

Roy G Cayce
Form 4
September 15, 2010

FORM 4

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

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Roy G Cayce

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)

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

3. Date of Earliest Transaction
(Month/Day/Year)
09/13/2010

____ Director ____ 10% Owner
X Officer (give title ____ Other (specify
below) below)
Exec. VP/Pres. Asset Recovery

(Street)

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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 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)
Common Stock	09/13/2010		M	12,500 A	\$ 10.82	12,500	D
Common Stock	09/13/2010		S ⁽¹⁾	12,500 D	\$ 14.75	0	D

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

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information contained in this form are not
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SEC 1474
(9-02)

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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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Restricted Stock Grant	\$ 9.05					(2) 10/01/2019	Common Stock 9,422
Employee Stock Option	\$ 9.05					(3) 10/01/2019	Common Stock 29,481
Employee Stock Option	\$ 10.82					(4) 10/01/2019	Common Stock 320,000
Employee Stock Option	\$ 10.82	09/13/2010		M	12,500	(5) 07/30/2018	Common Stock 220,985

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Roy G Cayce C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR WASHINGTON, DC 20036	Exec. VP/Pres. Asset Recovery

Signatures

/s/ James E. Williams, by power of attorney 09/15/2010

**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) The transactions reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on February 23, 2010.
- (2) Twenty-five percent of this restricted stock grant will vest on October 1, 2010 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.

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- (3) Twenty-five percent of this option grant will vest on October 1, 2010 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (4) This option becomes vested and exercisable, if at all, based on the Issuer's Asset Recovery Division's achievement of certain financial milestones.
- (5) Twenty-five percent of this option grant vested on August 25, 2009 and thereafter 1/48th of the option grant will vest each month for thirty-six months.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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