

LIQUIDITY SERVICES INC  
Form 4  
March 31, 2009

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
CLOUGH PHILLIP A

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)

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

400 EAST PRATT STREET, SUITE 910

03/27/2009

(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

BALTIMORE, MD 21202-3116

(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 or Price				
Common Stock	03/27/2009		P		100,000 (1)	A	\$ 6.976 1,126,690	I	See Footnote (2)
Common Stock	03/30/2009		P		100,000 (1)	A	\$ 6.6869 1,226,690	I	See Footnote (2)
Common Stock	03/31/2009		P		100,000 (1)	A	\$ 6.9348 1,326,690	I	See Footnote (2)
Common							2,917	D	

Stock

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. Price or Value of Underlying Securities (Instr. 3 and 4)	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V (A) (D)		
Employee Stock Option	\$ 12.89					<u>(3)</u> 04/03/2016		Common Stock	20,000
Employee Stock Option	\$ 14.75					<u>(4)</u> 10/02/2016		Common Stock	9,393
Employee Stock Option	\$ 11.19					<u>(5)</u> 10/01/2017		Common Stock	8,560
Employee Stock Option	\$ 11.66					<u>(6)</u> 06/03/2018		Common Stock	2,573
Employee Stock Option	\$ 11.66					<u>(7)</u> 06/03/2018		Common Stock	15,082

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CLOUGH PHILLIP A 400 EAST PRATT STREET		X		

SUITE 910  
BALTIMORE, MD 21202-3116

## Signatures

Phillip A.  
Clough

03/31/2009

    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).

Consists of the following shares purchased by the following entities: (a) 87,880 shares purchased by ABS Capital Partners VI, LP ("ABS VI"); (b) 1,674 shares purchased by ABS Capital Partners VI-A, LP ("ABS VI-A"); and (c) 10,446 shares purchased by ABS Capital Partners VI Offshore, LP ("ABS Capital Partners VI Offshore," and together with ABS VI and ABS VI-A, the "ABS Entities"). ABS Partners VI, LLC is the general partner of the ABS Entities and has voting and dispositive powers over these shares. The address for these entities affiliated with ABS Capital Partners is 400 East Pratt Street, Suite 910, Baltimore, MD 21202-3116.

(1) Mr. Phillip Clough is a managing member of ABS Partners VI, LLC, the general partner of the ABS Entities. ABS Partners VI, LLC exercises voting and dispositive power over the shares held by the ABS Entities. Mr. Clough disclaims beneficial ownership of these shares except to the extent of his pecuniary interest. The address for these entities affiliated with ABS Capital Partners is 400 East Pratt Street, Suite 910, Baltimore, MD 21202-3116.

(2) These options became fully vested on April 3, 2008.

(3) These options became fully vested on October 2, 2007.

(4) These options became fully vested on October 1, 2008.

(5) These restricted shares vest on April 29, 2009.

(6) These options vest on April 29, 2009.

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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