



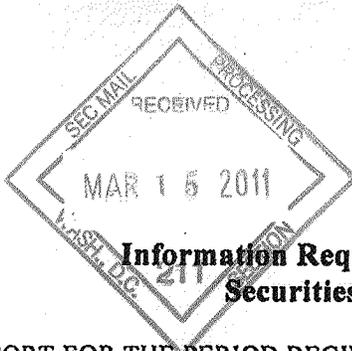
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Public

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

OMB APPROVAL
OMB Number: 3235-0123
Expires: April 30, 2013
Estimated average burden
hours per response..... 12.00



**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8- 48347

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING JANUARY 1, 2010 AND ENDING DECEMBER 31, 2010
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: THE LUGANO GROUP INCORPORATED

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

650 POYDRAS STREET, SUITE 1400

(No. and Street)

NEW ORLEANS

LOUISIANA

70130-6116

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

AMIR MIRESKANDARI

504-529-9752

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

GOLDSTEIN, ZUGMAN, WEINSTEIN & POOLE, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

(Name - if individual, state last, first, middle name)

701 W CYPRESS CREEK RD., SUITE 300

FT. LAUDERDALE

FL

33309

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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 control number.

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OATH OR AFFIRMATION

I, Harold Dotay, III, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of THE LUGANO GROUP INCORPORATED of DECEMBER 31, 20 10, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

*Sworn to and Subscribed before me, Notary, this 11th day of March, 2011
C. M. J. Reed
Notary Public*

Harold Dotay, III
Signature

Title

CATRICE A. JOHNSON - REID
ATTORNEY AT LAW
1554 N. BROAD ST.
NEW ORLEANS, LA 70119
LSBA #24475
NOTARY PUBLIC ID #65857

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

DRAFT

WEINSTEIN, ZELMAN, WEINSTEIN & PIERCE, L.L.P.
Certified Public Accountants and Chartered

THE LUGANO GROUP INCORPORATED
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2010

ASSETS

Cash and cash equivalents	\$ 5,857
Commissions receivable	163
Accrued interest	3
Secured demand note	<u>13,000</u>
TOTAL ASSETS	<u>\$19,023</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Accounts payable	\$ 2,000
Liabilities subordinated to the claims of general creditors	<u>13,000</u>
Total Liabilities	<u>15,000</u>

STOCKHOLDERS' EQUITY

Common stock, par value \$1.00 per share; 10,000 shares authorized, 100 shares issued and outstanding	100
Additional paid-in capital	79,487
Retained earnings/(deficit)	<u>(75,564)</u>
Total Stockholders' Equity	<u>4,023</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$19,023</u>
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The accompanying notes are an integral part of these financial statements.