

Rallo James M  
Form 4  
April 25, 2019

**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)  
04/23/2019

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Former 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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|                 |  |  |  |  |     |   |   |
|-----------------|--|--|--|--|-----|---|---|
|                 |  |  |  |  |     |   | Rallo MD<br>UTMA <sup>(2)</sup>   |
| Common<br>Stock |  |  |  |  | 460 | I | By James<br>M. Rallo<br>Cust.<br>Melissa<br>Rallo MD<br>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<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) | 8. Pri<br>Deriv<br>Secur<br>(Instr |                                     |
|---|--|---|---|--------------------------------------|--|--|---|------------------------------------|-------------------------------------|
|   |  |   |   | Code                                 | V (A) (D)  | Date<br>Exercisable  | Expiration<br>Date  | Title                              | Amount<br>or<br>Number<br>of Shares |
| Employee<br>Stock<br>Option                         | \$ 15.47   |   |   |                                      |  | <sup>(3)</sup>   | 10/01/2020  | Common<br>Stock                    | 6,678                               |
| Employee<br>Stock<br>Option                         | \$ 31.37   |   |   |                                      |  | <sup>(4)</sup>   | 10/01/2021  | Common<br>Stock                    | 12,358                              |
| Employee<br>Stock<br>Option                         | \$ 38.09   |   |   |                                      |  | <sup>(5)</sup>   | 10/01/2022  | Common<br>Stock                    | 3,335                               |
| Employee<br>Stock<br>Option                         | \$ 29.47   |   |   |                                      |  | <sup>(6)</sup>   | 07/18/2023  | Common<br>Stock                    | 24,871                              |
| Employee<br>Stock<br>Option                         | \$ 21.99   |   |   |                                      |  | <sup>(7)</sup>   | 10/01/2023  | Common<br>Stock                    | 9,938                               |
|   | \$ 10.41   |   |   |                                      |  | <sup>(8)</sup>   | 10/01/2024  |                                    | 12,675                              |

|                             |         |      |            |                 |        |
|-----------------------------|---------|------|------------|-----------------|--------|
| Employee<br>Stock<br>Option |         |      |            | Common<br>Stock |        |
| Employee<br>Stock<br>Option | \$ 6.63 | (9)  | 10/01/2025 | Common<br>Stock | 12,239 |
| Employee<br>Stock<br>Option | \$ 6.63 | (10) | 10/01/2025 | Common<br>Stock | 2,623  |
| Employee<br>Stock<br>Option | \$ 8.3  | (11) | 10/01/2026 | Common<br>Stock | 2,906  |
| Employee<br>Stock<br>Option | \$ 4.47 | (12) | 10/01/2027 | Common<br>Stock | 56,052 |
| Employee<br>Stock<br>Option | \$ 4.47 | (13) | 10/01/2027 | Common<br>Stock | 23,355 |

## Reporting Owners

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

## Signatures

/s/ Mark A. Shaffer, by power of attorney  
04/25/2019

\*\*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).

- 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.
- (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, 2014.
  - (4) These options became fully vested on October 1, 2015.
  - (5) These options became fully vested on October 1, 2016.
  - (6) These options became fully vested on July 18, 2017.

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- (7) These options became fully vested on October 1, 2017.
- (8) These options became fully vested on October 1, 2018.
- (9) 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.
- (10) 75% of the options were certified as vested on December 6, 2018. The remaining options become exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
- (11) 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
- (12) 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.

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.