

Rallo James M  
Form 4  
December 06, 2018

**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 \*  
Rallo James M

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)  
12/04/2018

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
President RSCG and CAG

C/O LIQUIDITY SERVICES, INC., 6931 ARLINGTON ROAD, SUITE 200

(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

BETHESDA, MD 20814

(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 Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock					15,039 <sup>(1)</sup>	I	By James M. Rallo 401k
Common Stock					8,000	I	By James M. Rallo IRA
Common Stock					685	I	By James M. Rallo Cust. Michael

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Common Stock			460		I		Rallo MD UTMA <sup>(2)</sup>  By James M. Rallo Cust. Melissa Rallo MD UTMA <sup>(2)</sup>

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option	\$ 7.48					<u>(3)</u>	10/01/2018	Common Stock	2,338
Employee Stock Option	\$ 15.47					<u>(4)</u>	10/01/2020	Common Stock	6,678
Employee Stock Grant	\$ 15.47					<u>(5)</u>	10/01/2020	Common Stock	5,527
Employee Stock Option	\$ 31.37					<u>(6)</u>	10/01/2021	Common Stock	12,358
Employee Stock Option	\$ 38.09					<u>(7)</u>	10/01/2022	Common Stock	3,335
Employee Stock Option	\$ 29.47					<u>(8)</u>	07/18/2023	Common Stock	24,871

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Employee Stock Option	\$ 21.99				<u>(9)</u>	10/01/2023	Common Stock	9,938	
Employee Stock Option	\$ 10.41				<u>(10)</u>	10/01/2024	Common Stock	12,675	
Employee Stock Grant	\$ 6.63				<u>(11)</u>	10/01/2025	Common Stock	6,380	
Employee Stock Grant	\$ 5.8				<u>(5)</u>	10/01/2025	Common Stock	6,380	
Employee Stock Option	\$ 6.63				<u>(12)</u>	10/01/2025	Common Stock	13,987	
Employee Stock Option	\$ 6.63				<u>(13)</u>	10/01/2025	Common Stock	3,497	
Employee Stock Grant	\$ 8.3				<u>(14)</u>	10/01/2026	Common Stock	3,925	
Employee Stock Grant	\$ 8.3				<u>(5)</u>	10/01/2026	Common Stock	7,850	
Employee Stock Option	\$ 8.3				<u>(15)</u>	10/01/2026	Common Stock	4,650	
Employee Stock Option	\$ 8.3				<u>(13)</u>	10/01/2026	Common Stock	4,650	
Employee Stock Option	\$ 4.47				<u>(16)</u>	10/01/2027	Common Stock	93,420	
Employee Stock Grant	\$ 4.47				<u>(17)</u>	10/01/2027	Common Stock	24,540	
Employee Stock Option	\$ 4.47				<u>(18)</u>	10/01/2027	Common Stock	62,280	
Employee Stock Grant	\$ 4.47				<u>(19)</u>	10/01/2027	Common Stock	16,360	
Employee Stock	\$ 6.11	12/04/2018		A	36,550	<u>(20)</u>	10/01/2028	Common Stock	36,550

Option									
Employee Stock Grant	\$ 6.11	12/04/2018	A	5,950	(21)	10/01/2028	Common Stock	5,950	
Employee Stock Option	\$ 6.11	12/04/2018	A	36,550	(16)	10/01/2028	Common Stock	36,550	
Employee Stock Grant	\$ 6.11	12/04/2018	A	5,950	(17)	10/01/2028	Common Stock	5,950	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Rallo James M C/O LIQUIDITY SERVICES, INC. 6931 ARLINGTON ROAD, SUITE 200 BETHESDA, MD 20814			President RSCG and CAG	

## Signatures

/s/ Mark A. Shaffer, by power of attorney  
12/06/2018

\*\*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 number of securities shown as being held in Issuer's 401(k) account for the Reporting Person's benefit is the approximate number of shares of common stock. De minimis fractional interests reported by the Issuer's 401(k) Plan trustee/administrator and held indirectly through the Plan's stock purchase account are not reflected.
  - (2) Mr. Rallo disclaims beneficial ownership of these shares.
  - (3) These options became fully vested on October 1, 2013.
  - (4) These options became fully vested on October 1, 2014.
  - (5) These restricted stock units will vest, if at all, based on the Issuer's achievement of certain financial milestones.
  - (6) These options became fully vested on October 1, 2015.
  - (7) These options became fully vested on October 1, 2016.
  - (8) Twenty-five percent of this option grant vested on July 18, 2014 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
  - (9) These options became fully vested on October 1, 2017.
  - (10) 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.
  - (11) 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.

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- (12) 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.
- (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 April 1, 2018 and thereafter 1/4th of the restricted stock grant will vest on each of October 1, 2018, October 1, 2019, and October 1, 2020.
- (15) 18/48th of this option grant vested on April 1, 2018 and thereafter 1/48th of this option grant will vest each month for thirty months.  
This option becomes exercisable, if at all, based on total shareholder return (TSR) milestones. TSR is calculated based on the change in a the issuer's stock price during the performance period, taking into account any dividends paid during that period, which are assumed to be reinvested in the stock
- (16) These restricted stock units vest, if at all, based on total shareholder return (TSR) milestones. TSR is calculated based on the change in a the issuer's stock price during the performance period, taking into account any dividends paid during that period, which are assumed to be reinvested in the stock.
- (17) 15/48th of this option grant will vest on January 1, 2019 and thereafter 1/48th of the option grant will vest each month for thirty three months.
- (18) Twenty-five percent of this restricted stock grant will vest on January 1, 2019 and thereafter 1/4th of the restricted stock grant will vest on each October 1, 2019, October 1, 2020, and October 1, 2021.
- (19) 15/48th of this option grant will vest on January 1, 2020 and thereafter 1/48th of the option grant will vest each month for thirty three months.
- (20) Twenty-five percent of this restricted stock grant will vest on January 1, 2020 and thereafter 1/4th of the restricted stock grant will vest on each October 1, 2020, October 1, 2021, and October 1, 2022.

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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