
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
(AMENDMENT NO. 1)

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) February 13, 2007

LADENBURG THALMANN FINANCIAL
SERVICES INC.

(Exact Name of Registrant as Specified in Charter)

<u>Florida</u> (State or Other Jurisdiction of Incorporation)	<u>1-15799</u> (Commission File Number)	<u>65-0701248</u> (IRS Employer Identification No.)
<u>4400 Biscayne Boulevard, 12th Floor, Miami, Florida</u> (Address of Principal Executive Offices)		<u>33137</u> (Zip Code)

Registrant's telephone number, including area code (212) 409-2000

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On July 2, 2007, Ladenburg Thalmann Financial Services Inc. (“Company”) announced that it consummated the transactions contemplated by the previously announced Debt Exchange Agreement, dated as of February 13, 2007 (“Exchange Agreement”), with New Valley LLC (“New Valley”), the holder of promissory notes due March 31, 2007 in the principal amount of \$5,000,000. Pursuant to the Exchange Agreement, New Valley exchanged the principal amount of the promissory notes for 2,777,778 shares of the Company’s common stock, \$.0001 per share (“Debt Exchange”) at an exchange price of \$1.80 per share, representing the average closing price of the Company’s common stock for the 30 trading days ending on the date of the Exchange Agreement. The Debt Exchange was completed on June 29, 2007 after a majority of the Company’s shareholders approved the transaction at the Company’s annual shareholders’ meeting. The Company paid accrued interest on the promissory notes of approximately \$1,730,000 in cash at the Debt Exchange closing.

As a result of the Debt Exchange, New Valley’s beneficial ownership of the Company’s common stock increased from approximately 7.2% to approximately 8.7%. New Valley is wholly-owned by Vector Group Ltd.. As provided in the Exchange Agreement, the shares of Company common stock received by New Valley in the Debt Exchange were registered for re-sale pursuant to a registration statement (File Number 333-141517) filed by the Company with the Securities and Exchange Commission (“Commission”).

The summary of the foregoing transactions is qualified by reference to the text of the Exchange Agreement, which is incorporated by reference herein. The Exchange Agreement was filed as Exhibit 10.1 to the Company’s current report on Form 8-K, filed with the Commission on February 14, 2007.

Item 3.02 Unregistered Sales of Equity Securities.

See Item 1.01, which is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

- 10.1 Debt Exchange Agreement, dated as of February 13, 2007, among Ladenburg Thalmann Financial Services Inc. and New Valley LLC (incorporated by reference to Exhibit 10.1 of the Company’s current report on Form 8-K, filed on February 14, 2007).
- 99.1 Press release dated February 14, 2007 (incorporated by reference to Exhibit 99.1 of the Company’s current report on Form 8-K, filed on February 14, 2007).
- 99.2 Press release dated July 2, 2007.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 2, 2007

LADENBURG THALMANN FINANCIAL SERVICES INC.

By: /s/ Diane Chillemi

Name: Diane Chillemi

Title: Vice President and Chief Financial Officer



NEWS
FOR IMMEDIATE RELEASE

Contact: Paul Caminiti/Carrie Bloom/Jonathan Doorley
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**LADENBURG THALMANN RETIRES REMAINING DEBT AND RE-ELECTS
11 BOARD MEMBERS AT ANNUAL MEETING**

MIAMI, FL, July 2, 2007 — Ladenburg Thalmann Financial Services Inc. (AMEX: LTS) today announced that it has completed the retirement of its remaining debt, \$5,000,000 principal amount of promissory notes held by New Valley LLC, in exchange for 2,777,778 shares of Ladenburg common stock. The debt exchange was completed on June 29, 2007 after a majority of the Ladenburg shareholders approved the transaction at the annual meeting held in New York City. As previously announced, New Valley had agreed in February 2007 to convert the principal amount of its notes into Ladenburg common stock at an exchange price of \$1.80, representing the average closing price for the 30 trading days ending on the date of the debt exchange agreement. The accrued interest on the notes of approximately \$1.73 million was paid in cash.

Ladenburg also announced that its shareholders re-elected Henry C. Beinstein, Robert J. Eide, Dr. Phillip Frost, Brian S. Genson, Saul Gilinski, Dr. Richard M. Krasno, Richard J. Lampen, Howard M. Lorber, Jeffrey S. Podell, Richard J. Rosenstock and Mark Zeitchick to the Company's Board of Directors.

Dr. Phillip Frost, Chairman of the Board of Ladenburg, said "We are pleased to have completed the debt exchange, which retires our remaining indebtedness and increases shareholders' equity. This transaction completes the recapitalization of Ladenburg undertaken over the past two years and positions the Company for future growth."

As a result of the debt exchange, New Valley's beneficial ownership of Ladenburg's common stock increased from approximately 7.1% to 8.7%. New Valley is wholly-owned by Vector Group Ltd.

About Ladenburg

Ladenburg Thalmann Financial Services, included in the Russell 3000^(R) and Russell 2000^(R) indexes, is engaged in retail and institutional securities brokerage, investment banking and asset management services through its principal operating subsidiary, Ladenburg Thalmann & Co. Inc. Founded in 1876 and a New York Stock Exchange member since 1879, Ladenburg Thalmann & Co. is a full service investment banking and brokerage firm based in New York City, with regional offices in Miami and Boca Raton, Florida; Los Angeles, California; Melville, New York; Lincolnshire, Illinois; and Princeton, New Jersey. Ladenburg, based in Miami, Florida, provides corporate finance, asset management, brokerage, trading and research services, principally for middle market and emerging growth companies and high net worth individuals.

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This press release includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive and/or regulatory factors, and other risks and uncertainties affecting the operation of the business of the Company. These risks, uncertainties and contingencies include those set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, as amended, and other factors detailed from time to time in its other filings with the Securities and Exchange Commission, including, but not limited to, the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007. The information set forth herein should be read in light of such risks. The Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise.