

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **February 14, 2020**

LADENBURG THALMANN FINANCIAL SERVICES INC.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation)

001-15799
(Commission
File Number)

65-0701248
(IRS Employer
Identification No.)

4400 Biscayne Boulevard, 12th Floor
Miami, Florida
(Address of principal executive offices)

33137
(Zip Code)

(305) 572-4100
Registrant's telephone number, including area code

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

Securities registered pursuant to Section 12(b) of the Act

Title of Each Class	Trading Symbols	Name of Each Exchange on Which Registered
Common Stock, par value \$.0001 per share	LTS	NYSE American
8.00% Series A Cumulative Redeemable Preferred Stock, Liquidation Preference \$25.00 per share	LTS PrA	NYSE American
6.50% Senior Notes due 2027	LTSL	NYSE American
7.00% Senior Notes due 2028	LTSF	NYSE American
7.25% Senior Notes due 2028	LTSK	NYSE American
7.75% Senior Notes due 2029	LTSH	NYSE American

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

INTRODUCTORY NOTE

As previously disclosed, on November 11, 2019, Ladenburg Thalmann Financial Services Inc. (the “**Company**” or “**we**”) entered into an Agreement and Plan of Merger (the “**Merger Agreement**”) by and among the Company, Advisor Group Holdings, Inc., a Delaware corporation (“**Advisor Group**”), and Harvest Merger Sub, Inc., a Florida corporation and a wholly owned subsidiary of Advisor Group (“**Merger Sub**”). Pursuant to the terms of the previously announced Merger Agreement, on February 14, 2020 (the “**Effective Date**”), Merger Sub merged with and into the Company (the “**Merger**”), with the Company continuing as the surviving corporation in the Merger and a wholly owned subsidiary of Advisor Group.

Item 1.01. Entry into a Material Definitive Agreement.

Supplemental Indenture for the 2028 Senior Secured Notes

On February 13, 2020 (the “**Issue Date**”), AG Issuer, LLC (“**AG Escrow Issuer**”) issued \$500 million in aggregate principal amount of 6.25% Senior Secured Notes due 2028 (the “**2028 Senior Secured Notes**”). The 2028 Senior Secured Notes were issued pursuant to the indenture, dated as of the Issue Date (the “**Initial Indenture**”), by and between AG Escrow Issuer and Wilmington Trust, National Association, as trustee (the “**Trustee**”) and as notes collateral agent (the “**Notes Collateral Agent**”).

On the Effective Date and upon consummation of the Merger, AG Escrow Issuer was merged with and into Advisor Group. In connection therewith, the Company and certain of its subsidiaries (together, the “**Guarantors**”) entered into a supplemental indenture, dated the Effective Date (the “**2028 Senior Secured Notes Supplemental Indenture**,” and together with the Initial Indenture, the “**2028 Senior Secured Notes Indenture**”), pursuant to which the Guarantors have agreed to guarantee all of Advisor Group’s obligations under the 2028 Senior Secured Notes Indenture and the 2028 Senior Secured Notes.

The 2028 Senior Secured Notes bear interest at 6.25% and mature on March 1, 2028. Interest on the 2028 Senior Secured Notes is payable semi-annually on March 1 and September 1 of each year, beginning on September 1, 2020.

Prior to March 1, 2023, the 2028 Senior Secured Notes may be redeemed at any time and from time to time, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2028 Senior Secured Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date, plus a “make-whole.” In addition, at any time prior to March 1, 2023, up to 40% of the aggregate principal amount of the 2028 Senior Secured Notes may be redeemed with an amount not to exceed the net cash proceeds from certain equity offerings at a redemption price of 103% of the principal amount of the 2028 Senior Secured Notes to be redeemed plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, until March 1, 2023, up to 10% of the original aggregate principal amount of the 2028 Senior Secured Notes may be redeemed during the period beginning on the issue date and ending on February 28, 2021, and on each subsequent twelve month period beginning March 1, 2021 and March 1, 2022, at a redemption price of 103% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

On and after March 1, 2023, the 2028 Senior Secured Notes may be redeemed at any time and from time to time at the applicable redemption prices set forth in the 2028 Senior Secured Notes Indenture plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

Upon the consummation of the Merger, the 2028 Senior Secured Notes and related guarantees will be secured on a first lien basis by substantially all assets of Advisor Group, certain of its subsidiaries and the Guarantors (other than certain excluded assets), which assets secure the Guarantors’ obligations under the Senior Secured Credit Facilities (as defined below) on a pari passu basis, subject to permitted liens. The 2028 Senior Secured Notes Indenture contains restrictive covenants that limit, among other things, the ability of the Guarantors to incur or guarantee additional indebtedness or issue disqualified stock or certain preferred stock; pay dividends and make other distributions or repurchase stock; make certain investments; create or incur liens; sell assets; enter into certain transactions with the Guarantors; merge, consolidate or transfer or sell all or substantially all of the Guarantors’ assets; and designate restricted subsidiaries as unrestricted subsidiaries. These covenants are subject to a number of important limitations and exceptions. The 2028 Senior Secured Notes Indenture also contains customary events of default which would permit the holders of the 2028 Senior Secured Notes to declare the 2028 Senior Secured Notes to be immediately due and payable if not cured within applicable grace periods.

