

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended June 30, 2010

OR

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

Commission File Number 001-15799

Ladenburg Thalmann Financial Services Inc.

(Exact name of registrant as specified in its charter)

Florida

*(State or other jurisdiction of
incorporation or organization)*

65-0701248

*(I.R.S. Employer
Identification Number)*

4400 Biscayne Boulevard, 12th Floor

Miami, Florida

(Address of principal executive offices)

33137

(Zip Code)

(212) 409-2000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of August 9, 2010, there were 181,326,987 shares of the registrant's common stock outstanding.

**LADENBURG THALMANN FINANCIAL SERVICES INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2010**

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

LADENBURG THALMANN FINANCIAL SERVICES INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(in thousands, except share and per share amounts)

	June 30, 2010 (Unaudited)	December 31, 2009
ASSETS		
Cash and cash equivalents	\$ 5,973	\$ 5,702
Securities owned at fair value	3,297	2,209
Receivables from clearing brokers	13,329	13,406
Receivables from other broker-dealers	1,102	329
Other receivables, net	5,443	6,203
Furniture, equipment and leasehold improvements, net	2,788	3,154
Restricted assets	200	350
Intangible assets, net	26,994	28,509
Goodwill	29,739	29,739
Unamortized debt issue cost	1,738	1,879
Other assets	2,733	3,157
	<u>93,336</u>	<u>94,637</u>
Total assets	<u>\$ 93,336</u>	<u>\$ 94,637</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Securities sold, but not yet purchased, at market value	\$ 9	\$ 9
Accrued compensation	4,216	4,299
Commissions and fees payable	5,589	5,957
Accounts payable and accrued liabilities	4,339	5,671
Deferred rent	3,170	3,378
Deferred income taxes	2,092	1,726
Accrued interest	634	365
Notes payable	25,511	35,438
	<u>45,560</u>	<u>56,843</u>
Total liabilities	<u>\$ 45,560</u>	<u>\$ 56,843</u>
Commitments and contingencies (Note 6)		
Shareholders' equity:		
Preferred stock, \$.0001 par value; 2,000,000 shares authorized; none issued	—	—
Common stock, \$.0001 par value; 400,000,000 shares authorized; shares issued and outstanding, 181,326,987 in 2010 and 167,907,038 in 2009	18	17
Additional paid-in capital	187,962	171,349
Accumulated deficit	(140,204)	(133,572)
	<u>47,776</u>	<u>37,794</u>
Total shareholders' equity	<u>47,776</u>	<u>37,794</u>
Total liabilities and shareholders' equity	<u>\$ 93,336</u>	<u>\$ 94,637</u>

See accompanying notes.

LADENBURG THALMANN FINANCIAL SERVICES INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)
(Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Revenues:				
Commissions and fees	\$ 38,092	\$ 29,169	\$ 74,520	\$ 55,940
Investment banking	6,302	1,660	10,888	5,673
Asset management	750	452	1,361	907
Principal transactions	(161)	469	130	173
Interest and dividends	137	820	263	1,856
Other income	2,464	1,755	4,393	3,066
Total revenues	\$ 47,584	\$ 34,325	\$ 91,555	\$ 67,615
Expenses:				
Commissions and fees	\$ 28,624	\$ 20,625	\$ 55,550	\$ 39,056
Compensation and benefits	10,892	8,988	22,231	18,898
Non-cash compensation	1,605	1,665	3,365	3,585
Brokerage, communication and clearance fees	1,770	1,731	3,354	3,447
Rent and occupancy, net of sublease revenue	863	718	1,739	2,109
Professional services	1,035	1,278	2,147	3,337
Interest	936	1,050	1,892	2,178
Depreciation and amortization	915	931	1,829	1,870
Other	2,985	2,179	5,653	3,975
Total expenses	\$ 49,625	\$ 39,165	\$ 97,760	\$ 78,455
Loss before income taxes	(2,041)	(4,840)	(6,205)	(10,840)
Income tax expense	188	318	427	559
Net loss	\$ (2,229)	\$ (5,158)	\$ (6,632)	\$ (11,399)
Net loss per common share (basic and diluted)	\$ (0.01)	\$ (0.03)	\$ (0.04)	\$ (0.07)
Weighted average common shares used in computation of per share data:				
Basic	170,744,411	167,318,663	169,326,908	169,510,804
Diluted	170,744,411	167,318,663	169,326,908	169,510,804

See accompanying notes.

LADENBURG THALMANN FINANCIAL SERVICES INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(in thousands, except share amounts)
(Unaudited)

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>			
Balance, December 31, 2009	167,907,038	\$ 17	\$ 171,349	\$ (133,572)	\$ 37,794
Issuance of common stock in private equity offering, net of expenses of \$116	13,325,000	1	13,208	—	13,209
Issuance of common stock under employee stock purchase plan	28,319	—	29	—	29
Exercise of stock options	132,000	—	75	—	75
Stock options granted to members of former Advisory Board and consultants	—	—	10	—	10
Stock-based compensation to employees	—	—	3,355	—	3,355
Repurchase and retirement of common stock	(65,370)	—	(64)	—	(64)
Net loss	<u>—</u>	<u>—</u>	<u>—</u>	<u>(6,632)</u>	<u>(6,632)</u>
Balance, June 30, 2010	<u>181,326,987</u>	<u>\$ 18</u>	<u>\$ 187,962</u>	<u>\$ (140,204)</u>	<u>\$ 47,776</u>

See accompanying notes.

LADENBURG THALMANN FINANCIAL SERVICES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Six months ended June 30,	
	2010	2009
Cash flows from operating activities:		
Net loss	\$ (6,632)	\$ (11,399)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	315	286
Adjustment to deferred rent	(4)	—
Amortization of debt discount	200	409
Amortization of intangible assets	1,514	1,584
Amortization of debt issue cost	141	320
Deferred income taxes	366	361
Accrued interest	269	39
Non-cash compensation expense	3,365	3,585
Disposal of furniture, equipment and leasehold improvements	4	—
(Increase) decrease in operating assets:		
Securities owned	(1,088)	1,209
Receivables from clearing brokers	77	1,569
Receivables from other broker-dealers	(773)	(116)
Other receivables, net	760	(1,468)
Other assets	391	596
Increase (decrease) in operating liabilities:		
Securities sold, but not yet purchased	—	(39)
Accrued compensation	(83)	(329)
Commissions and fees payable	(368)	(474)
Accounts payable and accrued liabilities	(1,332)	409
Net cash used in operating activities	(2,878)	(3,458)
Cash flows from investing activities:		
Purchases of furniture, equipment and leasehold improvements	(123)	(58)
Decrease in restricted assets	150	301
Net cash provided by investing activities	27	243
Cash flows from financing activities:		
Issuance of common stock in private equity offering	13,209	—
Issuance of common stock under stock plans	104	186
Repurchases of common stock	(64)	(2,717)
Principal (payments) borrowings under revolving credit facility, net	(6,700)	6,350
Principal payments on other notes payable	(3,427)	(3,302)
Net cash provided by financing activities	3,122	517
Net increase (decrease) in cash and cash equivalents	271	(2,698)
Cash and cash equivalents, beginning of period	5,702	6,621
Cash and cash equivalents, end of period	\$ 5,973	\$ 3,923
Supplemental cash flow information		
Interest paid	\$ 1,269	\$ 1,381
Taxes paid	16	34

See accompanying notes.

LADENBURG THALMANN FINANCIAL SERVICES INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except share and per share amounts)
(Unaudited)

1. Description of Business and Basis of Presentation

Description of Business

Ladenburg Thalmann Financial Services Inc. (“LTS” or the “Company”) is a holding company. Its wholly-owned principal operating subsidiaries are Ladenburg Thalmann & Co. Inc. (“Ladenburg”), Investacorp, Inc. (collectively with related companies, “Investacorp”), Triad Advisors, Inc. (“Triad”) and Ladenburg Thalmann Asset Management Inc. (“LTAM”).

Ladenburg is a full service registered broker-dealer that has been a member of the New York Stock Exchange (“NYSE”) since 1879. Broker-dealer activities include sales and trading and investment banking. Ladenburg provides its services principally for middle market and emerging growth companies and high net worth individuals through a coordinated effort among corporate finance, capital markets, brokerage and trading professionals.

Investacorp and Triad, which were acquired on October 19, 2007 and August 13, 2008, respectively, are registered broker-dealers and investment advisors that have been serving the independent financial advisor community since 1978 and 1998, respectively. Investacorp’s and Triad’s independent financial advisors primarily serve retail clients. Investacorp and Triad derive revenue from advisory fees and commissions, primarily from the sale of mutual funds, variable annuity products and other financial products and services.

LTAM is a registered investment advisor. It offers various asset management products utilized by Ladenburg clients, as well as clients of Investacorp’s and Triad’s financial advisors.

Ladenburg, Investacorp and Triad customer transactions are cleared through a single clearing broker on a fully-disclosed basis. Each of Ladenburg, Investacorp and Triad is subject to regulation by, among others, the Securities and Exchange Commission (“SEC”), the Financial Industry Regulatory Authority and the Municipal Securities Rulemaking Board. Triad is also subject to regulation by the Commodities Futures Trading Commission and the National Futures Association.

Basis of Presentation

The condensed consolidated financial statements are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, the interim data includes all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the results for the periods presented. Because of the nature of the Company’s business, interim period results may not be indicative of full year or future results.

The unaudited condensed consolidated financial statements do not include all information and notes required in annual audited financial statements in conformity with GAAP. The statement of financial condition at December 31, 2009 has been derived from the audited financial statements at that date, but does not include all of the information and notes required by GAAP for complete financial statement presentation. Please refer to the notes to the consolidated financial statements included in the Company’s annual report on Form 10-K for the year ended December 31, 2009, filed with the SEC, for additional disclosures and a description of accounting policies.

Certain prior year items have been reclassified to conform to the current period’s presentation. All significant intercompany balances and transactions have been eliminated.

The Company has evaluated subsequent events through the date the financial statements contained in this report were issued.

LADENBURG THALMANN FINANCIAL SERVICES INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

2. Securities Owned and Securities Sold, But Not Yet Purchased

The components of securities owned and securities sold, but not yet purchased, at fair value at June 30, 2010 and December 31, 2009 were as follows:

	Securities owned	Securities sold, but not yet purchased
June 30, 2010		
Common stock and warrants	\$ 975	\$ —
Restricted common stock and warrants	2,322	9
Total	\$ 3,297	\$ 9
December 31, 2009		
Certificates of deposit	\$ 100	\$ —
Common stock and warrants	517	—
Restricted common stock and warrants	1,592	9
Total	\$ 2,209	\$ 9

As of June 30, 2010 and December 31, 2009, approximately \$1,084 and \$687, respectively, of securities owned were deposited with the Company's subsidiaries' clearing brokers. Under the clearing agreements with such clearing brokers, the securities may be sold or hypothecated by such clearing brokers. At June 30, 2010, the Company's subsidiaries had a single clearing broker.

Securities sold, but not yet purchased, at fair value represent obligations of the Company's subsidiaries to purchase the specified financial instrument at the then current market price. Accordingly, these transactions result in off-balance-sheet risk as the Company's subsidiaries' ultimate obligation to repurchase such securities may exceed the amount recognized in the condensed consolidated statements of financial condition.

The fair value hierarchy, established under authoritative accounting guidance, ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 —quoted prices in active markets for identical assets or liabilities.
- Level 2 —inputs, other than quoted prices in active markets, that are directly or indirectly observable for the asset or liability.
- Level 3 — unobservable inputs for the asset where there is little or no market data, which requires the reporting entity to develop its own assumptions.

Securities are carried at fair value and classified as follows:

As of June 30, 2010:

Securities owned, at fair value	Level 1	Level 2	Level 3	Total
Common stock and warrants	\$ 975	\$ 2,322	\$ —	\$ 3,297
Total	\$ 975	\$ 2,322	\$ —	\$ 3,297

LADENBURG THALMANN FINANCIAL SERVICES INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

Securities sold, but not yet purchased, at fair value	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stock and warrants	\$ —	\$ 9	\$ —	\$ 9
Total	<u>\$ —</u>	<u>\$ 9</u>	<u>\$ —</u>	<u>\$ 9</u>

As of December 31, 2009:

Securities owned, at fair value	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ —	\$ 100	\$ —	\$ 100
Common stock and warrants	517	1,592	—	2,109
Total	<u>\$ 517</u>	<u>\$ 1,692</u>	<u>\$ —</u>	<u>\$ 2,209</u>

Securities sold, but not yet purchased, at fair value	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stock and warrants	\$ —	\$ 9	\$ —	\$ 9
Total	<u>\$ —</u>	<u>\$ 9</u>	<u>\$ —</u>	<u>\$ 9</u>

Warrants are valued by using the Black-Scholes option pricing model which takes into account the underlying securities current market value, the market volatility of the underlying securities, the term of the warrants, exercise price, and risk-free rate of return. As of June 30, 2010 and December 31, 2009, the fair value of the warrants was \$2,081 and \$1,351, respectively, and is included in common stock and warrants (level 2) above.

3. Net Capital Requirements

As a registered broker-dealer, Ladenburg is subject to the SEC's Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital. Ladenburg has elected to compute its net capital under the alternative method allowed by these rules. At June 30, 2010, Ladenburg had net capital, as defined in the SEC's Net Capital Rule, of \$3,919, which exceeded its minimum capital requirement of \$250, by \$3,669.

Investacorp and Triad are also subject to the SEC's Net Capital Rule, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined in the SEC's Net Capital Rule, not exceed 15 to 1. At June 30, 2010, Investacorp had net capital of \$1,196 which was \$927 in excess of its required net capital of \$269. Investacorp's net capital ratio was 3.4 to 1. At June 30, 2010, Triad had net capital of \$2,338, which was \$2,088 in excess of its required net capital of \$250. Triad's net capital ratio was 1.5 to 1.

Ladenburg, Investacorp and Triad claim exemption from the provisions of the SEC's Rule 15c3-3 pursuant to paragraph (k) (2) (ii) of such Rule as they clear their customer transactions through a correspondent broker on a fully-disclosed basis.

Effective April 5, 2010, Ladenburg withdrew its membership from the National Futures Association.

4. Income Taxes

Income tax expense for the three months and six months ended June 30, 2010 primarily represents deferred income taxes relating to amortization of goodwill for tax purposes.

LADENBURG THALMANN FINANCIAL SERVICES INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

5. Notes Payable

Notes payable consisted of the following:

	June 30, 2010	December 31, 2009
Note payable to former Investacorp shareholder, net of \$21 and \$124 of unamortized discount at June 30, 2010 and December 31, 2009, respectively	\$ 1,738	\$ 4,230
Note payable to affiliate of principal shareholder of LTS	11,750	18,450
Note payable to former Triad shareholders, net of \$106 and \$204 of unamortized discount at June 30, 2010 and December 31, 2009, respectively	2,023	2,758
Note payable to clearing firm under forgivable loan	10,000	10,000
Total	\$ 25,511	\$ 35,438

The Company estimates that the fair value of notes payable was \$21,985 at June 30, 2010 and \$30,076 at December 31, 2009 based on interest rates at which similar amounts of debt could then be borrowed.

6. Commitments and Contingencies

Litigation and Regulatory Matters

In May 2003, a suit was filed in the U.S. District Court for the Southern District of New York by Sedona Corporation against Ladenburg, former employees of Ladenburg and a number of other firms and individuals. The plaintiff alleged, among other things, that certain defendants (not Ladenburg) purchased convertible securities from plaintiff and then allegedly manipulated the market to obtain an increased number of shares from the conversion of those securities. Ladenburg acted as placement agent and not as principal in those transactions. Plaintiff's original complaint alleged that Ladenburg and the other defendants violated federal securities laws and various state laws. In August 2005, Ladenburg's motion to dismiss was granted in part and denied in part. On May 27, 2009, the Court granted in part and denied in part motions to dismiss the Second Amended Complaint, and granted plaintiff leave to replead. On July 9, 2009, plaintiff filed its Third Amended Complaint, which contains no claims under the federal securities laws, leaving only common law claims; the plaintiff seeks compensatory damages from the defendants of at least \$660,000 and punitive damages of \$400,000. Ladenburg's motion to dismiss the Third Amended Complaint is currently pending. The Company believes the plaintiff's claims are without merit and intends to vigorously defend against them.

In July 2004, a suit was filed in the U.S. District Court for the Eastern District of Arkansas by Pet Quarters, Inc. against Ladenburg, a former employee of Ladenburg and a number of other firms and individuals. The plaintiff alleged, among other things, that certain defendants (not Ladenburg) purchased convertible securities from the plaintiff and then allegedly manipulated the market to obtain an increased number of shares from the conversion of those securities. Ladenburg acted as placement agent and not as principal in those transactions. Plaintiff has alleged that Ladenburg and the other defendants violated federal securities laws and various state laws. The plaintiff seeks compensatory damages from the defendants of at least \$400,000. In April 2006, Ladenburg's motion to dismiss was granted in part and denied in part. On July 23, 2010, the plaintiff dismissed its claims against all defendants other than Ladenburg and the former Ladenburg employee. The Company believes that the plaintiff's claims are without merit and intends to vigorously defend against them.

In July 2008, a suit was filed in the Circuit Court for the 17th Judicial Circuit, Broward County, Florida, by BankAtlantic and BankAtlantic Bancorp, Inc. against Ladenburg and a former Ladenburg research analyst. The plaintiffs alleged, among other things, that research reports issued by defendants were false and defamatory, and that defendants were liable for defamation per se and negligence; the amount of the alleged damages was unspecified. In February 2010, the plaintiffs entered into a settlement agreement resolving all claims against Ladenburg; the settlement expense is reflected in accrued liabilities in the Company's 2009 financial statements. On July 1, 2010, the plaintiffs and the former research analyst voluntarily dismissed the remaining claims with prejudice. The former research analyst has indicated that he may initiate a proceeding against Ladenburg and the Company for indemnification and breach of contract seeking reimbursement of expenses he incurred in defending the suit; the Company believes such claims are without merit and intends to vigorously defend against them.



LADENBURG THALMANN FINANCIAL SERVICES INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

In February 2010, an arbitration case was commenced by a former employee against Ladenburg and the Company. The claim asserted breach of an employment agreement and sought compensatory damages of \$750. In April 2010, Ladenburg and the Company entered into an agreement with the former employee resolving all claims, which had no material effect on the Company's 2010 financial statements.

One of the Company's broker-dealer subsidiaries had a short-term net-capital deficiency, discovered during a routine regulatory review, that was not disclosed properly on a monthly FOCUS report. The broker-dealer subsidiary has taken, and continues to take, corrective actions, including reporting the deficiency to governmental and self-regulatory organizations, reviewing net capital compliance for historical periods, implementing new procedures to monitor net capital compliance, and terminating the employee who had primary responsibility for monitoring and reporting its net capital. The Company is unable to determine whether and to what extent any governmental and/or self-regulatory organizations may seek to discipline such broker-dealer subsidiary concerning this matter. Such disciplinary actions could include fines, a suspension of such subsidiary's operations and/or rescission of such subsidiary's revenues relating to the period of non-compliance, any of which could have a material adverse effect on the Company's results of operations and financial condition.

In the ordinary course of business, the Company's subsidiaries are defendants in litigation and arbitration proceedings and may be subject to unasserted claims or arbitrations primarily in connection with their activities as securities broker-dealers or as a result of services provided in connection with securities offerings. Such litigation and claims may involve substantial or indeterminate amounts and are in varying stages of legal proceedings. When the Company believes that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated, the Company includes an estimation of such amount in accounts payable and accrued liabilities.

