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Ladenburg Thalmann Annuity Insurance Services (LTAIS) Acquires Certain Assets of Kestler Financial Group's Insurance Distribution Business

Acquisition Reinforces LTAIS' Efforts to Align Annuity Solutions with Independent Firms and Advisors Across the Country

BIRMINGHAM, Ala.--(BUSINESS WIRE)-- Ladenburg Thalmann Financial Services Inc. (NYSE American: LTS, LTSL, LTS PrA, LTSF, LTSK) ("Ladenburg"), a publicly-traded, diversified financial services company, announced today that its Ladenburg Thalmann Annuity Insurance Services LLC ("LTAIS") subsidiary has purchased certain assets of the insurance distribution business operated by [Kestler Financial Group](#), Inc. ("KFG"), a leading independent distribution company ("IDC") located in Leesburg, Virginia.

Under the terms of an asset purchase agreement, LTAIS purchased certain KFG assets, including the rights to the "Kestler Financial Group" name and brand, as part of an ongoing strategy for LTAIS to reinforce its position as a leading distributor of annuity solutions for independent financial advisors throughout the country. The acquisition is expected to generate important benefits for the Ladenburg insurance and annuity platform, which consists of LTAIS and Ladenburg's complementary subsidiary Highland Capital Brokerage, a leading independent brokerage of life insurance solutions nationwide.

Founded in 1993 by father and son Tom and Jason Kestler, KFG has established itself as one of the nation's leading distributors of annuities, life insurance, long term care insurance and disability insurance by identifying, recruiting, and training independent insurance agents, registered representatives and financial planners nationwide. The firm brings strong client relationships to Ladenburg's insurance and annuity platform, including selling agreements with over 20 independent broker-dealers, RIAs and other firms representing more than 3,000 affiliated financial advisors.

Richard Lampen, President and Chief Executive Officer of Ladenburg, said, "We are very pleased to welcome the Kestler team to the Ladenburg family. This is a significant step forward in our strategic vision for LTAIS and the entire Ladenburg insurance and annuity platform, especially with respect to reinforcing our leadership position in the independent financial advice space at a time when insurance and annuity solutions are becoming increasingly important to individuals and families across the country."

Jim Gelder, CEO of LTAIS, said, "Kestler Financial Group has a long, successful history in the fixed index space working with the financial advisors of independent broker-dealers across the country. Jason and Tom Kestler are well-known and highly respected thought

leaders in this market, and we're excited to bring them into our organization. With the longstanding client relationships the Kestler team has formed and the industry-leading capabilities they bring to our organization, the Ladenburg insurance and annuity platform will be exceptionally well-positioned to shape the future of this space."

KFG is one of the few IDCs with a service model that effectively addresses the needs of insurance-only advisors, registered representatives and investment advisor representatives in the RIA space. LTAIS will benefit from KFG's deep and specialized expertise in marketing, sales and operations in the annuity and insurance sector. The acquisition will also enable LTAIS' existing sales team to expand and strengthen the support it provides advisors affiliated with Ladenburg's independent advisory and brokerage (IAB) subsidiaries, by giving the LTAIS sales team access to robust lead generation capabilities through social media, seminars and other channels.

The Kestler team will operate from their current headquarters in Leesburg, Virginia, as part of LTAIS. Effective immediately, Jason Kestler will become part of the Highland executive management team, while also serving as President of the Kestler Financial Group Division within LTAIS.

Jason Kestler, President of KFG, said, "This announcement marks the start of an exciting new period of growth for our insurance distribution business. We've established our organization by focusing on creating one-to-one relationships with our advisors, built on a foundation of mutual respect and exceptional service. It's very clear to us that LTAIS, Highland Capital and Ladenburg share the Kestler team's longstanding focus on advisor service, and that becoming part of the Ladenburg family of companies will amplify our ability to assist advisors in growing their practices in an area that is crucial to millions of households, business owners and individuals across the country who are seeking to maximize their financial security over the long run."

About Ladenburg

Ladenburg Thalmann Financial Services Inc. (NYSE American: LTS, LTSL, LTS PrA, LTSF, LTSK) is a publicly-traded 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, Ladenburg Thalmann Annuity Insurance Services, a 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.

About LTAIS

Ladenburg Thalmann Annuity Insurance Services LLC ("LTAIS") is a wholly owned subsidiary of Ladenburg Thalmann Financial Services Inc. LTAIS is a full-service annuity processing and marketing platform offering advisors proprietary and industry-leading technologies, contracting and licensing, and in-house annuity experts. The company's sales

support team works in close coordination with financial advisors to ensure that the products being offered are in the best interest of the client. For more information, visit the LTAIS website at ladenburgannuity.com.

About Kestler Financial Group

Kestler Financial Group, Inc. (“KFG”) is a valued resource for thousands of independent advisors nationwide. KFG delivers products and tools built on a robust platform for their clients to run and grow their practices more successfully. Members of the KFG team have a rich history of being thought leaders in the annuity distribution channel, and the firm has found its niche providing insurance and annuity solutions within the securities industry. For more information, visit the KFG website at kestlerfinancial.com.

This press release includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding future growth, growth of our independent advisory and brokerage business and growth of our insurance and annuity business. These statements are based on management’s current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive and/or regulatory factors, including the SEC’s proposed rules and interpretations concerning the standards of conduct for broker dealers and investment advisers when dealing with retail investors, future cash flows, a change in the Company’s dividend policy by the Company’s Board of Directors (which has the ability in its sole discretion to increase, decrease or eliminate entirely the Company’s dividend at any time) and other risks and uncertainties affecting the operation of the Company’s business. These risks, uncertainties and contingencies include those set forth in the Company’s annual report on Form 10-K for the fiscal year ended December 31, 2017 and other factors detailed from time to time in its other filings with the SEC. The information set forth herein should be read in light of such risks. Further, investors should keep in mind that the Company’s quarterly revenue and profits can fluctuate materially depending on many factors, including the number, size and timing of completed offerings and other transactions. Accordingly, the Company’s revenue and profits in any particular quarter may not be indicative of future results. The Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise, except as required by law.

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