Supplemental Indenture for the 2027 Senior Notes

On the Effective Date and upon consummation of the Merger, the Guarantors entered into a supplemental indenture, dated the Effective Date (the “**2027 Senior Notes Supplemental Indenture**”), pursuant to which the Guarantors agreed to guarantee all of Advisor Group’s obligations under the indenture, dated as of August 1, 2019, among Advisor Group, the guarantor parties thereto from time to time, and the Trustee (as supplemented, the “**2027 Senior Notes Indenture**”), and Advisor Group’s 10.75% senior unsecured notes due 2027 (the “**2027 Senior Notes**”), which, as of the Effective Date, had an outstanding aggregate principal amount of approximately \$350 million.

The 2027 Senior Notes will mature on August 1, 2027. Interest on the 2027 Senior Notes accrues at a rate of 10.75% per annum and is payable semi-annually in arrears on February 1 and August 1 of each year. At any time prior to August 1, 2022, the 2027 Senior Notes may be redeemed, in whole or in part, at a redemption price equal to 100% of the principal amount of such notes plus a make-whole premium, together with accrued but unpaid interest to, but excluding, the redemption date. At any time on or after August 1, 2022, some or all of the 2027 Senior Notes may be redeemed at any time and from time to time at the applicable redemption prices set forth in the 2027 Senior Notes Indenture plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

At any time prior to August 1, 2022, the 2027 Senior Notes may be redeemed with the net cash proceeds received from certain equity offerings at a redemption price equal to 110.750% of the principal amount of such notes, plus accrued but unpaid interest to, but excluding, the redemption date.

The 2027 Senior Notes contain restrictive covenants and other terms that are substantially similar to the 2028 Senior Secured Notes.

Senior Secured Credit Facilities

On the Effective Date, the Company and certain of its subsidiaries, as guarantors, entered into a joinder agreement to Advisor Group’s credit agreement with, *inter alios*, the several lending institutions from time to time party thereto and UBS AG, Stamford Branch, as administrative agent, governing the senior secured credit facilities (the “**Senior Secured Credit Facilities**”). On the Effective Date and upon consummation of the Merger, the Senior Secured Credit Facilities consisted of (i) a seven year \$1,500 million senior secured Term Loan B facility (the “**Term Loan Facility**”) and (ii) a \$325 million senior secured revolving credit facility (the “**Revolving Credit Facility**”).

Advisor Group is the borrower under the Senior Secured Credit Facilities. The Revolving Credit Facility includes sub-facilities for letters of credit and short-term borrowings referred to as swing line borrowings. In addition, the credit agreement governing the Senior Secured Credit Facilities provides that Advisor Group has the right at any time, subject to customary conditions, to solicit existing or prospective lenders to provide incremental term loans or incremental revolving credit commitments. The lenders under the Senior Secured Credit Facilities are not obligated to provide any such incremental loans or commitments, and any such addition of or increase in loans will be subject to certain customary conditions precedent and other provisions.

Borrowings under the Senior Secured Credit Facilities bear interest, at the option of Advisor Group, at a rate per annum equal to certain margins over either (a) a base rate determined by reference to the highest of (i) the U.S. prime rate published in The Wall Street Journal from time to time, (ii) the federal funds effective rate, plus 1/2 of 1% and (iii) one month LIBOR rate plus 1.00% or (b) a LIBOR rate determined by reference to the London interbank offered rate, adjusted for statutory reserve requirements, subject to a zero percent floor.

During the continuation of any payment event of default, the interest rate will be, with respect to overdue principal, the applicable interest rate, plus 2.00% per annum and, with respect to any other overdue amount, the interest rate applicable to base rate loans, plus 2.00% per annum (other than to defaulting lenders).

A per annum fee equal to the applicable spread over the LIBOR rate under the Revolving Credit Facility in effect from time to time will accrue on the aggregate face amount of outstanding letters of credit under the Revolving Credit Facility, payable in arrears at the end of each quarter after the closing of the Senior Secured Credit Facilities and upon termination of the Revolving Credit Facility. In addition, Advisor Group will pay (a) a fronting fee of 0.125% on the aggregate face amount of outstanding letters of credit under the Revolving Credit Facility, payable in arrears at the end of each quarter after the closing of the Senior Secured Credit Facilities and upon termination of the Revolving Credit Facility and (b) such issuing bank's customary and reasonable issuance and administration fees.

Advisor Group will pay to the lenders under the Revolving Credit Facility (other than defaulting lenders) a commitment fee of 0.50% per annum on the undrawn portion (for this purpose, disregarding swingline loans as a utilization of the Revolving Credit Facility) of the commitments in respect of the Revolving Credit Facility, subject to two step-downs of 12.5 basis points based on meeting specified first lien net leverage ratios. All commitment fees are payable quarterly in arrears upon the termination of the commitments.

The Senior Secured Credit Facilities contain customary mandatory prepayments, including with respect to excess cash flow (solely with respect to the Term Loan Facility), asset sale and casualty proceeds and proceeds from certain incurrences of indebtedness.