Upon final resolution, amounts payable may differ materially from amounts accrued. The Company had accrued liabilities in the amount of approximately \$328 at June 30, 2010 and \$453 at December 31, 2009 for these matters. For other pending matters, the Company is unable to estimate a range of possible loss; however, in the opinion of management, after consultation with counsel, the ultimate resolution of these matters should not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

7. Off-Balance-Sheet Risk and Concentration of Credit Risk

Ladenburg, Investacorp and Triad do not carry accounts for customers or perform custodial functions related to customers' securities. They introduce all of their customer transactions, which are not reflected in these financial statements, to their clearing broker, which maintains cash and the customers' accounts and clears such transactions. Also, the clearing broker provides the clearing and depository operations for proprietary securities transactions. These activities may expose the Company to off-balance-sheet risk in the event that customers do not fulfill their obligations to the clearing broker, as each of Ladenburg, Investacorp and Triad has agreed to indemnify the clearing broker for any resulting losses. Each of Ladenburg, Investacorp and Triad continually assesses risk associated with each customer who is on margin credit and records an estimated loss when management believes collection from the customer is unlikely.

The clearing operations for the Ladenburg, Investacorp and Triad securities transactions are provided by one clearing broker, a large financial institution. At June 30, 2010, a significant percentage of securities owned and amounts due from clearing brokers reflected in the consolidated statements of financial condition are positions held at, and amounts due from, this one clearing broker. The Company is subject to credit risk should this clearing broker be unable to fulfill its obligations.

In the normal course of its business, Ladenburg, Investacorp and Triad may enter into transactions in financial instruments with off-balance sheet risk. These financial instruments consist of financial futures contracts, written equity index option contracts and securities sold, but not yet purchased. As of June 30, 2010, Ladenburg, Investacorp and Triad were not contractually obligated for any equity index or financial futures contracts; however, Ladenburg and Triad sold securities that they do not own and will therefore be obligated to purchase such securities at a future date. These obligations have been recorded in the statements of financial condition at market values of the related securities, and Ladenburg and Triad will incur a loss if the market value of the securities increases subsequent to June 30, 2010.

LADENBURG THALMANN FINANCIAL SERVICES INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

The Company and its subsidiaries maintain cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

8. Shareholders' Equity

Private Equity Offering

On May 28, 2010, the Company entered into stock purchase agreements with various investors, under which the investors agreed to purchase an aggregate of 14,050,000 shares of the Company's common stock, par value \$0.0001 per share (the "Shares"), at a price of \$1.00 per share. On June 15, 2010, the Company completed the sale of an aggregate of 13,325,000 of the Shares and received gross proceeds of \$13,325 from investors who are not affiliated with the Company. In accordance with NYSE Amex rules, the closing of the sale of an aggregate of 725,000 of the Shares to investors who are directors and executive officers of the Company, or affiliates thereof, will be subject to shareholder approval at the Company's 2010 Annual Meeting to be held on September 24, 2010. The funds received from the private equity offering were used for general corporate purposes, including payment of debt.

Repurchase Program

In March 2007, the Company's board of directors authorized the repurchase of up to 2,500,000 shares of the Company's common stock from time to time on the open market or in privately negotiated transactions, depending on market conditions. The repurchase program is funded using approximately 15% of the Company's EBITDA, as adjusted. As of June 30, 2010, 1,013,194 shares had been repurchased for \$1,753 under the program.

In April 2009, the Company repurchased 4,500,000 shares of common stock at a price of \$0.60 per share (an aggregate of \$2,700) in a privately-negotiated transaction. This purchase was not made under the Company's share repurchase program, which remains in effect.

Stock Compensation Plans

On January 14, 2010, the Company granted options to purchase an aggregate of 3,645,000 shares of the Company's common stock at an exercise price of \$0.90 per share to employees and directors. The options, which expire on January 14, 2020, vest 25% on each of the first four anniversaries of the date of grant. The Company has valued the options at \$1,964 using the Black-Scholes option pricing model.

As of June 30, 2010, there was \$5,729 of unrecognized compensation cost for stock-based compensation, of which \$1,644 related to the 2010 grants. This cost is expected to be recognized over the vesting periods of the options, which on a weighted-average basis are approximately 1.2 years for all grants and approximately 3.5 years for the 2010 grant.

The total intrinsic value of options exercised during the three and six months ended June 30, 2010 was \$62 and \$74, respectively.

9. Per Share Data

Basic net loss per common share is computed using the weighted-average number of common shares outstanding. The dilutive effect of common shares potentially issuable under outstanding options and warrants is included in diluted earnings per share. The computations of basic and diluted per share data were as follows:

	Three months ended		Six months ended	
	June 30, 2010	2009	June 30, 2010	2009
Net loss	\$ (2,229)	\$ (5,158)	\$ (6,632)	\$ (11,399)
Weighted-average common shares outstanding basic and diluted	170,744,411	167,318,663	169,326,908	169,510,804

Net loss per common share:

Basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.03)</u>	<u>\$ (0.04)</u>	<u>\$ (0.07)</u>
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At June 30, 2010 and 2009, options and warrants to purchase 30,574,290 and 28,571,415 common shares, respectively, were not included in the computation of diluted loss per share as the effect would have been anti-dilutive.

LADENBURG THALMANN FINANCIAL SERVICES INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

10. Segment Information

The Company has two operating segments. The Ladenburg segment includes the broker-dealer and asset management activities, conducted by Ladenburg and LTAM. The Independent Brokerage and Advisory Services segment includes the broker-dealer and investment advisory services provided by Investacorp and Triad.

Segment information for the three months ended June 30, 2010 was as follows:

	Ladenburg	Independent Brokerage and Advisory Services	Corporate	Total
Revenues	\$ 11,575	\$ 35,914	\$ 95	\$ 47,584
Pre-tax (loss) income	(657)	604	(1,988)(1)	(2,041)
Identifiable assets	21,277	71,256	803	93,336
Depreciation and amortization	343	555	17	915
Interest	4	4	928	936
Capital expenditures	6	12	—	18

Segment information for the three months ended June 30, 2009 was as follows:

	Ladenburg	Independent Brokerage and Advisory Services	Corporate	Total
Revenues	\$ 7,100	\$ 27,166	\$ 59	\$ 34,325
Pre-tax (loss) income	(2,743)	522	(2,619)(1)	(4,840)
Identifiable assets	19,524	72,641	2,378	94,543
Depreciation and amortization	324	590	17	931
Interest	6	4	1,040	1,050
Capital expenditures	6	—	—	6

Segment information for the six months ended June 30, 2010 was as follows:

	Ladenburg	Independent Brokerage and Advisory Services	Corporate	Total
Revenues	\$ 22,197	\$ 69,303	\$ 55	\$ 91,555
Pre-tax (loss) income	(2,440)	448	(4,213)(1)	(6,205)
Identifiable assets	21,277	71,256	803	93,336
Depreciation and amortization	684	1,111	34	1,829
Interest	9	14	1,869	1,892
Capital expenditures	88	35	—	123

LADENBURG THALMANN FINANCIAL SERVICES INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

Segment information for the six months ended June 30, 2009 was as follows:

	<u>Ladenburg</u>	<u>Independent Brokerage and Advisory Services</u>	<u>Corporate</u>	<u>Total</u>
Revenues	\$ 16,282	\$ 51,261	\$ 72	\$ 67,615
Pre-tax (loss) income	(6,188)	440	(5,092)(1)	(10,840)
Identifiable assets	19,524	72,641	2,378	94,543
Depreciation and amortization	651	1,185	34	1,870
Interest	97	17	2,064	2,178
Capital expenditures	9	49	—	58

(1) Includes interest, compensation, professional fees and other general and administrative expenses.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(in thousands, except share and per share data)

Overview

We are engaged in investment banking, equity research, institutional sales and trading, independent brokerage and advisory services and asset management services through our principal subsidiaries, Ladenburg Thalmann & Co. Inc. ("Ladenburg"), Investacorp Inc. (collectively with related companies, "Investacorp"), Triad Advisors, Inc. ("Triad") and Ladenburg Thalmann Asset Management Inc. ("LTAM"). We are committed to establishing a significant presence in the financial services industry by meeting the varying investment needs of our corporate, institutional and retail clients.

Ladenburg is a full service broker-dealer that has been a member of the New York Stock Exchange ("NYSE") since 1879. It provides its services principally for middle market and emerging growth companies and high net worth individuals through a coordinated effort among corporate finance, capital markets, asset management, brokerage and trading professionals.

Investacorp, headquartered in Miami Lakes, Florida, is an independent broker-dealer and registered investment advisor that has been serving the independent financial advisor community since 1978. Investacorp's national network of independent financial advisors primarily serves retail clients. We acquired Investacorp in October 2007.

Triad, headquartered in Norcross, Georgia, is an independent broker-dealer and registered investment advisor that offers a broad range of products, services and total wealth management solutions to independent financial advisors located nationwide. Triad's independent financial advisors primarily serve retail clients. Triad was founded in 1998, and we acquired Triad in August 2008.

LTAM, headquartered in New York, NY, is a registered investment advisor. LTAM offers various asset management products utilized by Ladenburg clients as well as clients of Investacorp's and Triad's financial advisors.

Through our acquisitions of Investacorp and Triad, we have become a significant presence in the independent broker-dealer industry. During the past decade, this has been one of the fastest growing segments of the financial services industry. We have become one of the approximately 30 largest independent broker-dealer firms as a result of Investacorp and Triad's combined revenues of approximately \$69 million for the six months ended June 30, 2010 and approximately 1,000 financial advisors. We believe that we have the opportunity through acquisitions and recruiting to significantly expand our market share in this segment over the next several years. Our goal remains, as a public financial services company, to marry the more recurring and predictable revenue and cash flows of the independent broker-dealer business with Ladenburg's traditional investment banking, capital markets, institutional equity and related businesses. Ladenburg's businesses are generally more volatile and subject to the cycles of the capital markets than our independent broker-dealer subsidiaries, but historically have enjoyed strong operating margins in favorable market conditions.

Each of Ladenburg, Investacorp and Triad is subject to regulation by, among others, the Securities and Exchange Commission ("SEC"), the Financial Industry Regulatory Authority ("FINRA"), and the Municipal Securities Rulemaking Board and is a member of the Securities Investor Protection Corporation ("SIPC"). Triad is also subject to regulation by the Commodities Futures Trading Commission ("CFTC") and the National Futures Association.

