

Mateus-Tique Jaime
Form 4
October 15, 2010

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 *
Mateus-Tique Jaime

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)
10/13/2010

Director 10% Owner
 Officer (give title below) Other (specify below)

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) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock | 10/13/2010 | | S(1) | 25,000 D \$ 16.25 | 554,963 | D | |
| Common Stock | 10/14/2010 | | S(1) | 25,000 D \$ 16.74 | 529,963 | D | |
| Common Stock | 10/15/2010 | | S(1) | 25,000 D \$ 16.93 | 504,963 | D | |

Common Stock

700,000

I

By the Jaime Mateus-Tique 2009 GRAT

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| | | | |
|--------------|---------|---|-------------------------------------|
| Common Stock | 185,262 | I | By the Em El 2007 Irrevocable Trust |
| Common Stock | 20,400 | I | By the Mateus-Tique Foundation |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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. Price or Value of Underlying Securities (Instr. 3 and 4) | |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Employee Stock Option | \$ 11.77 | | | | | (2) | 02/01/2020 | Common Stock | 18,612 |
| Employee Stock Grant | \$ 10.7 | | | | | (3) | 02/01/2020 | Common Stock | 3,364 |
| Employee Stock Option | \$ 12.02 | | | | | (4) | 10/01/2017 | Common Stock | 76,000 |
| Employee Stock Option | \$ 17.63 | | | | | (5) | 09/21/2016 | Common Stock | 75,000 |
| Employee Stock Option | \$ 7 | | | | | (6) | 12/21/2015 | Common Stock | 30,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------------------------------------------------------------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Mateus-Tique Jaime C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR WASHINGTON, DC 20036 | X | | | |

Signatures

| | |
|---------------------------------------------|------------|
| /s/ James E. Williams, by power of attorney | 10/15/2010 |
| **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 September 3, 2010.
 - (2) These options have a one-year vesting period such that 100% of this option grant will vest on February 1, 2011.
 - (3) These restricted shares have a one-year vesting period such that 100% of this restricted share grant will vest on February 1, 2011.
 - (4) Twenty-five percent of this option grant vested on October 1, 2009 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
 - (5) These options became fully vested on September 21, 2010.
 - (6) These options became fully vested on April 19, 2006.

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.