Advisor Group may voluntarily repay outstanding loans under the Senior Secured Credit Facilities at any time without premium or penalty, other than reimbursement of redeployment costs with respect to LIBOR loans. Any voluntary prepayment, refinancing or repricing of the term loans under the Term Loan Facility in connection with certain repricing transactions that occur prior to the six-month anniversary of the closing of the Senior Secured Credit Facilities shall be subject to a prepayment premium of 1.00% of the principal amount of the term loans so prepaid, refinanced or repriced (subject to customary exceptions).

The Term Loan Facility will mature on August 1, 2026 and will amortize in equal quarterly installments in an aggregate annual amount equal to 1.00% of its original principal amount (subject to reduction in connection with debt prepayments and debt buybacks), with the balance payable on the final maturity date. The Revolving Credit Facility will terminate on the day that is five years after the closing of the Senior Secured Credit Facilities.

All obligations of Advisor Group under the Senior Secured Credit Facilities and, at the option of Advisor Group, the obligations of Advisor Group or any of its restricted subsidiaries under certain hedge agreements and cash management arrangements provided by any lender party to the Senior Secured Credit Facilities or any of its affiliates and certain other persons, are unconditionally guaranteed by AG Parent Corp. ("**Holdings**") and certain of Advisor Group's existing and subsequently acquired or organized direct or indirect material wholly owned U.S. restricted subsidiaries with customary exceptions including, among other things, for broker dealer subsidiaries and where providing such guarantees is not permitted by law, regulation or contract or would result in adverse tax consequences (other than de minimis) to Holdings, Advisor Group or any of their subsidiaries or any direct or indirect parent thereof.

All obligations of Advisor Group under the Senior Secured Credit Facilities and, at the option of Advisor Group, certain hedge agreements and cash management arrangements provided by any lender party to the Senior Secured Credit Facilities or any of its affiliates and certain other persons, and the guarantees of such obligations, are secured, subject to permitted liens and other exceptions, by (i) a perfected pledge of all the capital stock of each direct, wholly owned material restricted subsidiary held by Advisor Group, Holdings and each subsidiary guarantor (limited to 65% of the capital stock of certain subsidiaries and subject to customary exceptions) and (ii) a perfected security interest in substantially all other tangible and intangible assets of Advisor Group, Holdings and the subsidiary guarantors (subject to customary exceptions).

The Senior Secured Credit Facilities contain a number of covenants that, among other things, restrict, subject to certain exceptions, Advisor Group's ability and the ability of the restricted subsidiaries of Advisor Group to: incur additional indebtedness and guarantee certain indebtedness; create or incur liens; engage in mergers or consolidations; sell, transfer or otherwise dispose of assets; pay dividends and distributions or repurchase capital stock; prepay, redeem or repurchase certain indebtedness; make investments, loans and advances; and enter into certain transactions with affiliates. The Revolving Credit Facility contains a springing financial covenant requiring compliance with a certain ratio of first lien net indebtedness to consolidated EBITDA. Breaches of this financial covenant are subject to customary "equity cure" rights.

The Senior Secured Credit Facilities limit Holdings' activities to being a passive holding company and contain certain customary affirmative covenants and events of default for facilities of this type, including relating to a change of control.

If an event of default occurs, the lenders under the Senior Secured Credit Facilities (or, in the case of the springing financial covenant under the Revolving Credit Facility, the lenders under the Revolving Credit Facility) are entitled to take various actions, including the acceleration of amounts due under the Senior Secured Credit Facilities (or the Revolving Credit Facility in the case of such springing financial covenant) and all actions permitted to be taken by secured creditors.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On February 14, 2020, pursuant to the terms of the Merger Agreement, Merger Sub merged with and into the Company with the Company continuing as the surviving corporation, and AG Escrow Issuer merged with and into Advisor Group, with Advisor Group continuing as the surviving corporation.

At the effective time of the Merger (the "**Effective Time**"), (a) each share of common stock, par value \$0.0001 per share, of the Company (the "**Ladenburg Common Stock**") issued and outstanding immediately prior to the Effective Time (other than (i) shares of Ladenburg Common Stock owned by Advisor Group or any of its direct or indirect wholly owned subsidiaries or the Company, and in each case, not held on behalf of third parties and (ii) restricted stock awards of the Company), was cancelled and converted into the right to receive \$3.50 in cash, without interest and subject to any applicable withholding taxes (the "**Merger Consideration**") and (b) each holder of Ladenburg's 8.00% Series A Cumulative Redeemable Stock, par value \$0.0001 per share (the "Preferred Shares"), was given the right to convert some or all of such holder's Preferred Shares into cash.

At the Effective Time, each option award to purchase shares of Ladenburg Common Stock (a "**Company Option**") outstanding as of the Effective Time was accelerated with each holder receiving cash equal to the product of (i) the number of shares of the Ladenburg Common Stock subject to the Company Option and (ii) the excess, if any, of the per share Merger Consideration over the exercise price per share of the Company Option, less applicable withholding taxes.

All restricted stock awards of the Company (a "**Company Restricted Share**") outstanding as of the Effective Time were accelerated with each holder receiving cash equal to the product of (i) the number of Company Restricted Shares held by such holder and (ii) the per share Merger Consideration, less applicable withholding taxes.

