

Williams James Edwin
Form 4
March 20, 2007

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 *
Williams James Edwin

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)
03/14/2007

____ Director ____ 10% Owner
X Officer (give title below) ____ Other (specify below)
VP, Gen. Counsel & Secretary

(Street)
WASHINGTON, DC 20036

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

(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	03/14/2007		M	3,437	A \$ 7	4,137	D
Common Stock	03/19/2007		S	3,437	D \$ 17.055	700	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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(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)	8. Amount or Number of Shares
Employee Stock Option ⁽¹⁾	\$ 7	03/14/2007		M	3,437	<u>(2)</u> 12/22/2015	Common Stock	3,437
Employee Stock Option	\$ 7					<u>(3)</u> 03/30/2016	Common Stock	30,000

Reporting Owners

Reporting Owner Name / Address	Relationships
Williams James Edwin C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR WASHINGTON, DC 20036	Director 10% Owner Officer Other VP, Gen. Counsel & Secretary

Signatures

/s/ James E. Williams 03/19/2007

__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) Exercise of Stock Options granted under the 2005 Stock Option and Incentive Plan.

(2) This option vested as to 25% on November 11, 2006 and has vested, and will continue to vest, at 2.083% per month thereafter on the first day of each month for the next 36 months.

(3) One-quarter of the options vest on March 30, 2007, with the remaining options vesting in monthly installments through March 30, 2010.

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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