>(19)</sup>		1,882	D	\$ 10.65
Common Stock	10/04/2016		S <sup>(19)</sup>		838	D	\$ 10.52
Common Stock	10/05/2016		S <sup>(19)</sup>		2,006	D	\$ 10.51

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Employee Stock Option	\$ 13.35					(1) 06/16/2020	Common Stock	3,188
Employee Stock Grant	\$ 15.47					(2) 11/30/2020	Common Stock	2,211
Employee Stock Grant	\$ 38.09	10/03/2016		J(18)	625	(3) 11/16/2022	Common Stock	625
Employee Stock Grant	\$ 21.99	10/03/2016		J(18)	415	(4) 11/27/2023	Common Stock	831
Employee Stock Grant	\$ 21.99					(5) 11/27/2023	Common Stock	1,661
Employee Stock Option	\$ 21.99					(6) 11/27/2023	Common Stock	3,519
Employee Stock Option	\$ 21.99					(7) 11/27/2023	Common Stock	3,519
Employee Stock Grant	\$ 13.57					(8) 05/14/2024	Common Stock	11,054
Employee Stock	\$ 12.57	10/03/2016		J(18)	6,250	(9) 10/27/2024	Common Stock	18,750

Grant									
Employee Stock Grant	\$ 10.41	10/03/2016	J <sup>(18)</sup>	6,073	<u>(10)</u>	10/01/2024	Common Stock	30,364	
Employee Stock Grant	\$ 10.41				<u>(11)</u>	10/01/2024	Common Stock	12,146	
Employee Stock Option	\$ 10.41				<u>(12)</u>	10/01/2024	Common Stock	7,338	
Employee Stock Option	\$ 10.41				<u>(13)</u>	10/01/2024	Common Stock	1,834	
Employee Stock Grant	\$ 6.63	10/03/2016	J <sup>(18)</sup>	5,129	<u>(14)</u>	10/01/2025	Common Stock	20,515	
Employee Stock Grant	\$ 5.11				<u>(15)</u>	10/01/2025	Common Stock	5,129	
Employee Stock Option	\$ 6.63				<u>(16)</u>	10/01/2025	Common Stock	11,245	
Employee Stock Option	\$ 6.63				<u>(17)</u>	10/01/2025	Common Stock	2,811	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Dudley Gardner H C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR WASHINGTON, DC 20036			Pres, Capital Assets Group	

## Signatures

/s/ Mark A. Shaffer, by power of attorney  
10/05/2016

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) These options became fully vested on June 1, 2014.

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- (2) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (3) Twenty-five percent of this restricted stock grant vested on October 1, 2013 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (4) Twenty-five percent of this restricted stock grant vested on October 1, 2014 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (5) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (6) Twenty-five percent of this option grant vested on October 1, 2014 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (7) This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
- (8) Fifty percent of this restricted stock grant vested on November 1, 2015 and thereafter 1/4th of the restricted stock grant will vest on November 1 of each year for two years.
- (9) Twenty-five percent of this restricted stock grant vested on October 1, 2015 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (10) Twenty-five percent of this restricted stock grant vested on October 1, 2015 and thereafter 1/8th of the restricted stock grant will vest on April 1 and October 1 of each year for three years.
- (11) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (12) Twenty-five percent of this option grant vested on October 1, 2015 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (13) This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
- (14) Twenty-five percent of this restricted stock grant vested on October 1, 2016 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (15) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (16) Twenty-five percent of this option grant vested on October 1, 2016 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (17) This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
- (18) Represents the vesting of restricted stock
- (19) Represents reporting person's advance election to sell to cover tax obligations upon vesting such restricted shares

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.