The foregoing description of the Merger Agreement does not purport to be complete and is qualified in its entirety by the full text of the Merger Agreement, which was filed as Exhibit 2.1 to the Company's Current Report on Form 8-K with the Securities and Exchange Commission (the "**SEC**") on November 14, 2019, and which is incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information contained in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 3.01. Notice of Delisting or Failure to Satisfy a Continuing Listing Rule or Standard; Transfer of Listing.

Delisting and Deregistration of Ladenburg Common Stock

In connection with the closing of the Merger, the Company notified the New York Stock Exchange American (the “NYSE”) on February 4, 2020 that, at the Effective Time, each share of Ladenburg Common Stock issued and outstanding immediately prior to such time (other than (i) shares of Ladenburg Common Stock owned by Advisor Group or any of its direct or indirect wholly owned subsidiaries or the Company, and in each case, not held on behalf of third parties and (ii) restricted stock awards of the Company), will be automatically cancelled and converted into the right to receive the Merger Consideration.

On February 4, 2020, the Company requested the NYSE to promptly file with the SEC a Notification of Removal from Listing and/or Registration under Section 12(b) of the Securities Exchange Act of 1934 as amended (the “Exchange Act”) on Form 25 to delist the shares of Ladenburg Common Stock upon consummation of the Merger. Upon effectiveness of such Form 25, the Company intends to file with the SEC a certification on Form 15 under the Exchange Act requesting that the shares of Ladenburg Common Stock be deregistered and that the Company’s reporting obligations under Sections 13 and 15(d) of the Exchange Act be suspended.

Delisting and Deregistration of Series A Preferred Shares and the Ladenburg Notes

In connection with the closing of the Merger, the Company notified the NYSE on February 14, 2020 that the Company intends to voluntarily delist from the NYSE and deregister with the SEC the following securities: the 8.00% Series A Cumulative Redeemable Preferred Stock, Liquidation Preference \$25.00 per share, (the “Series A Preferred Stock”), the 6.50% Senior Notes due 2027 (the “6.50% 2027 Notes”), the 7.00% Senior Notes due 2028 (the “7.00% 2028 Notes”), the 7.25% Senior Notes due 2028 (the “7.25% 2028 Notes”), and the 7.75% Senior Notes due 2029 (the “7.75% 2029 Notes” and, together with the 6.50% 2027 Notes, the 7.00% 2028 Notes and the 7.25% 2028 Notes, the “Ladenburg Notes”).

The Company intends to file with the SEC a Notification of Removal from Listing and/or Registration under Section 12(b) of the Exchange Act on Form 25 to delist the shares of the Series A Preferred Stock and the Ladenburg Notes. Upon effectiveness of such Form 25, the Company intends to file with the SEC a certification on Form 15 under the Exchange Act requesting that the Series A Preferred Stock and Ladenburg Notes be deregistered and that the Company’s reporting obligations under Sections 13 and 15(d) of the Exchange Act be suspended.

Advisor Group expects to conduct an internal restructuring pending regulatory approval that would result in the Ladenburg Notes becoming pari passu with the indebtedness of Advisor Group Holdings, Inc. and the Series A Preferred Stock (to the extent that shares of Series A Preferred Stock are not fully converted or redeemed), becoming structurally subordinated to the indebtedness of Advisor Group and its subsidiaries.

A copy of the press release announcing the Company’s intention to delist and deregister the Series A Preferred Stock and the Ladenburg Notes is furnished as Exhibit 99.1 hereto. This exhibit shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, and shall not be incorporated by reference in any filing by the Registrant under the U.S. Securities Act of 1933, as amended.

The information contained in Item 2.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.01.

Item 3.03. Material Modification to Rights of Security Holders.

As a result of the Merger, each share of Ladenburg Common Stock that was issued and outstanding immediately prior to the Effective Time (other than (i) shares of Ladenburg Common Stock owned by Advisor Group or any of its direct or indirect wholly owned subsidiaries or the Company, and in each case, not held on behalf of third parties and (ii) restricted stock awards of the Company) was automatically cancelled and converted into the right to receive the Merger Consideration at the Effective Time.

The information contained in Items 2.01, 3.01 and 5.02 of this Current Report on Form 8-K is incorporated by reference into this Item 3.03.

Item 5.01. Change in Control of Registrant.

As a result of the Merger, a change of control of the Company occurred, and the Company is now a wholly owned subsidiary of Advisor Group, which is controlled by an investor group led by Reverence Capital Partners LLC (the “**Sponsor**”). The Company was acquired for an aggregate purchase price based on a total enterprise value of approximately \$1.3 billion, taking into account the Company’s common stock, preferred stock and outstanding debt and was funded, along with the fees and expenses related to the Merger, through a combination of net proceeds from the offering of the 2028 Senior Secured Notes, borrowings under the Senior Secured Credit Facilities, common equity contributions from the Sponsor and its co-investors and cash on the balance sheet of Advisor Group, the Company and their respective subsidiaries.

