

# FORM 4

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

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

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person NEW VALLEY CORP		2. Issuer Name and Ticker or Trading Symbol LADENBURG THALMANN FINANCIAL SERVICES INC [LTS]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)	
(Last) (First) (Middle) 100 S.E. SECOND STREET		3. Date of Earliest Transaction (Month/Day/Year) 03/11/2005		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	
(Street) MIAMI, FL 33131		4. If Amendment, Date Original Filed (Month/Day/Year)			

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)				Price
Common Stock	03/11/2005 <sup>(1)</sup>		P		11,111,111	A	\$ 0.45	11,111,111	D	
Common Stock	03/11/2005 <sup>(1)</sup>		C		19,876,358	A	\$ 0.5	30,987,469	D	

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

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)		
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares						
7-1/2% Senior Convertible Promissory Note	\$ 0.5	03/11/2005 <sup>(1)</sup>		C				\$ 8,010,000		05/07/2001	12/31/2005	Common Stock	\$ 8,010,000	\$ 8,010,000	\$ 8,010,000	D	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NEW VALLEY CORP 100 S.E. SECOND STREET MIAMI, FL 33131		X		

## Signatures

/s/ Richard J. Lampen, Executive Vice President  
Signature of Reporting Person

03/11/2005  
Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

On March 11, 2005, the reporting person converted its \$8,010,000 aggregate principal amount of senior convertible promissory notes of the Issuer, plus \$1,928,179 of accrued interest thereon, into 19,876,358 shares of common stock at a conversion price of \$0.50 per share pursuant to the Amended and Restated Debt

Conversion Agreement (the "Agreement"), dated as of November 15, 2004, between the Issuer, the reporting (1) person and Frost-Nevada Investments Trust. On the same date, pursuant to the Agreement, the reporting person purchased 11,111,111 shares of common stock from the Issuer for \$5 million, or \$0.45 per share. The reporting person will distribute the 19,876,358 shares it received on conversion of its note as a special dividend to the reporting person's shareholders. The special dividend will be payable on March 30, 2005 to holders of record on March 18, 2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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