Ladenburg's private client services and institutional sales departments serve approximately 12,000 customer accounts nationwide and LTAM provides investment management services to numerous individuals and institutions. At June 30, 2010, Investacorp's 444 financial advisors served approximately 160,000 customer accounts nationwide and Investacorp had approximately \$7.0 billion in client assets. Triad's 571 financial advisors served approximately 133,000 customer accounts nationwide and had approximately \$10.1 billion in client assets at June 30, 2010. On a consolidated basis, total client assets exceeded \$18 billion at June 30, 2010.

We were incorporated under the laws of the State of Florida in February 1996. Our principal executive offices are located at 4400 Biscayne Boulevard, 12th Floor, Miami, Florida 33137. Our telephone number is (212) 409-2000. Ladenburg and LTAM's principal executive offices are located at 520 Madison Avenue, New York, New York 10022. Ladenburg has branch offices located in Melville, New York, Miami and Boca Raton, Florida, Lincolnshire, Illinois, Los Angeles, California and Princeton, New Jersey. Investacorp's principal executive offices are located at 15450 New Barn Road, Miami Lakes, Florida 33014. Investacorp's independent financial advisors are located in approximately 304 offices in 42 states. Triad's principal executive offices are located at 5185 Peachtree Parkway, Suite 280, Norcross, GA 30092. Triad's independent financial advisors are located in approximately 254 offices in 38 states.

Recent Developments

Private Equity Offering

On May 28, 2010, we entered into stock purchase agreements with various investors, under which the investors agreed to purchase an aggregate of 14,050,000 shares of our common stock, (the “Shares”) at a price of \$1.00 per share. On June 15, 2010, we completed the sale of an aggregate of 13,325,000 of the Shares and received gross proceeds of \$13,325 from investors who are not affiliated with us. Under NYSE Amex rules, the closing of the sale of an aggregate of 725,000 of the Shares to investors who are our directors and executive officers, or affiliates thereof, will be subject to shareholder approval at our 2010 Annual Meeting to be held on September 24, 2010. The funds received, and anticipated to be received, from the private equity offering will be used for general corporate purposes.

Premier Trust Acquisition

On April 26, 2010, we announced that we had entered into a definitive agreement to acquire Premier Trust, Inc., a provider of wealth management services, including trust administration, estate and financial planning, custody and investment services. Founded in 2001, Premier is a Nevada-chartered trust company headquartered in Las Vegas, Nevada, with assets under administration in excess of \$560 million. The transaction, expected to close in the third quarter of 2010, is subject to customary closing conditions, including regulatory approval.

Acquisition Strategy

We continue to explore opportunities to grow our businesses, including through potential acquisitions of other securities and investment banking firms, both domestically and internationally. These acquisitions may involve payments of material amounts of cash, the incurrence of material amounts of debt, which may increase our leverage, or the issuance of significant amounts of our equity securities, which may be dilutive to our existing shareholders. We cannot assure you that we will be able to complete any such potential acquisitions on acceptable terms or at all or, if we do, that any acquired business will be profitable. Also we may not be able to integrate successfully acquired businesses into our existing business and operations.

Critical Accounting Policies

There have been no material changes to the critical accounting policies set forth in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our annual report on Form 10-K for the year ended December 31, 2009. Please refer to those sections for disclosures regarding the critical accounting policies related to our business.

Results of Operations

The following discussion provides an assessment of our results of operations, capital resources and liquidity and should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included elsewhere in this report. The unaudited condensed consolidated financial statements include our accounts and the accounts of Ladenburg, Investacorp, Triad and our other subsidiaries.

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Total revenues	\$ 47,584	\$ 34,325	\$ 91,555	\$ 67,615
Total expenses	49,625	39,165	97,760	78,455
Pre-tax loss	(2,041)	(4,840)	(6,205)	(10,840)
Net loss	(2,229)	(5,158)	(6,632)	(11,399)
Reconciliation of EBITDA, as adjusted, to net loss:				
EBITDA, as adjusted	\$ 1,409	\$ (1,212)	\$ 1,205	\$ (3,260)
Add:				
Interest income	13	18	(18)	53
Less:				
Interest expense	(936)	(1,050)	(1,892)	(2,178)
Income tax expense	(188)	(318)	(427)	(559)
Depreciation and amortization	(915)	(931)	(1,829)	(1,870)
Non-cash compensation	(1,605)	(1,665)	(3,365)	(3,585)
Clearing firm conversion expense	(7)	—	(306)	—

Net loss \$ (2,229) \$ (5,158) \$ (6,632) \$ (11,399)

Earnings before interest, taxes, depreciation and amortization, or EBITDA, adjusted for gains or losses on sales of assets, non-cash compensation expense and clearing firm conversion expense is a key metric we use in evaluating our financial performance. EBITDA is considered a non-GAAP financial measure as defined by Regulation G promulgated by the SEC under the Securities Act of 1933, as amended. We consider EBITDA, as adjusted, important in evaluating our financial performance on a consistent basis across various periods due to the significance of non-cash and non-recurring items. We use EBITDA, as adjusted, as a primary measure, among others, to analyze and evaluate financial and strategic planning decisions regarding future operating investments and potential acquisitions. We believe that EBITDA, as adjusted, eliminates items that are not indicative of our core operating performance, such as expenses related to Investacorp's conversion to a single clearing firm as part of a new seven-year clearing agreement, or do not involve a cash outlay, such as stock-related compensation. EBITDA, as adjusted, should be considered in addition to, rather than as a substitute for, pre-tax (loss) income, net (loss) income and cash flows from operating activities.

Second quarter 2010 EBITDA, as adjusted, was \$1,409, an increase of \$2,621 from second quarter 2009 EBITDA, as adjusted, of (\$1,212), primarily because of increased revenues in the 2010 period.

Segment Description

We have two operating segments:

- Ladenburg — includes the retail and institutional securities brokerage, investment banking services, asset management services and investment activities conducted by Ladenburg and LTAM.
- Independent brokerage and advisory services — includes the broker-dealer and investment advisory services provided by Investacorp and Triad to their independent contractor registered representatives.

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Revenues:				
Ladenburg	\$ 11,575	\$ 7,100	\$ 22,197	\$ 16,282
Independent brokerage and advisory services	35,914	27,166	69,303	51,261
Corporate	95	59	55	72
Total revenues	\$ 47,584	\$ 34,325	\$ 91,555	\$ 67,615
Pre-tax (loss) income:				
Ladenburg	\$ (657)	\$ (2,743)	\$ (2,440)	\$ (6,188)
Independent brokerage and advisory services	604	522	448	440
Corporate	(1,988)	(2,619)	(4,213)	(5,092)
Total pre-tax loss	\$ (2,041)	\$ (4,840)	\$ (6,205)	\$ (10,840)

Three months ended June 30, 2010 versus three months ended June 30, 2009

For the quarter ended June 30, 2010, we had a net loss of \$2,229 compared to a net loss of \$5,158 for the quarter ended June 30, 2009. The decrease in net loss of \$2,929 is attributable to an increase in investment banking transactions and an increase in the independent brokerage and advisory segment's commissions and fees.

Our total revenues for the three months ended June 30, 2010 increased \$13,529 (39%) from the 2009 period, primarily as a result of increased commissions and fees revenue of \$8,923, increased investment banking revenue of \$4,642, increased other income of \$709 and increased asset management revenue of \$298, partially offset by decreased interest and dividends revenue of \$683 and decreased principal transactions revenue of \$630.

Our total expenses for the three months ended June 30, 2010 increased by \$10,460 (27%) from the 2009 period, primarily as a result of an increase in commissions and fees expense of \$7,999, an increase in compensation and benefits expense of \$1,904, an increase in other expense of \$806 and an increase in rent and occupancy, net of sublease revenue of \$145, partially offset by a decrease in professional services of \$243 and a decrease in interest expense of \$114.

The \$8,923 (31%) increase in commissions and fees revenue for the three months ended June 30, 2010 as compared to the 2009 period is primarily attributable to improved market conditions and recruitment of higher-producing financial advisors in our independent brokerage and advisory services segment. Also, average assets under management increased due to improved market conditions and the addition of new accounts during the three months ended June 30, 2010 versus the 2009 period.

The \$4,642 (280%) increase in investment banking revenue for the three months ended June 30, 2010 as compared to the 2009 period is primarily due to an increase in capital raising activities of \$4,437 and deferred fees from a special purpose acquisition company (SPAC) transaction of \$347, partially offset by a decrease in advisory services fees of \$142. We derive investment banking revenue from Ladenburg's capital raising activities, including underwritten public offerings, registered direct offerings, PIPES (private investment in public equity) offerings and advisory services. Revenue from underwritten public offerings was \$3,580, including \$46 in warrants, for the 2010 period as compared to \$697 for the 2009 period. PIPES and registered direct offering revenue was \$1,554, including \$356 in warrants, for the second quarter of 2010. We currently expect investment banking revenue during 2010 to exceed prior-year levels due to expected improved capital markets activity.

The \$298 (66%) increase in asset management revenue for the three months ended June 30, 2010 as compared to the 2009 period was due to increased average assets under management at LTAM due to market appreciation and the addition of new accounts. Revenues associated with client assets in our independent brokerage and advisory services segment are included in commissions and fees revenue, rather than asset management revenue, which relates to the Ladenburg segment. We currently expect asset management revenue to continue to increase in 2010 due to improved market conditions and newly-added advisory assets.

The \$630 (134%) decrease in principal transactions for the three months ended June 30, 2010 as compared to the 2009 period is primarily attributable to losses in the fair value of securities received as underwriting consideration.

The \$683 (83%) decrease in interest and dividends for the three months ended June 30, 2010 as compared to the 2009 period is primarily attributable to lower interest rates and a decrease in margin account balances. We currently expect continued lower interest and dividends revenue in 2010 due to expected low interest rates and reduced interest sharing from our clearing broker.