The information contained in the Introductory Note and Items 2.01 and 5.02 of this Current Report on Form 8-K is incorporated by reference into this Item 5.01.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

At the Effective Time, pursuant to the terms of the Merger Agreement, Richard J. Lampen, Howard M. Lorber, Adam Scott Malamed, Mark David Zeitchick, Henry Carl Beinstein, Richard M. Krasno, Jacqueline M. Simkin, Glenn C. Davis, Brian S. Genson, and Michael S. Liebowitz ceased serving as the directors of the Company, and Jamie Price, Ahmed Hassanein and Matthew Schlueter became directors of the Company.

At the Effective Time, the following persons will no longer hold the position as an officer of the Company: Richard J. Lampen as Chairman, President and Chief Executive Officer; Adam Scott Malamed as Chief Operating Officer, Executive Director and Executive Vice President; and Doreen Griffith as Chief Information Officer and Senior Vice President, while the following persons became officers of the Company: Jamie Price as Chief Executive Officer and President and Ahmed Hassanein as Chief Accounting Officer.

Jamie Price, age 59, has served as the President & Chief Executive Officer of Advisor Group since November 2016 and is also a member of Advisor Group’s Board of Directors. From January 2011 to November 2016, Mr. Price was an Executive Vice President at 1-800 DOCTORS, a concierge service that connects patients with medical professionals. Mr. Price was also a Strategic Partner at the Sawtooth Group, a creative agency in content and brand and digital strategy, from January 2011 to June 2016. From 2002 to 2010, Mr. Price served in numerous positions at UBS Financials Services, Inc., most recently as Head of Wealth Management for Advisor Group Americas. From 1992 to 2002, Mr. Price held various executive positions at Prudential Securities and most recently held the position of President and Chief Operating Officer. Mr. Price serves on the board of Invest in Others, an organization that recognizes and honors advisors who give back in their community. Mr. Price graduated from the University of Oregon, with a B.S. in finance and economics.

Ahmed Hassanein, age 47, has served as Advisor Group’s Chief Accounting Officer since 2016 and is also a member of Advisor Group’s Board of Directors. Prior to joining Advisor Group, from 2011 to 2016, Mr. Hassanein was Chief Accounting Officer of Cetera Financial Group, Inc. (“Cetera”). Prior to Cetera, from 2010 to 2011, Mr. Hassanein served as Chief Financial Officer of the Library of Congress Federal Credit Union and, from 2007 to 2009, Chief Operating Officer and Chief Financial Officer at Steben & Company, Inc. Before joining Steben, Mr. Hassanein served in a number of key positions at Friedman, Billings, Ramsey Group, Inc. Mr. Hassanein began his career as an auditor with Deloitte. Mr. Hassanein earned a B.S. in Accounting from the University of Maryland and an MBA (concentration in Finance) from Marymount University.

Item 7.01. Other Events.

On February 14, 2020, the Company issued a press release announcing the completion of Advisor Group’s acquisition of the Company, a copy of which is filed as Exhibit 99.2 hereto and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
2.1	<u>Agreement and Plan of Merger, dated November 11, 2019, by and among Ladenburg Thalmann Financial Services Inc., Advisor Group Holdings, Inc. and Harvest Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 of the Current Report on Form 8-K/A filed with the SEC on November 14, 2019).</u>
99.1	<u>Press Release, dated February 14, 2020, issued by Ladenburg Thalmann Financial Services Inc.*</u>
99.2	<u>Press Release, dated February 14, 2020, issued by Ladenburg Thalmann Financial Services Inc.*</u>

* 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 hereunto duly authorized.

Ladenburg Thalmann Financial Services Inc.

By: /s/ Nina McKenna

Name: Nina McKenna

Title: General Counsel & Secretary

DATE: February 14, 2020

Ladenburg Thalmann Announces Intention to Delist Certain of Its Securities

MIAMI, February 14, 2020 — Ladenburg Thalmann Financial Services Inc. (NYSE American: LTS, LTS PrA, LTSL, LTSF, LTSK, LTSH) (“Ladenburg”) today announced that it intends to delist certain of its securities and has provided the below notice to holders of its 8.00% Series A Cumulative Redeemable Preferred Stock (the “Series A Preferred Stock”) announcing a change of control upon the closing of its merger with Advisor Group. Please see below for more information.

Delisting of Certain Ladenburg Securities

Ladenburg today notified the NYSE American (“NYSE”) of its intention to voluntarily delist its 8.00% Series A Cumulative Redeemable Preferred Stock, Liquidation Preference \$25.00 per share, (the “Series A Preferred Stock”), its 6.50% Senior Notes due 2027 (the “6.50% 2027 Notes”), its 7.00% Senior Notes due 2028 (the “7.00% 2028 Notes”), its 7.25% Senior Notes due 2028 (the “7.25% 2028 Notes”), and its 7.75% Senior Notes due 2029 (the “7.75% Senior Notes” and, together with the 6.50% 2027 Notes, the 7.00% 2028 Notes and the 7.25% 2028 Notes, the “Notes”) from the NYSE, as well as its intention to deregister the Notes and the Series A Preferred Stock from registration with the Securities and Exchange Commission (“SEC”) following the consummation of Ladenburg’s previously acquisition by Advisor Group Holdings, Inc. (“Advisor Group”). We have not arranged to list or register either the Series A Preferred Stock or the Notes on another national securities exchange or for the quotation of such securities in any other medium. While Advisor Group and Ladenburg intend to cooperate with broker-dealers to facilitate over-the-counter trading of the Notes and the Series A Preferred Stock (with respect to the Series A Preferred Stock, to the extent that shares of Series A Preferred Stock are not fully converted or redeemed in connection with the Ladenburg Merger and remain outstanding), there is no assurance that such a market will develop.

