

FORM 4

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

OMB APPROVAL	
OMB Number:	3235-0287
Expires:	November 30, 2011
Estimated average burden hours per response...	0.5

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 ROSENSTOCK RICHARD J	2. Issuer Name and Ticker or Trading Symbol LADENBURG THALMANN FINANCIAL SERVICES INC [LTS]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)
(Last) (First) (Middle) C/O LADENBURG THALMANN & CO. INC., 520 MADISON AVE, 9TH FLOOR	3. Date of Earliest Transaction (Month/Day/Year) 01/04/2012	
(Street) NEW YORK, NY 10022	4. If Amendment, Date Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

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	01/04/2012		M		250,000	A	\$ 0.88	2,811,650	I	Held by The Richard J. Rosenstock Revocable Living Trust Dated 3/5/96 (1)
Common Stock	01/04/2012		F(2)		90,164	D	\$ 2.44	2,721,486	I	Held by The Richard J. Rosenstock Revocable Living Trust Dated 3/5/96 (1)
Common Stock								105,000	D	
Common Stock								50,000	I	Held by the NFS/FMTC Rollover IRA for the benefit of Richard J. Rosenstock
Common Stock								5,000	I	Held by the NFS/FMTC IRA for the benefit of Richard J. Rosenstock
Common Stock								5,000	I	Held by the NFS/FMTC IRA for the benefit of Roni L. Rosenstock

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

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)				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				
Stock Option (Right to Buy)	\$ 0.88	01/04/2012		M			250,000	01/10/2005	01/10/2012	Common Stock	250,000	\$ 0	0	I	Held by The Richard J. Rosenstock Revocable Living Trust Dated 3/5/96 ⁽¹⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ROSENSTOCK RICHARD J C/O LADENBURG THALMANN & CO. INC., 520 MADISON AVE, 9TH FLOOR NEW YORK, NY 10022	X			

Signatures

/s/ Richard J. Rosenstock	01/05/2012
<small>Signature of Reporting Person</small>	<small>Date</small>

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Mr. Rosenstock is the sole trustee and beneficiary of The Richard J. Rosenstock Revocable Living Trust.
- (2) Represents a transfer of 90,164 shares of common stock from the Reporting Person to the Issuer in payment of the option exercise price.

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.