The \$709 (40%) increase in other income for the three months ended June 30, 2010 as compared to 2009 is primarily attributable to increases in direct investment marketing allowances received from product sponsor programs of \$202, transaction-related fees of \$160, and miscellaneous trading services of \$188 in our independent brokerage and advisory services segment.

The \$7,999 (39%) increase in commissions and fees expense for the three months ended June 30, 2010 as compared to the 2009 period is primarily due to an increase in commissions and fees revenue. Commissions and fees expense comprises compensation payments earned by the independent contractor registered representatives in our independent brokerage and advisory services segment. These payments are calculated based on a percentage of revenues generated and vary by product. Accordingly, when the independent contractor registered representatives increase their business, both our revenues and expenses increase since they earn additional compensation based on the revenue produced.

The \$1,904 (21%) increase in compensation and benefits expense for the three months ended June 30, 2010 as compared to the 2009 period was primarily due to increases in the Ladenburg segment of \$1,669 in producers' compensation and bonus, which is directly correlated to revenue production, and a \$212 increase in salaries and benefits attributed to additional salaried employees in 2010.

The \$145 (20%) increase in rent and occupancy, net of sublease revenue, for the three months ended June 30, 2010 as compared to the 2009 period relates to office space which Ladenburg currently occupies, but did not occupy in the 2009 period. In the first quarter of 2009, we recorded a charge upon Ladenburg's abandonment of such office space.

The \$243 (19%) decrease in professional services expense for the three months ended June 30, 2010 as compared to the 2009 period is primarily due to a decrease of \$264 in Ladenburg's legal fees. We currently expect professional services expense in the second half of 2010 will be lower than prior-year levels due to expected lower legal fees.

The \$114 (11%) decrease in interest expense for the three months ended June 30, 2010 as compared to the 2009 period is primarily attributable to lower average interest rates on average debt outstanding, partially offset by a higher average loan balance in 2010. In August 2009, we entered into a seven-year \$10,000 forgivable loan with National Financial Services LLC, which we refer to as NFS. We used the forgivable loan proceeds, which bear interest at a lower rate than our revolving credit agreement, to repay amounts outstanding under our revolving credit facility.

The \$806 (37%) increase in other expense for the three months ended June 30, 2010 as compared to the 2009 period is primarily attributable to increases in our Ladenburg segment of \$357 for expenses related to investment banking activities, increases in our independent brokerage and advisory services segment of \$116 for fees related to transitioning new independent registered representatives, \$182 for marketing and advertising costs and \$196 in miscellaneous trading costs.

We incurred income tax expense of \$188 for the three months ended June 30, 2010 as compared to \$318 for the 2009 period. After consideration of all the evidence, both positive and negative, management has determined that a valuation allowance at June 30, 2010 was necessary to fully offset the deferred tax assets based on the likelihood of future realization. Our current deferred income tax liabilities increased by approximately \$196 during the 2010 period due to goodwill amortization for tax purposes. The income tax rates for the 2010 and 2009 periods do not bear a customary relationship to effective tax rates, primarily as a result of the increase in the valuation allowance for the 2010 and 2009 periods.

Six months ended June 30, 2010 versus six months ended June 30, 2009

Our net loss for the six months ended June 30, 2010 was \$6,632 compared to net loss of \$11,399 for the six months ended June 30, 2009. The decrease in net loss of \$4,767 is attributable to the increase in investment banking transactions and an increase in the independent brokerage and advisory segment's commissions and fees and lower professional services expense.

Our total revenues for the six months ended June 30, 2010 increased \$23,940 (35%) from the 2009 period, primarily as a result of increased commissions and fees revenue of \$18,580, increased investment banking revenue of \$5,215, increased other income of \$1,327 and increased asset management revenue of \$454, partially offset by decreased interest and dividends revenue of \$1,593.

Our total expenses for the six months ended June 30, 2010 increased by \$19,305 (25%) from the 2009 period, primarily as a result of an increase in commissions and fees expense of \$16,494, an increase in compensation and benefits expense of \$3,333 and an increase in other expense of \$1,678, partially offset by a decrease in professional services of \$1,190 and a decrease in rent and occupancy, net of sublease revenue of \$370.

The \$18,580 (33%) increase in commissions and fees revenue for the six months ended June 30, 2010 as compared to the 2009 period is primarily attributable to improved market conditions and recruitment of higher-producing financial advisors in our independent brokerage and advisory services segment. Also, average assets under management were higher due to improved market conditions and the addition of new accounts during the six months ended June 30, 2010 as compared to the 2009 period.

The \$5,215 (92%) increase in investment banking revenue for the six months ended June 30, 2010 as compared to the 2009 period is primarily due to an increase in capital raising activities of \$7,772 and an increase in advisory fees of \$63, partially offset by a decrease in deferred fees from special purpose acquisition company (SPAC) transactions of \$2,620. Revenue from underwritten public offerings was \$6,234, including \$184 in warrants for the 2010 period as compared to \$786 for the 2009 period. PIPES and registered direct offering revenue was \$2,384, including \$522 in warrants, for the 2010 period, as compared to \$59 for the 2009 period. For the six months ended June 30, 2010 and 2009, investment banking revenue included \$405 and \$3,025, respectively, of deferred fees from SPAC transactions. We

currently expect investment banking revenue during 2010 to exceed prior-year levels due to expected improved capital market activity.

The \$454 (50%) increase in asset management revenue for the six months ended June 30, 2010 as compared to the 2009 period was due to increased average assets under management at LTAM from market appreciation and the addition of new accounts. Revenues associated with client assets in our independent brokerage and advisory services segment are included in commissions and fees revenue, rather than asset management revenue, which relates to the Ladenburg segment. We currently expect asset management revenue to continue to increase in 2010 due to improved market conditions and newly-added advisory assets.

The \$43 (25%) decrease in principal transactions for the six months ended June 30, 2010 as compared to the 2009 period is primarily attributable to losses in the fair value of securities received as underwriting consideration.

The \$1,593 (86%) decrease in interest and dividends for the six months ended June 30, 2010 as compared to the 2009 period is primarily attributable to lower interest rates and a decrease in margin account balances. We currently expect continued lower interest and dividends revenue in 2010 due to expected low interest rates and reduced interest sharing from our clearing broker.

The \$1,327 (43%) increase in other income for the six months ended June 30, 2010 as compared to 2009 is primarily attributable to increases in direct investment marketing allowances received from product sponsor programs of \$336, conference revenue of \$135, transaction-related fees of \$230 and miscellaneous trading services of \$339 in our independent brokerage and advisory services segment. Ladenburg had increased brokerage transaction and service fee revenue of \$165 primarily due to increased trading volume.

The \$16,494 (42%) increase in commissions and fees expense for the six months ended June 30, 2010 as compared to the 2009 period is primarily due to an increase in commissions and fees revenue. Commissions and fees expense comprises compensation payments earned by the independent contractor registered representatives in our independent brokerage and advisory services segment. These payments are calculated based on a percentage of revenues generated and vary by product. Accordingly, when the independent contractor registered representatives increase their business, both our revenues and expenses increase since they earn additional compensation based on the revenue produced.

The \$3,333 (18%) increase in compensation and benefits expense for the six months ended June 30, 2010 as compared to the 2009 period was primarily due to increases in the Ladenburg segment of \$3,122 in producers' compensation and bonus which is directly correlated to revenue production and a \$183 increase in bonus in our independent brokerage and advisory services segment.

The \$370 (18%) decrease in rent and occupancy, net of sublease revenue for the six months ended June 30, 2010 as compared to the 2009 period, is primarily attributable to a \$562 one-time charge in 2009 related to office space Ladenburg intended to sublet in 2009 but now occupies.

The \$1,190 (36%) decrease in professional services expense for the six months ended June 30, 2010 as compared to the 2009 period is primarily due to a decrease of \$895 in Ladenburg's legal fees and a decrease of \$303 in audit, tax and consulting expense for both operating segments. We currently expect professional services expense in the second half of 2010 will be lower than prior-year levels due to expected lower legal fees.

The \$286 (13%) decrease in interest expense for the six months ended June 30, 2010 as compared to the 2009 period is primarily attributable to lower average interest rates on average debt outstanding, partially offset by a higher average loan balance in 2010. In August 2009, we entered into a seven-year \$10,000 forgivable loan with NFS. We used the forgivable loan proceeds, which bear interest at a lower rate than our revolving credit agreement, to repay amounts outstanding under our revolving credit facility.

The \$1,678 (42%) increase in other expense for the six months ended June 30, 2010 as compared to the 2009 period is primarily attributable to the increases in our Ladenburg segment of \$325 for expenses related to investment banking activities, increases in our independent brokerage and advisory services segment of \$275 for fees related to transitioning new independent registered representatives, \$282 for marketing and advertising costs, \$469 in miscellaneous trading costs and \$307 for expenses related to the conversion of client accounts to one clearing firm.

We incurred income tax expense of \$427 for the six months ended June 30, 2010 as compared to \$559 for the 2009 period. After consideration of all the evidence, both positive and negative, management has determined that a valuation allowance at June 30, 2010 was necessary to fully offset the deferred tax assets based on the likelihood of future realization. Our current deferred income tax liabilities increased by approximately \$366 during the 2010 period due to goodwill amortization for tax purposes. The income tax rates for the 2010 and 2009 periods do not bear a customary relationship to effective tax rates primarily as a result of the increase in the valuation allowance for the 2010 and 2009 periods.

Liquidity and Capital Resources

Approximately 25% and 23% of our total assets at June 30, 2010 and December 31, 2009, respectively, consisted of cash and cash equivalents, securities owned and receivables from clearing brokers and other broker-dealers, all of which fluctuate, depending upon the levels of customer business and trading and investment banking activity. As securities dealers, our broker-dealer subsidiaries may carry significant levels of securities inventories to meet customer needs. A relatively small percentage of our total assets are fixed. The total assets or the individual components of total assets may vary significantly from period to period because of changes relating to economic and market conditions, and proprietary trading strategies.

