

# Ladenburg Thalmann Exploring Sale: Report

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By Janet Levoux, [ThinkAdvisor](#)

Ladenburg Thalmann, which owns a group of independent broker-dealers with about 4,500 advisors, is considering its ownership options, according to Bloomberg News.

The firm's IBDs are Securities America, Triad Advisors, Investacorp, Securities Service Network and KMS Financial Services.

"As a matter of corporate policy, we don't comment on market rumors or speculation," CEO Richard Lampen said in an email to Ladenburg's affiliated advisors.

"Everyone at Ladenburg remains focused on running the business and continuing to serve your needs," Lampen said. "If you are asked about this news by your clients, you can assure them that it is business as usual." He said the firm's financial performance had been strong.

"The strategy behind such a move [to sell] is likely tied to the fact that the markets are topping, so selling ... now is a better time than ever," said industry recruiter Jon Henschen. "You want to exit before any weakness, which could mean you get 30% less."

What options could be on the table for Ladenburg?

"Maybe they're looking for a private equity firm to take a minority or partial interest, so they get some capital for expansion," said Henschen, who sees that situation as more advantageous than a sale that brings on a full or majority owner.

“But they could be thinking about a sale to a hedge fund or a leveraged buyout,” he added.

Ladenburg’s IBDs support activities of the parent firm, such as trust, insurance and other businesses. “Getting rid of the BDs [only] would mean the loss of an audience,” Henschen explained.

A member of the investment banking community told ThinkAdvisor that the sale of a minority stake or part of the company is unlikely. Instead, Ladenburg would prefer to be acquired in its entirety and taken private by a firm with significant financial resources; it is exploring such a sale with Jeffries Group.

### **Dual Clearing & Custody**

With the race to zero in commissions, the firm’s dual-clearing IBDs are seen as friendlier for independent advisors working with clients tied to different custodians, Henschen points out.

“Financial advisors value Ladenburg’s ability to accommodate multiple clearing and custody partners, which dramatically reduces the likelihood of a self-clearing firm like LPL Financial emerging as a serious bidder,” according to an investment banker familiar with the industry.

In his email to advisors, Lampen explained: “Rest assured we remain committed to our financial advisors and their clients, as well as to our open architecture platform and our multiple clearing and custody partners.”

In the second quarter, Ladenburg reported clients assets of \$177.7 billion, revenues of \$363.6 million and net income of \$7.5 million.