As previously announced, on November 11, 2019, Ladenburg entered into an Agreement and Plan of Merger (the “Merger Agreement”) by and among Ladenburg, Advisor Group and Harvest Merger Sub, Inc., a Florida corporation and a wholly owned subsidiary of Advisor Group, pursuant to which Ladenburg agreed to be acquired by Advisor Group through a cash merger, in which each outstanding share of Ladenburg’s common stock will be converted into cash payments of \$3.50 per share (the “Transaction”). With its acquisition by Advisor Group, Ladenburg is proceeding to delist the Notes and the Series A Preferred Stock in connection with the closing of the transactions contemplated by the Merger Agreement.

Notice of Change of Control for Holders of Series A Preferred Stock (CUSIP No. 50575Q201)*

Reference is hereby made to the Articles of Amendment to the Articles of Incorporation of Ladenburg Financial Services Inc.’s Designation of Preferences, Limitations and Relative Rights of 8.00% Series A Cumulative Redeemable Preferred Stock, \$25.00 Liquidation Preference (the “Designation of Preferences”). Capitalized terms used herein but not defined within this Notice of Change of Control shall have the respective meanings assigned to such terms in the Designation of Preferences.

NOTICE IS HEREBY GIVEN, to each holder (herein "Holder;" "you" or "yours") of shares of 8.00% Series A Cumulative Redeemable Preferred Stock (the "Series A Preferred Stock"), pursuant to Section 7 of the Designation of Preferences, that, pursuant to an agreement and plan of merger, dated November 11, 2019 (the "Merger Agreement"), by and among Ladenburg Thalmann Financial Services Inc., a Florida corporation ("LTFS"), Advisor Group Holdings, Inc., a Delaware corporation ("AG"), and Harvest Merger Sub, Inc., a Florida corporation and a wholly owned subsidiary of AG ("Harvest Merger Sub"), on February 14, 2020, Harvest Merger Sub was merged with and into LTFS, with LTFS as the surviving corporation (the "Ladenburg Merger"), which, along with the delisting of LTFS's common stock from a national securities exchange, constitutes a Change of Control pursuant to the Designation of Preferences.

Subject to the terms and conditions contained in the Merger Agreement, each share of common stock, par value \$0.0001 per share, of LTFS (the "Ladenburg Common Stock") issued and outstanding immediately prior to the effective time of the Ladenburg Merger (other than (i) Ladenburg Common Stock owned by AG or any of its direct or indirect wholly owned subsidiaries or LTFS, and in each case, not held on behalf of third parties and (ii) restricted stock awards of LTFS), was cancelled and converted into the right to receive \$3.50 in cash, without interest and subject to any applicable withholding taxes (the "Merger Consideration").

Upon the occurrence of a Change of Control, each Holder has the right (unless, prior to the Change of Control Conversion Date, LTFS has provided notice of its election to redeem some or all of the shares of Series A Preferred Stock held by such holder, in which case such Holder will have the right only with respect to shares of Series A Preferred Stock that are not called for redemption) to convert some or all of the shares of Series A Preferred Stock held by such Holder into the Conversion Consideration (as described below).

The Change of Control Conversion Date, which is the last date on which Holders may exercise their Change of Control Conversion Right, is March 5, 2020.

Pursuant to Section 7(e) of the Designation of Preferences, each Holder will be entitled to receive cash as the Alternative Conversion Consideration for each share of Series A Preferred Stock, and, pursuant to Section 7(d) of the Designation of Preferences, the Common Stock Price shall be the Merger Consideration.

The Conversion Consideration to be received by each Holder is cash in the amount of \$25.0389 per share of Series A Preferred Stock, which includes the accrued and unpaid dividends thereon to, but not including, the Change of Control Conversion Date.

If, prior to the Change of Control Conversion Date, LTFS provides notice of its election to redeem all or any shares of Series A Preferred Stock, Holders will not be able to convert shares of Series A Preferred Stock called for redemption and such shares will be redeemed on the applicable redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Rights.

To exercise the Change of Control Conversion Right, each Holder must deliver, on or before 5:00 p.m., New York City time, on March 5, 2020, the certificates (if any) representing the shares of Series A Preferred Stock to be converted, duly endorsed for transfer (or, in the case of any shares of Series A Preferred Stock held in book-entry form through a Depository to deliver, on or before 5:00 p.m., New York City time, on March 5, 2020, the shares of Series A Preferred Stock to be converted through the facilities of such Depository), together with a written conversion notice (via facsimile, PDF or other electronic transmission thereof) in the form of the notice of conversion (the “Notice of Conversion”) attached hereto as Annex A, duly completed, to American Stock Transfer & Trust Company, LLC, LTFS’s transfer agent for the Series A Preferred Stock, which Notice of Conversion must state: (i) the Change of Control Conversion Date; (ii) the number of shares of Series A Preferred Stock to be converted; and (iii) that the Series A Preferred Stock is to be converted pursuant to the applicable provisions of the Series A Preferred Stock. Please be advised that DTC participants with Holders who are beneficial owners seeking to convert their shares must submit their shares of Series A Preferred Stock to the conversion and paying agent listed below through DTC’s ATOP function.