Each of Ladenburg, Investacorp and Triad is subject to the SEC's net capital rules. Ladenburg was also subject to the net capital rules of the CFTC but, effective as of April 5, 2010, is no longer subject to the CFTC rules. Therefore, Ladenburg, Investacorp and Triad are subject to certain restrictions on their use of capital and their related liquidity. At June 30, 2010, Ladenburg's regulatory net capital of \$3,919 exceeded minimum capital requirements of \$250 by \$3,699. At June 30, 2010, Investacorp's regulatory net capital of \$1,196 exceeded minimum capital requirements of \$269 by \$927. At June 30, 2010, Triad's regulatory net capital of \$2,338 exceeded minimum capital requirements of \$250 by \$2,088. Failure to maintain the required net capital may subject Ladenburg, Investacorp and Triad to suspension or expulsion by FINRA, the SEC and other regulatory bodies, and ultimately may require their liquidation. The net capital rule also prohibits the payment of dividends, redemption of stock and prepayment or payment of principal of subordinated indebtedness if net capital, after giving effect to the payment, redemption or prepayment, would be less than specified percentages of the minimum net capital requirement. Compliance with the net capital rule could limit the operations of Ladenburg, Investacorp and Triad that require the intensive use of capital, such as underwriting and trading activities, and also could restrict our ability to withdraw capital from our subsidiaries, which in turn, could limit our ability to pay dividends and repay and service our debt.

Besides regulatory net capital restrictions, Investacorp also is contractually restricted from declaring a dividend to us that would result in its retained earnings and paid-in capital falling below the then-outstanding principal balance of the promissory note issued to Investacorp's former principal shareholder, which was \$1,759 at June 30, 2010. This promissory note was issued in the original principal amount of \$15,000, bears interest at 4.11% per annum and is payable in 36 monthly installments through October 2010.

Our primary sources of liquidity include cash flows from operations and borrowings under our \$30,000 revolving credit agreement with an affiliate of Phillip Frost, M.D., our chairman and principal shareholder. Borrowings under the \$30,000 revolving credit agreement bear interest at a rate of 11% per annum, payable quarterly. At June 30, 2010, \$11,750 was outstanding under the revolving credit agreement. During the first half of 2010, we repaid a net amount of \$6,700 under the \$30,000 credit agreement primarily using proceeds from the June 2010 private placement. We may repay amounts outstanding or re-borrow amounts under our revolving credit facility at any time prior to its amended maturity date of August 25, 2016, without penalty. We believe our existing assets and borrowings available under our \$30,000 revolving credit facility provide adequate funds for continuing operations at current activity levels. We are currently in compliance with all debt covenants in our debt agreements.

Cash used in operating activities for the six months ended June 30, 2010 was \$2,878, primarily due to our net loss, an increase in securities owned at fair value, receivables from other broker-dealers, a decrease in accrued compensation, commissions and fees payable, and accounts payable and accrued liabilities, partially offset by a decrease in other receivables, net, and other assets.

Investing activities provided \$27 for the six months ended June 30, 2010, primarily due to a decrease in restricted assets due to Investacorp's receipt of an escrowed deposit upon the termination of a clearing agreement with one of its clearing firms, partially offset by the purchase of furniture, equipment and leasehold improvements.

Financing activities provided \$3,122 for the six months ended June 30, 2010, due to the private equity offering, stock option exercises and purchases under our employee stock purchase plan, offset by repayments of notes payable and common stock repurchases.

At June 30, 2010, we were obligated under several non-cancelable lease agreements for office space, which provide for future minimum lease payments aggregating approximately \$29,500 through 2015, exclusive of escalation charges. We have subleased vacant space under subleases which entitle us to receive rents aggregating approximately \$23,517 through such date.

In connection with our clearing agreements, NFS provided us with a seven-year, \$10,000 forgivable loan. Interest on the loan accrues at the prime rate plus 2%. If our broker-dealer subsidiaries meet certain aggregate annual clearing revenue targets set forth in the loan agreement, the principal balance of the loan will be forgiven in seven equal yearly installments of \$1,429, commencing in August 2010 and continuing on an annual basis through August 2016. Interest payments due for each such year also will be forgiven if we meet the annual clearing revenue targets. Any principal amounts not forgiven will be due in August 2016, and any interest payments not forgiven are due annually. If any principal amount is not forgiven, we may have such principal forgiven in future years if our broker-dealer subsidiaries exceed subsequent annual clearing revenue targets. We have expensed, and expect to continue to expense, interest under the loan agreement until such interest is forgiven. We met the first annual clearing revenue targets in August 2010. Accordingly, in the third quarter of 2010, we will recognize income of \$1,429 and \$532 from the forgiveness of principal and interest, respectively, and the outstanding balance under the loan will be reduced to \$8,571.

In connection with the Triad acquisition, we issued a \$5,000 promissory note to Triad's former shareholders. The note bears interest at a rate of 2.51% per annum, is payable quarterly and matures in August 2011. The outstanding balance of this note at June 30, 2010 was \$2,129.

In March 2007, our board of directors authorized the repurchase of up to 2,500,000 shares of our common stock from time to time on the open market or in privately negotiated transactions, depending on market conditions. The repurchase program is funded using approximately 15% of our EBITDA, as adjusted. From inception through June 30, 2010, 1,013,194 shares have been repurchased for \$1,753 under the program.

Off-Balance-Sheet Risk and Concentration of Credit Risk

Each of Ladenburg, Investacorp and Triad, as guarantor of its customer accounts to its clearing broker, is exposed to off-balance-sheet risk in the event that its customers do not fulfill their obligations to the clearing broker. Also, to the extent Ladenburg, Investacorp or Triad maintain a short position in any securities, they are exposed to off-balance-sheet market risk, since their ultimate obligation to repurchase securities to close their short positions may exceed the amount recognized in the financial statements.

Please see Note 7 to our unaudited condensed consolidated financial statements included elsewhere in this quarterly report on Form 10-Q.

Market Risk

Market risk generally represents the risk of loss that may result from the potential change in the value of a financial instrument as a result of fluctuations in interest and currency exchange rates, equity and commodity prices, changes in the implied volatility of interest rates, foreign exchange rates, equity and commodity prices and also changes in the credit ratings of either the issuer or its related country of origin. Market risk is inherent to both derivative and non-derivative financial instruments and, accordingly, the scope of our market risk management procedures extends beyond derivatives to include all market-risk sensitive financial instruments.

Current and proposed underwriting, corporate finance, merchant banking and other commitments are subject to due diligence reviews by our senior management, as well as professionals in the appropriate business and support units involved. Credit risk related to various financing activities is reduced by the industry practice of obtaining and maintaining collateral. We monitor our exposure to counterparty risk through the use of credit exposure information, the monitoring of collateral values and the establishment of credit limits.

We maintain inventories of trading securities which are generally received as compensation in banking transactions. At June 30, 2010, the fair market value of our inventories was \$3,297 in long positions and \$9 in short positions. We performed an entity-wide analysis of our financial instruments and assessed the related market risk. Based on this analysis, we do not expect that the market risk associated with our financial instruments at June 30, 2010 will have a material adverse effect on our consolidated financial position or results of operations.

Special Note Regarding Forward-Looking Statements

We and our representatives may from time to time make oral or written “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including any statements that may be contained in the foregoing discussion in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this report and in other filings with the SEC and in our reports to shareholders, which reflect our expectations or beliefs with respect to future events and financial performance. These forward-looking statements are subject to certain risks and uncertainties and, in connection with the “safe-harbor” provisions of the Private Securities Litigation Reform Act, we have identified under “Risk Factors” in our annual report on Form 10-K for the year ended December 31, 2009, important factors that could cause actual results to differ materially from those contained in any forward-looking statement made by or on behalf of us.

Results actually achieved may differ materially from expected results included in these forward-looking statements as a result of these or other factors. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date on which such statements are made. We do not undertake to update any forward-looking statement that may be made from time to time by or on behalf of us. Further, readers should keep in mind that our quarterly revenues and profits can fluctuate materially depending on many factors, including the number, size and timing of completed offerings and other transactions. Accordingly, our revenues and profits in any particular quarter may not be indicative of future results.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Market Risk” is incorporated herein by reference.

Item 4. CONTROLS AND PROCEDURES

Disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended) are our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding disclosure.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we have evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report, and, based on that evaluation, our principal executive officer and principal financial officer have concluded that these controls and procedures are effective, except that due to a short-term net-capital deficiency at one of our broker-dealer subsidiaries, which was discovered during a routine regulatory review, we are implementing new procedures to monitor net capital compliance at such broker-dealer subsidiary, are reviewing its net capital compliance for historical periods and have terminated the employee who had primary responsibility for monitoring and reporting its net capital.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Please see Note 6 to our unaudited condensed consolidated financial statements contained elsewhere in this quarterly report on Form 10-Q.

Item 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors set forth in Item 1A of Part I of our annual report on Form 10-K for the year ended December 31, 2009, which could materially affect our business, financial condition or future results. Other than updating the first risk factor listed below and including the second risk factor set forth below, there have been no material changes to the risk factors as disclosed in our annual report on Form 10-K for the year ended December 31, 2009.

Our business depends on commissions and fees generated from the distribution of financial products, and adverse changes in the structure or amount of fees paid by the sponsors of these products could materially adversely affect our cash flows, revenues, liquidity and results of operations.

An important portion of our revenues is generated from commissions and fees related to the distribution of financial products such as mutual funds and variable annuities by the Investacorp and Triad financial advisors, and, to a lesser extent, Ladenburg's financial advisors. Changes in the structure or amount of the fees paid by the sponsors of these products could materially adversely affect our cash flows, revenues and results of operation.

The SEC recently proposed new rules regarding Rule 12b-1 distribution fees in the mutual fund industry, which may reduce or eliminate these fees. Any reduction or restructuring of Rule 12b-1 distribution fees could have a material adverse effect on our cash flows, revenues, liquidity and results of operations.

The impact of financial reform legislation on us is uncertain and may negatively impact our business.

The recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act institutes a wide range of reforms that will impact the financial services industry. Among other things, the Dodd-Frank Act may impose fiduciary duties on financial advisors who give investment advice to retail customers, may expand FINRA's oversight over financial advisors, will impose new rules on short selling, may limit mandatory customer arbitration provisions in client agreements and may create new regulations on having investment banking and securities analyst functions in the same firm. The Dodd-Frank Act also creates a Bureau of Consumer Financial Protection with broad authority to regulate consumer financial products and services. Also, there are significant corporate governance and executive compensation-related provisions in the Dodd-Frank Act that require the SEC to adopt additional rules and regulations in areas such as "say on pay" and proxy access. Many of the provisions of the Dodd-Frank Act are subject to further rule making procedures and studies and will take effect over several years. Accordingly, we cannot assess the impact the Dodd-Frank Act will have on us or our industry at the present time. However, the implementation of regulations arising from the Dodd-Frank Act may impact the profitability of our business activities, change certain of our business practices and could expose us to additional costs, including increased compliance costs. These changes also may require us to invest significant management attention and resources to make necessary changes to our business, and could therefore materially adversely affect our business, financial condition and results of operations.

Item 6. EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of Stock Purchase Agreement, dated as of May 28, 2010, between Ladenburg Thalmann Financial Services Inc., and the unaffiliated investors party thereto.*
10.2	Form of Stock Purchase Agreement, dated as of May 28, 2010, between Ladenburg Thalmann Financial Services Inc., and the affiliated investors party thereto.*
31.1	Certification of Chief Executive Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Chief Executive Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

* Filed herewith.

SIGNATURES

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 thereunto duly authorized.

LADENBURG THALMANN FINANCIAL
SERVICES INC.

(Registrant)

Date: August 11, 2010

By: /s/ Brett H. Kaufman
Brett H. Kaufman
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

FORM OF STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement is dated as of May 28, 2010 (this "Agreement"), between Ladenburg Thalmann Financial Services Inc., a Florida corporation (the "Company"), and _____, a _____ (the "Purchaser").

WHEREAS, the Company desires to sell to Purchaser, and Purchaser desires to purchase from the Company, shares of the Company's common stock, par value \$.0001 per share (the "Common Stock"), on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

Article 1**Purchase and Sale of Common Stock**

1.1 Purchase and Sale of the Shares. Subject to the terms and conditions hereof, the Company hereby agrees to issue and sell to Purchaser, and Purchaser hereby agrees to purchase from the Company, _____ shares of Common Stock (the "Shares") at a purchase price of \$1.00 per share for an aggregate purchase price of \$_____ (the "Purchase Price").

1.2 Closing. The closing of the issuance and sale of the Shares (the "Closing") shall take place at the Company's offices in Miami, Florida on June 7, 2010, or if later, the date upon which all regulatory approvals have been obtained. As payment in full for the Shares being purchased at the Closing, Purchaser shall pay to the Company the Purchase Price by wire transfer.

Article 2**Additional Agreements**

The Company and Purchaser shall cooperate with each other and use their respective commercially reasonable best efforts to take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement and applicable laws and regulations to consummate and make effective the sale of the Shares (the "Sale") and the other transactions contemplated by this Agreement as soon as practicable, including preparing and filing as promptly as practicable all documentation to effect all necessary applications, notices, petitions, filings and other documents and to obtain as promptly as practicable all permits, consents, approvals and authorizations necessary or advisable to be obtained from any third party and/or any governmental entity in order to consummate the Sale or any of the other transactions contemplated by this Agreement.

Article 3

Representations and Warranties of the Company

The Company represents and warrants to Purchaser as of the date hereof as follows:

3.1 Authorization of Agreements, etc. The execution and delivery by the Company of this Agreement, the performance by the Company of its obligations hereunder, and the issuance, sale and delivery of the Shares have been duly authorized by all requisite corporate action and will not result in any violation of, be in conflict with, or constitute a default under, with or without the passage of time or the giving of notice: (a) any provision of the Company's Articles of Incorporation, as amended, or Bylaws, as amended; (b) any provision of any judgment, decree or order to which the Company is a party or by which it is bound; (c) any material contract or agreement to which the Company is a party or by which it is bound; or (d) any statute, rule or governmental regulation applicable to the Company, except where such violation, conflict, or default would not have a material adverse effect on the Company.

3.2 Valid Issuance of Common Stock. The Shares have been duly authorized and, when issued, sold and delivered in accordance with this Agreement for the consideration expressed herein will be validly issued, fully paid and nonassessable with no personal liability attaching to the ownership thereof and will be free and clear of all liens, charges and encumbrances of any nature whatsoever except for restrictions on transfer under this Agreement and under applicable Federal and state securities laws.

3.3 Validity. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

3.4 Brokers and Finders. Except for Ladenburg Thalmann & Co. Inc., neither the Company nor any of its subsidiaries, officers, directors or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Sale or the other transactions contemplated by this Agreement.

Article 4

Representations and Warranties of Purchaser

The Purchaser represents and warrants to the Company as of the date hereof as follows:

4.1 Validity. This Agreement has been duly executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms except:

(a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally; and

(b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

4.2 Investment Representations.

(a) Purchaser is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act of 1933, as amended (the "Securities Act") and was not organized for the specific purpose of acquiring the Shares;

(b) Purchaser has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of its investment in the Company and it is able financially to bear the risks thereof;

(c) it is the present intention that the Shares being purchased by Purchaser are being acquired for Purchaser's own account for the purpose of investment and not with a present view to or for sale in connection with any distribution thereof;

(d) Purchaser understands that:

(i) the Shares have not been registered under the Securities Act by reason of their issuance in a transaction exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof or Rule 505 or 506 promulgated under the Securities Act;

(ii) the Shares must be held indefinitely unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration;

(iii) the Shares will bear a legend to such effect; and

(iv) the Company will make a notation on its transfer books to such effect; and

(e) the Company has made available to Purchaser all documents and information that the Purchaser has requested relating to an investment in the Company.

4.3 Brokers and Finders. The Purchaser has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Sale or the other transactions contemplated by this Agreement.

Article 5

Miscellaneous

5.1 Legend. Each certificate that represents Shares shall have conspicuously endorsed thereon the following legends:

THIS STOCK HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THIS STOCK MAY NOT BE OFFERED OR TRANSFERRED BY SALE, ASSIGNMENT, PLEDGE OR OTHERWISE UNLESS (A) A REGISTRATION STATEMENT FOR THE STOCK UNDER THE SECURITIES ACT IS IN EFFECT OR (B) THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL, WHICH OPINION IS SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OR THE RELEVANT STATE SECURITIES LAWS.

5.2 Brokerage. Each party hereto will indemnify and hold harmless the other against and in respect of any claim for brokerage or other commissions relative to this Agreement or to the transactions contemplated hereby, based in any way on agreements, arrangements or understandings made or claimed to have been made by such party with any third party.

5.3 Parties in Interest. All representations, covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

5.4 Notices. All notices, requests, consents, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, on the date of transmittal of services via telecopy to the party to whom notice is to be given (with a confirming copy delivered within 24 hours thereafter), or on the third day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, or overnight mail via a nationally recognized courier providing a receipt for delivery and properly addressed as follows:

If to the Company: Ladenburg Thalmann Financial Services Inc.
4400 Biscayne Blvd.
12th Floor
Miami, FL 33137
Attn: Brian L. Heller, Esq.

If to the Purchaser: To the address specified on the signature pages hereto.

Any party may change its address for purposes of this paragraph by giving notice of the new address to each of the other parties in the manner set forth above.

5.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida for all purposes and in all respects, without regard to the conflict of law provisions of such state.

5.6 Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties with respect to the subject matter hereof.

5.7 Counterparts. This Agreement may be executed in two or more counterparts (including facsimiles), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5.8 Amendments and Waivers. This Agreement may be amended or modified, and provisions hereof may be waived, only with the written consent of the Company and the Purchaser.

5.9 Severability. If any provision of this Agreement shall be declared void or unenforceable by any judicial or administrative authority, the validity of any other provision and of the entire Agreement shall not be affected thereby.

5.10 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting any term or provision of this Agreement.

NOW THEREFORE, the Company and Purchaser have executed this Stock Purchase Agreement as of the date first above written.

LADENBURG THALMANN FINANCIAL SERVICES INC.

By: _____
Name: Richard J. Lampen
Title: President and CEO

Company Signature Page to Stock Purchase Agreement

PURCHASER
GOLD SINO ASSETS LTD.

By: _____
Name: Lee Chao-Hsiang
Title: Director
Address: Offshore Chambers, P.O. Box 217, Apia Samoa

Purchaser Signature Page to Stock Purchase Agreement

INVESTOR

CHUNG CHIA COMPANY LIMITED

By: _____

Name: Hsu Tsui-Hua

Title: Director

Address: Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER
JANE H. HSIAO, PH.D.

By: _____
JANE H. HSIAO, PH.D.
Address:

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER
DR. JOSEPH S. LEVY REVOCABLE TRUST DATED 6/17/1998

By: _____
Name: Dr. Joseph S. Levy
Title: Trustee
Address:

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER
NORMAN RAPPAPORT

By: _____
NORMAN RAPPAPORT
Address:

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER
HORBERG ENTERPRISES LIMITED PARTNERSHIP

By: _____
Name: Howard Todd Horberg
Title: President
Address:

Purchaser Signature Page to Stock Purchase Agreement

INVESTOR

THE JACQUELINE SIMKIN REVOCABLE TRUST AS AMENDED AND RESTATED 12/16/2003

By: _____

Name: Jacqueline Simkin

Title: Trustee

Address: 801 Brickell Avenue, Ste. 2350, Miami, FL 33131

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER
IVC INVESTORS, LLLP

By: _____

Name: Glenn Halpryn

Title: Vice President

Address: 4400 Biscayne Blvd., Ste. 950, Miami, FL 33137

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER
AARON SWIMMER

AARON SWIMMER

Address:

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER
STEVEN JERRY GLAUSER

STEVEN JERRY GLAUSER
Address:

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER:
DR. STEPHEN LIU

DR. STEPHEN LIU
Address:

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER
ROBERT SUDACK

By: _____

Name: ROBERT SUDACK

Address:

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER
MARIE WOLF

By: _____

Name: MARIE WOLF

Address:

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER
DAVID THALHEIM

By: _____
Name: DAVID THALHEIM
Address:

Purchaser Signature Page to Stock Purchase Agreement



FORM OF STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement is dated as of May 28, 2010 (this "Agreement"), between Ladenburg Thalmann Financial Services Inc., a Florida corporation (the "Company"), and _____ (the "Purchaser").

