

July 25, 2018



# Ladenburg Makes Strategic Investment in Track Technologies, Enabling Financial Advisors to Serve ‘Gig Economy’ Clients with Turnkey Tax Solutions

**Early-Stage FinTech Company’s Digital Tools Calculate, Withhold and Submit Quarterly Payments on Self-Employment Taxes for Independent Contractor Workers**

**Demonstrates Ladenburg’s Commitment to Adapt New Technology-Driven Solutions to Accelerate Growth Opportunities Tied to Broader Socioeconomic Trends for Advisors**

MIAMI--(BUSINESS WIRE)-- Ladenburg Thalmann Financial Services Inc. (NYSE American: LTS, LTSL, LTS PrA, LTSF) (“Ladenburg”), a publicly-traded, diversified financial services company, today announced its strategic investment in Track Technologies, Inc. (“Track”), a San Francisco-based digital provider of tax automation for independent contractors, freelancers, and other workers who generate self-employed income. The investment, which is the first major outgrowth of Ladenburg’s recently launched Innovation Lab and its inaugural Innovation Symposium in May, enables Ladenburg to align new technology-enabled solutions to support the business growth of financial advisors affiliated with its five independent advisory and brokerage (IAB) subsidiary firms: Securities America, Triad Advisors, KMS Financial Services, Investacorp and Securities Service Network (SSN).

Adam Malamed, Executive Vice President and Chief Operating Officer of Ladenburg, said, “Ladenburg’s investment in Track reflects our commitment to lead the industry in anticipating and capturing opportunities for our advisors that are driven by socioeconomic trends that have the potential to transform the future of financial advice. This investment is part of our innovation-focused process for identifying macro themes, and then adapting technology-enabled tools from the start-up community that our financial advisors can deploy to get ahead of the curve. We expect the ‘gig economy’, characterized by self-employed individuals, or those with independent income sources, will only continue to expand. By enabling our advisors to deliver digital automated tax solutions that can potentially plug into financial and retirement planning efforts for self-employed clients, we are positioning our advisors to serve a large market.”

Track Technologies calculates, withholds and submits quarterly estimated payments on self-employment taxes for workers who use IRS 1099 Forms. Users can connect the software to their bank or credit card accounts to save time by allowing Track to synch, detect, and review transactions such as deposits and expenses, in order to notify users about income taxes owed as well as potential deductions. This groundbreaking model also presents enormous opportunities for financial advisors in all of the Ladenburg IABs to help clients

leverage a turnkey solution for payroll services, setting up qualified retirement plans, and reducing their administrative burdens.

In January, Ladenburg announced the launch of its Enterprise Innovation initiative and the Ladenburg Innovation Lab, as part of a comprehensive strategy to generate new resources that empower the growth of Ladenburg's IAB subsidiaries and the practices of the financial advisors they serve. On May 22, Ladenburg's inaugural Innovation Symposium in San Francisco united CEOs of venture-backed fintech start-ups, leaders of technology-focused venture capital firms, and an elite group of growth-oriented advisors for an invitation-only event to pursue forward-looking tools, ideas and business practices.

Dan Sachar, Vice President for Enterprise Innovation at Ladenburg and Head of the Ladenburg Innovation Lab, said, "Ladenburg picked a robust assortment of ideas to test drive with the growth-oriented advisors who were selected to attend our recent Innovation Symposium, in a two-way process that takes our longstanding commitment to constant collaboration with advisors to a new level. Following our Innovation Symposium, we reviewed several of the most promising concepts to turn ideas into action, and our investment in Track is the next logical step in that process. We see great potential for adapting and leveraging this type of service for advisors across each of our IAB subsidiaries."

Trent Bigelow, Co-founder and Chief Executive Officer of Track Technologies, said, "We started Track to make life easier for people who operate as sole proprietors and small business owners, because they should spend more time on the real work that matters instead of burdensome busywork like taxes. The labor trend is clearly shifting more and more to the 1099 independent contractor space, yet millions of self-employed Americans will have to handle their own tax withholding every time they get paid. Ladenburg's investment will allow Track to accelerate its development and reach new audiences. Financial advisors serve many clients who are the ideal users of Track. I am excited to move forward with Ladenburg in this next phase of our business."

Mr. Malamed concluded, "Our investment in Track is consistent with Ladenburg's ongoing mission of leveraging our financial capital, intellectual capital, technology and other resources to find new ways to add significant value for our IAB firms, our advisors and their clients. By making an early-stage start-up investment, Ladenburg gains an exceptional level of insight into the technology product pipelines of the future, while providing us a seat at the table in shaping these technologies to the benefit of our advisors, as well as an opportunity to generate value on the investment itself."

### **About Ladenburg**

Ladenburg Thalmann Financial Services Inc. (NYSE American: LTS, LTSL, LTS PrA, LTSF) 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](http://www.ladenburg.com).

### **About Track Technologies**

Track Technologies, Inc., founded in 2015, is a San Francisco-based company that handles self-employed taxes for users on a daily basis, giving them a clear picture of what they have earned and what they owe by automatically keeping track of their income and expenses, withholding the proper amount when users get paid, and submitting their estimated quarterly tax payments to the Internal Revenue Service. Track Technologies allows users to connect their banking and credit card accounts to the platform. Track Technologies is not a bank. Banking services are provided by Evolve Bank, Member FDIC. For more information, please visit [www.track.tax](http://www.track.tax).

*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, growth in the number of independent contractors, future technology, future investments and performance of investments. 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 United States Department of Labor's rule and exemptions pertaining to the fiduciary status of investment advice providers to 401(k) plans, plan sponsors, plan participants and the holders of individual retirement or health savings accounts and 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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Source: Ladenburg Thalmann Financial Services Inc.