Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name	2 Issuer's employer identification number (EIN)
LADENBURG THALMANN FINANCIAL SERVICES INC	65-0701248

3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact
BRETT KAUFMAN	(305)572-4100	TAX@LADENBURG.COM

6 Number and street (or P.O. box if mail is not delivered to street address) of contact	7 City, town, or post office, state, and ZIP code of contact
4400 BISCAYNE BLVD, 14TH FLOOR	MIAMI, FL 33137

8 Date of action	9 Classification and description
VARIOUS (SEE PART II BELOW)	PREFERRED STOCK

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
50575Q201		PFD-A	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ In 2017, Ladenburg Thalmann Financial Services Inc. dist. the following amounts in cash payments to its shareholders:

$0.1667 per preferred share on 01/30/2017; $0.1667 per preferred share on 11/28/2017;
$0.1667 per preferred share on 02/28/2017; $0.1667 per preferred share on 12/28/2017
$0.1667 per preferred share on 03/28/2017;
$0.1667 per preferred share on 04/28/2017;
$0.1667 per preferred share on 05/30/2017;
$0.1667 per preferred share on 06/28/2017;
$0.1667 per preferred share on 07/28/2017;
$0.1667 per preferred share on 08/28/2017;
$0.1667 per preferred share on 09/28/2017;
$0.1667 per preferred share on 10/30/2017;

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Ladenburg Thalmann Financial Services Inc. has determined that of such distributions described above, approximately 35.8% will be treated as a taxable dividend and 64.2% will be treated as a return of capital under Internal Revenue Code Section ("IRC Sec.") 301 (c)(2). Generally, the portion of the distribution on preferred stock that is treated as a return of capital should reduce the tax basis in shares of preferred stock up to a shareholder's adjusted basis in the preferred stock with any excess treated as capital gains pursuant to IRC Sec 301(c)(3).

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ As described above, Ladenburg Thalmann Financial Services Inc. has determined that of such distributions described above, approximately 35.8% will be treated as a taxable dividend and 64.2% will be treated as a return of capital under IRC Sec. 301 (c)(2).

Record Date	Payment Date	Pfd. Share Distribution	2017 Taxable Dividend	2017 Return of Capital	Record Date	Payment Date	Pfd. Share Distribution	2017 Taxable Dividend	2017 Return of Capital
1/15/2017	1/30/2017	$0.1667	$0.05968	$0.10702	07/15/2017	07/28/2017	$0.1667	$0.05968	$0.10702
2/15/2017	2/28/2017	$0.1667	$0.05968	$0.10702	08/15/2017	08/28/2017	$0.1667	$0.05968	$0.10702
3/15/2017	3/28/2017	$0.1667	$0.05968	$0.10702	09/15/2017	09/28/2017	$0.1667	$0.05968	$0.10702
4/15/2017	4/28/2017	$0.1667	$0.05968	$0.10702	10/15/2017	10/30/2017	$0.1667	$0.05968	$0.10702
5/15/2017	5/30/2017	$0.1667	$0.05968	$0.10702	11/15/2017	11/28/2017	$0.1667	$0.05968	$0.10702
6/15/2017	6/28/2017	$0.1667	$0.05968	$0.10702	12/15/2017	12/28/2017	$0.1667	$0.05968	$0.10702

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ **IRC Sec. 301 (c)(2) &316(a).**

18 Can any resulting loss be recognized? ▶ **No**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **N/A**

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ _____ Date ▶ _____

Print your name ▶ **A Signed copy is maintained by the filer** Title ▶ **CFO, SVP**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054