Holders may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal. The notice of withdrawal delivered by any Holder to the paying agent (the “Notice of Withdrawal”), the form of which is attached hereto as Annex B, or the Depository, as necessary, must state: (i) the number of withdrawn shares of Series A Preferred Stock; (ii) if certificated shares of Series A Preferred Stock have been surrendered for conversion, the certificate numbers of the withdrawn shares of Series A Preferred Stock; and (iii) the number of shares of Series A Preferred Stock, if any, which remain subject to the holder’s conversion notice. If necessary, Holders must comply with the applicable procedures of the Depository or the paying agent to effectuate the withdrawal. The last time and date on which Holders may withdraw their shares of Series A Preferred Stock surrendered for conversion is 5:00 p.m., New York City time, on March 4, 2020.

You are under no obligation to surrender your shares of Series A Preferred Stock for conversion pursuant to the Change of Control Conversion Right. You may decide to take no action and retain your shares of Series A Preferred Stock and, if declared, will receive future dividends on your shares of Series A Preferred Stock.

You may choose to:

- **Retain your shares of Series A Preferred Stock:** You may choose to continue holding your shares of Series A Preferred Stock.
 - If you continue to hold your shares of Series A Preferred Stock, you will also retain the right to receive dividends (if declared) on your shares of Series A Preferred Stock and your other rights pursuant to the terms of the Designation of Preferences. Further, AG expects to conduct an internal restructuring pending regulatory approval that would result in the Series A Preferred Stock (to the extent that shares of the Series A Preferred Stock are not fully converted or redeemed) becoming structurally subordinated to the indebtedness of AG and its subsidiaries.
 - Further, while the Series A Preferred Stock is expected to be delisted from the NYSE American in the first quarter of 2020 and subsequently deregistered with the SEC, AG and LTFS intend to cooperate with broker-dealers to support over-the-counter trading of the Series A Preferred Stock to the extent that shares of Series A Preferred Stock are not fully converted (or redeemed) in connection with the Ladenburg Merger and remain outstanding, but there is no assurance that such a market will develop.
 - Further, even if the expected delisting of the Series A Preferred Stock occurs, LTFS plans to post annual and quarterly reports on an electronic, web-based portal accessible to Holders.

- **Convert your shares of Series A Preferred Stock into the Conversion Consideration:** If you exercise your right to convert your shares of Series A Preferred Stock at or prior 5:00 p.m. New York City time, on March 5, 2020, you will receive \$25.0389 per share of Series A Preferred Stock, which includes the accrued and unpaid dividends thereon to, but not including, the Change of Control Conversion Date.

You are urged to read the remainder of this Notice of Change of Control & Information Statement to more fully understand the risks of retaining or converting your shares of Series A Preferred Stock. However, this Information Statement does not purport to be complete, and you are urged to consult your own tax, legal and investment advisers before determining to retain or convert your shares.

The name and address of the transfer agent, paying agent and conversion agent is:

American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, New York 11219
Tel. (718) 921-8200
afrenkel@astfinancial.com

* No representation is made as to the correctness or accuracy of the CUSIP number listed above or printed on the Series A Preferred Stock.

About Ladenburg

Ladenburg Thalmann Financial Services Inc. (NYSE American: LTS; LTS PrA; LTSL; LTSF; LTSK; LTSH) is a diversified financial services company based in Miami, Florida. Ladenburg's subsidiaries include industry-leading independent advisory and brokerage (IAB) firms Securities America, Triad Advisors, Securities Service Network, Investacorp and KMS Financial Services, as well as Premier Trust, Ladenburg Thalmann Asset Management, Highland Capital Brokerage, a leading independent life insurance brokerage company and full-service annuity processing and marketing company, and Ladenburg Thalmann & Co. Inc., an investment bank which has been a member of the New York Stock Exchange for over 135 years. The company is committed to investing in the growth of its subsidiaries while respecting and maintaining their individual business identities, cultures, and leadership. For more information, please visit www.ladenburg.com.

Forward-looking Statements

This press release contains forward-looking statements. You can generally identify forward-looking statements by the use of forward-looking terminology such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “explore,” “evaluate,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” or “will,” or the negative thereof or other variations thereon or comparable terminology. These forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond Ladenburg’s and Advisor Group’s control. Statements in this document regarding Ladenburg and Advisor Group that are forward-looking are based on management’s estimates, assumptions and projections, and are subject to significant uncertainties and other factors, many of which are beyond the control of Ladenburg and Advisor Group. Important risk factors could cause actual future results and other future events to differ materially from those currently estimated, including, but not limited to, the effect of the announcement or consummation of the acquisition by Advisor Group of Ladenburg’s business relationships, operating results, and business generally. The list above is not exhaustive. Because forward-looking statements involve risks and uncertainties, the actual results and performance of Ladenburg may materially differ from the results expressed or implied by such statements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Unless otherwise required by law, Ladenburg also disclaims any obligation to update its view of any such risks or uncertainties or to announce publicly the result of any revisions to the forward-looking statements made herein.