WHEREAS, the Company desires to sell to Purchaser, and Purchaser desires to purchase from the Company, shares of the Company's common stock, par value \$.0001 per share (the "Common Stock"), on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

Article 1**Purchase and Sale of Common Stock**

1.1 Purchase and Sale of the Shares. Subject to the terms and conditions hereof, the Company hereby agrees to issue and sell to Purchaser, and Purchaser hereby agrees to purchase from the Company, _____ shares of Common Stock (the "Shares") at a purchase price of \$1.00 per share for an aggregate purchase price of \$ _____ (the "Purchase Price").

1.2 Closing. The closing of the issuance and sale of the Shares (the "Closing") shall take place at the Company's offices in Miami, Florida one business day after the date upon which the Company's shareholders shall have approved the issuance of the Shares hereunder in accordance with the NYSE Amex Company Guide, or if later, the date upon which all regulatory approvals have been obtained. As payment in full for the Shares being purchased at the Closing, Purchaser shall pay to the Company the Purchase Price by wire transfer.

1.3 Lock-Up. Purchaser hereby irrevocable agrees that from the date of Closing until the second anniversary of the date of Closing, Purchaser will not, without the Company's prior written consent (i) offer for sale, sell, pledge or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future, of) any of the Shares; (ii) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of the Shares, or (iii) publicly disclose the intention to do any of the foregoing.

Article 2**Additional Agreements**

The Company and Purchaser shall cooperate with each other and use their respective commercially reasonable best efforts to take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement and applicable laws and regulations to consummate and make effective the sale of the Shares (the "Sale") and the other transactions contemplated by this Agreement as soon as practicable, including preparing and filing as promptly as practicable all documentation to effect all necessary applications, notices, petitions, filings and other documents and to obtain as promptly as practicable all permits, consents, approvals and authorizations necessary or advisable to be obtained from any third party and/or any governmental entity in order to consummate the Sale or any of the other transactions contemplated by this Agreement.

Article 3

Representations and Warranties of the Company

The Company represents and warrants to Purchaser as of the date hereof as follows:

3.1 Authorization of Agreements, etc. The execution and delivery by the Company of this Agreement, the performance by the Company of its obligations hereunder, and the issuance, sale and delivery of the Shares have been duly authorized by all requisite corporate action and will not result in any violation of, be in conflict with, or constitute a default under, with or without the passage of time or the giving of notice: (a) any provision of the Company's Articles of Incorporation, as amended, or Bylaws, as amended; (b) any provision of any judgment, decree or order to which the Company is a party or by which it is bound; (c) any material contract or agreement to which the Company is a party or by which it is bound; or (d) any statute, rule or governmental regulation applicable to the Company, except where such violation, conflict, or default would not have a material adverse effect on the Company.

3.2 Valid Issuance of Common Stock. The Shares have been duly authorized and, when issued, sold and delivered in accordance with this Agreement for the consideration expressed herein will be validly issued, fully paid and nonassessable with no personal liability attaching to the ownership thereof and will be free and clear of all liens, charges and encumbrances of any nature whatsoever except for restrictions on transfer under this Agreement and under applicable Federal and state securities laws.

3.3 Validity. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

3.4 Brokers and Finders. Except for Ladenburg Thalmann & Co. Inc., neither the Company nor any of its subsidiaries, officers, directors or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Sale or the other transactions contemplated by this Agreement.

Article 4

Representations and Warranties of Purchaser

The Purchaser represents and warrants to the Company as of the date hereof as follows:

4.1 Validity. This Agreement has been duly executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms except:

(a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally; and

(b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

4.2 Investment Representations.

(a) Purchaser is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act of 1933, as amended (the "Securities Act") and was not organized for the specific purpose of acquiring the Shares;

(b) Purchaser has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of its investment in the Company and it is able financially to bear the risks thereof;

(c) it is the present intention that the Shares being purchased by Purchaser are being acquired for Purchaser's own account for the purpose of investment and not with a present view to or for sale in connection with any distribution thereof;

(d) Purchaser understands that:

(i) the Shares have not been registered under the Securities Act by reason of their issuance in a transaction exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof or Rule 505 or 506 promulgated under the Securities Act;

(ii) the Shares must be held indefinitely unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration;

(iii) the Shares will bear a legend to such effect; and

(iv) the Company will make a notation on its transfer books to such effect; and

(e) the Company has made available to Purchaser all documents and information that the Purchaser has requested relating to an investment in the Company.

4.3 Brokers and Finders. The Purchaser has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Sale or the other transactions contemplated by this Agreement.

Article 5

Miscellaneous

5.1 Legend. Each certificate that represents Shares shall have conspicuously endorsed thereon the following legends:

THIS STOCK HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THIS STOCK MAY NOT BE OFFERED OR TRANSFERRED BY SALE, ASSIGNMENT, PLEDGE OR OTHERWISE UNLESS (A) A REGISTRATION STATEMENT FOR THE STOCK UNDER THE SECURITIES ACT IS IN EFFECT OR (B) THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL, WHICH OPINION IS SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OR THE RELEVANT STATE SECURITIES LAWS.

THE STOCK IS SUBJECT TO RESTRICTIONS ON RESALE PURSUANT TO THAT CERTAIN STOCK PURCHASE AGREEMENT WITH THE COMPANY DATED AS OF MAY 28, 2010 AND MAY NOT BE OFFERED OR TRANSFERRED BY SALE, ASSIGNMENT, PLEDGE OR OTHERWISE WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY.

5.2 Brokerage. Each party hereto will indemnify and hold harmless the other against and in respect of any claim for brokerage or other commissions relative to this Agreement or to the transactions contemplated hereby, based in any way on agreements, arrangements or understandings made or claimed to have been made by such party with any third party.

5.3 Parties in Interest. All representations, covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

5.4 Notices. All notices, requests, consents, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, on the date of transmittal of services via telecopy to the party to whom notice is to be given (with a confirming copy delivered within 24 hours thereafter), or on the third day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, or overnight mail via a nationally recognized courier providing a receipt for delivery and properly addressed as follows:

If to the Company: Ladenburg Thalmann Financial Services Inc.
4400 Biscayne Blvd.
12th Floor
Miami, FL 33137
Attn: Brian L. Heller, Esq.

If to the Purchaser: To the address specified on the signature pages hereto.

Any party may change its address for purposes of this paragraph by giving notice of the new address to each of the other parties in the manner set forth above.

5.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida for all purposes and in all respects, without regard to the conflict of law provisions of such state.

5.6 Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties with respect to the subject matter hereof.

5.7 Counterparts. This Agreement may be executed in two or more counterparts (including facsimiles), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5.8 Amendments and Waivers. This Agreement may be amended or modified, and provisions hereof may be waived, only with the written consent of the Company and the Purchaser.

5.9 Severability. If any provision of this Agreement shall be declared void or unenforceable by any judicial or administrative authority, the validity of any other provision and of the entire Agreement shall not be affected thereby.

5.10 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting any term or provision of this Agreement.

NOW THEREFORE, the Company and Purchaser have executed this Stock Purchase Agreement as of the date first above written.

LADENBURG THALMANN FINANCIAL SERVICES INC.

By: _____
Name:
Title:

Company Signature Page to Stock Purchase Agreement

PURCHASER

FROST GAMMA INVESTMENTS TRUST

By: _____

Name: Phillip Frost, M.D.

Title: Trustee

Address: 4400 Biscayne Blvd., 15th Floor, Miami, FL 33137

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER

RICHARD J. ROSENSTOCK

Address:

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER

RICHARD J. LAMPEN

Address:

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER

MZ TRADING, LLC

Name: Mark Zeitchick
Title: Managing Member
Address:

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER

ROBERT EIDE

Address: 810 7th Avenue, 11th Floor, New York, NY 10019

Purchaser Signature Page to Stock Purchase Agreement

PURCHASER

RICHARD M. KRASNO LIVING TRUST DATED OCTOBER 6, 2009

By: _____

Name: Dr. Richard M. Krasno

Title: Trustee

Address:

Purchaser Signature Page to Stock Purchase Agreement



RULE 13a-14(a) CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Richard J. Lampen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ladenburg Thalmann Financial Services Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2010

/s/ Richard J. Lampen

Richard J. Lampen
President and Chief Executive Officer
(Principal Executive Officer)

RULE 13a-14(a) CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Brett H. Kaufman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ladenburg Thalmann Financial Services Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2010

/s/ Brett H. Kaufman

Brett H. Kaufman

Vice President and Chief Financial Officer
(Principal Financial Officer)

SECTION 1350 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

In connection with the Quarterly Report of Ladenburg Thalmann Financial Services Inc. (the "Company") on Form 10-Q for the period ended June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard J. Lampen, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 11, 2010

/s/ Richard J. Lampen

Richard J. Lampen
President and Chief Executive Officer
(Principal Executive Officer)

The certification set forth above is being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes – Oxley Act of 2002 and is not being filed as part of the Report or as a separate disclosure document of Ladenburg Thalmann Financial Services Inc., or the certifying officers.

SECTION 1350 CERTIFICATION OF CHIEF FINANCIAL OFFICER

In connection with the Quarterly Report of Ladenburg Thalmann Financial Services Inc. (the "Company") on Form 10-Q for the period ended June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brett H. Kaufman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 11, 2010

/s/ Brett H. Kaufman

Brett H. Kaufman

Vice President and Chief Financial Officer

(Principal Financial Officer)

The certification set forth above is being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes – Oxley Act of 2002 and is not being filed as part of the Report or as a separate disclosure document of Ladenburg Thalmann Financial Services Inc., or the certifying officers
