

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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 FROST PHILLIP MD ET AL		2. Issuer Name and Ticker or Trading Symbol LADENBURG THALMANN FINANCIAL SERVICES INC [LTS]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)	
(Last) (First) (Middle) 4400 BISCAYNE BOULEVARD		3. Date of Earliest Transaction (Month/Day/Year) 10/05/2006			
(Street) MIAMI, FL 33137-3227		4. If Amendment, Date Original Filed (Month/Day/Year)		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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 (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	(A) or (D)	Price			
Common Stock	10/05/2006		P		150,000	A	\$ 0.9917	4,572,478	I	Frost Gamma Investments Trust (1)
Common Stock								43,013,431	I	Frost Nevada Investments Trust (2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date					

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FROST PHILLIP MD ET AL 4400 BISCAYNE BOULEVARD MIAMI, FL 33137-3227	X	X		

Signatures

/s/ Phillip Frost, M.D.	10/06/2006
<small>Signature of Reporting Person</small>	<small>Date</small>

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) These securities are held by Frost Gamma Investments Trust, of which the reporting person is the trustee and Frost Gamma Limited Partnership is the sole and exclusive beneficiary. The reporting person is one of two limited partners of Frost Gamma Limited Partnership. On December 13, 2005 Frost Beta II LP became a limited partner of Frost Gamma Limited Partnership. Patricia Frost (wife of Phillip Frost, M.D.) and the Frost Family Charitable Remainder Trust are the two limited partners of Frost Beta II LP. The general partner of Frost Beta II LP is Frost Beta II, Inc. (Subsidiary of Frost Beta, Inc.) and sole shareholder of Frost Beta, Inc. is Phillip Frost. The general partner of Frost Gamma LP is Frost Gamma, Inc. and the sole shareholder of Frost Gamma, Inc. is Frost-Nevada Corporation. The reporting person is also the sole shareholder of Frost-Nevada Corporation.

(2) These securities are held by Frost Nevada Investments Trust, of which the reporting person is the trustee and Frost-Nevada Limited Partnership is the sole and exclusive beneficiary. The reporting person is one of five limited partners of Frost-Nevada Limited Partnership and the sole shareholder of Frost-Nevada Corporation, the sole general partner of Frost-Nevada, L.P. On December 14, 2005 Patricia Frost (wife of Phillip Frost, M.D.) became a Limited Partner of Frost-Nevada L.P. On December 29, 2005 the Frost Family Charitable Remainder Trust became a limited partner of Frost Beta LP, an existing partner of Frost-Nevada, L.P.

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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