Readers should carefully review the risks and uncertainties disclosed in Ladenburg’s reports with the SEC, including those set forth in Part I, “Item 1A. Risk Factors” in Ladenburg’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and in subsequent Quarterly Reports on Form 10-Q and other reports or documents Ladenburg files with, or furnishes to, the SEC from time to time. Except as specifically noted, information on, or accessible from, any website to which this press release contains a hyperlink is not incorporated by reference into this press release and does not constitute a part of this press release. No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do occur, what impact they will have on the results of operations or financial condition of Ladenburg or Advisor Group. All forward-looking statement in this communication are qualified in their entirety by this cautionary statement.

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ADVISOR GROUP ANNOUNCES COMPLETION OF MERGER WITH LADENBURG THALMANN FINANCIAL SERVICES TO CREATE INDUSTRY'S LARGEST NETWORK OF WEALTH MANAGEMENT FIRMS

Transaction Expands Advisor Group's Industry Leadership, with Approximately 11,300 Affiliated Financial Advisors and Over \$450 Billion in Client Assets

Company Reaffirms Commitment to Multi-Brand Network Model Delivering Benefits of Both Scale and Personalized Service to Financial Advisors

PHOENIX, Feb. 14, 2020 – Advisor Group, the nation's largest network of independent wealth management firms, today announced the successful completion of its merger agreement with Ladenburg Thalmann Financial Services Inc., a diversified financial services company based in Miami that includes five independent advisory and brokerage firms.

The closing of this transaction augments Advisor Group's industry leadership, with the expanded company encompassing about 11,300 financial advisors and over \$450 billion in client assets. Advisor Group is committed to a multi-brand network model that delivers the advantages of industry-leading scale and resources through familiar relationship managers, a unique sense of community and a personalized approach to service, which will further empower advisors to do their best for their clients.

Jamie Price, CEO and President of Advisor Group, commented, "The closing is a testament to the strength of both companies' management teams, the quality and early engagement of our advisor communities and the overwhelmingly positive response from ratings agencies and our investors. We have a shared excitement for creating an industry leader that offers a truly unique combination of resources, flexibility and personalized service. We are thrilled to embark upon a new stage of growth and success for the advisors we support, and we offer the advisors who have joined us from Ladenburg a very warm welcome to the Advisor Group community of firms. For both our new and longstanding advisors, we look forward to continuing to demonstrate that we are in their corner, now and in the future."

Richard Lampen, CEO, President and Chairman of Ladenburg, said, "We are thrilled to complete this transformational merger with Advisor Group, a company with complementary strengths and a shared vision for the future. We believe the transaction will help our financial advisors accelerate the growth of their businesses while continuing to benefit from the highly personalized service experience they have always enjoyed. On behalf of the entire Ladenburg Board and management team, I want to sincerely thank our employees and financial advisors for their tireless work and dedication."

Milton Berlinski, Co-Founder and Managing Partner of Reverence Capital Partners, a leading financial services-focused private equity firm and majority equity owner of Advisor Group, said, "We are excited to work closely with this great management team as they combine the resources of Advisor Group and Ladenburg Thalmann to create one of the most robust platforms in the wealth management industry. The extraordinary collaboration across the Advisor Group and Ladenburg Thalmann teams to close the merger has only further validated our confidence in the future of this partnership."

About Advisor Group

Advisor Group, Inc. is the nation's largest network of independent wealth management firms, serving approximately 11,300 financial professionals and overseeing over \$450 billion in client assets. The firm is mission-driven to support the strategic role that advisors can play in the lives of their clients. Securities and investment advisory services are offered through its affiliated broker-dealers: FSC Securities Corporation; Royal Alliance Associates, Inc.; SagePoint Financial, Inc.; Woodbury Financial Services, Inc.; Securities America, Inc.; Triad Advisors, LLC.; Investacorp, Inc.; KMS Financial Services, Inc.; and Securities Service Network, LLC, members FINRA and SIPC, and Registered Investment Advisers. Cultivating a spirit of entrepreneurship and independence, Advisor Group champions the enduring value of financial professionals and is committed to being in their corner every step of the way. For more information visit <https://www.advisorgroup.com>.

About Reverence Capital Partners

Reverence Capital Partners is a private investment firm focused on thematic investing in leading global, middle-market Financial Services businesses through control and influence oriented investments in 5 sectors: (1) Depositories and Finance Companies, (2) Asset and Wealth Management, (3) Insurance, (4) Capital Markets and (5) Financial Technology/Payments. The firm was founded in 2013, by Milton Berlinski, Peter Aberg and Alex Chulack, after distinguished careers advising and investing in a broad array of financial services businesses. The Partners collectively bring over 90 years of advisory and investing experience across a wide range of financial services sectors. For more information visit www.reverencecapital.com.

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