

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



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

Mail Processing
Section

FEB 29 2012

SEC FILE NUMBER
8-66201

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Information Requested 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 01/01/2011 AND ENDING 12/31/2011
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **LAZARD ASSET MANAGEMENT SECURITIES LLC**

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
30 Rockefeller Plaza, 59TH Floor

FIRM I.D. NO.

(No. and street)

New York **New York** **10112**
(City) (State) (Zip Code)

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

Gerald B. Mazzari **212-632-6290**
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Deloitte & Touche LLP

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

Two World Financial Center **New York** **NY** **10281**
(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

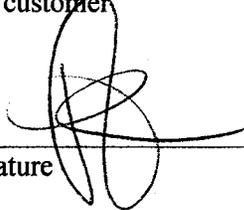
* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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AFFIRMATION

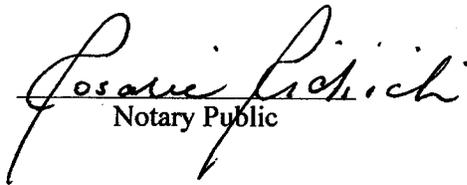
I, Robert M. Massaroni, affirm that, to the best of my knowledge and belief the accompanying financial statements and supplemental schedules pertaining to Lazard Asset Management Securities LLC as of December 31, 2011, are true and correct. I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer



Signature

Director – LAM Finance and Financial and
Operations Principal

State of New York
County of New York
Sworn to before me this 28th day of Feb 2012.



Notary Public

ROSALIE RICHICHI
Notary Public State of New York
No. 4956322
Qualified in New York County
Commission Expires Sept. 18, 2013

LAZARD ASSET MANAGEMENT SECURITIES LLC

(SEC I.D. No. 8-66201)

SEC
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FEB 29 2012

Washington, DC
123

STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2011,
AND
INDEPENDENT AUDITORS' REPORT
AND
SUPPLEMENTAL REPORT ON INTERNAL CONTROL

* * * * *

Filed in accordance with Rule 17a-5(e)(3)
under the Securities Exchange Act of 1934
as a **PUBLIC** document.

LAZARD ASSET MANAGEMENT SECURITIES LLC

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INDEPENDENT AUDITORS' REPORT

To the Member of
Lazard Asset Management Securities LLC:

We have audited the accompanying statement of financial condition of Lazard Asset Management Securities LLC (the "Company") as of December 31, 2011, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such statement of financial condition presents fairly, in all material respects, the financial position of Lazard Asset Management Securities LLC at December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

February 28, 2012

LAZARD ASSET MANAGEMENT SECURITIES LLC

STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2011

ASSETS

CASH AND CASH EQUIVALENTS	\$ 1,851,705
DISTRIBUTION FEES RECEIVABLE	945,428
PREPAID EXPENSES	308,218
OTHER	<u>900</u>
TOTAL ASSETS	<u>\$ 3,106,251</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES:

Distribution Fees Payable	\$ 1,161,269
Payable to parent	262,385
Accrued expenses	<u>45,000</u>

Total liabilities 1,468,654

MEMBER'S EQUITY 1,637,597

TOTAL LIABILITIES AND MEMBER'S EQUITY \$ 3,106,251

See Notes to Statement of Financial Condition

LAZARD ASSET MANAGEMENT SECURITIES LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2011

1. ORGANIZATION

Lazard Asset Management Securities LLC (the “Company”) was organized in the state of Delaware as a limited liability company on May 1, 2003, and commenced operations on April 1, 2004. The Company is a wholly owned subsidiary of Lazard Asset Management LLC (the “Parent”), a wholly owned subsidiary of Lazard Freres & Co. LLC. The Parent is the sole member of the Company. The Company is a broker-dealer registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA). The Company acts primarily as a distributor of the Parent’s mutual funds and as a placement agent for the Parent’s private investment funds. The Company also acts as introducing broker on behalf of certain customer accounts through a fully disclosed clearing arrangement with Lazard Capital Markets LLC (“LCM”), an affiliate.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The Company’s statement of financial condition is prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates — The preparation of the statement of financial condition in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the statement of financial condition. Estimates, by their nature, are based on judgment and available information. Actual results could differ from the estimates.

Accounting estimates reflected in the statement of financial condition include accruals for distribution fees and professional fees.

Cash and Cash Equivalents

The Company defines cash equivalents as short-term, highly liquid securities and cash deposits with original maturities of 90 days or less when purchased. The Company has cash and cash equivalents of \$1,848,918 and \$2,787, respectively. Cash Equivalents are invested in a J.P. Morgan U.S. Government Money Market Fund Premier, which is held in a brokerage account at LCM. These investments are considered to be fair valued based on Level 1 measurements in the fair value hierarchy.

Distribution Fees — Pursuant to distribution agreements, the Company acts as the principal underwriter for the open class shares of the Portfolios of The Lazard Funds, Inc., Service class shares of the Portfolios of Lazard Retirement Series, Inc., and shares of certain Lazard Alternative Investment Trusts, (collectively, the “Funds”) (collectively, the “Funds”). The Company earns distribution fees equal to 0.25% of the average daily net assets of the Funds. The Company also recognizes distribution fees expenses related to costs incurred with third party distributors who sell shares of the Funds to investors.

Distribution Fees Receivable and Distributions Fees Payable represent those fees which are receivable from the Funds and those fees which are payable to third party brokers as of December 31, 2011, respectively.

Prepaid Expenses - Prepaid expenses primarily consists of regulatory registration fees. Such expenses are amortized over a fixed period of time as the benefit is received.

Fair Value of Financial Assets and Liabilities

Substantially all of the financial assets and liabilities such as cash, receivables, other assets and payables are recorded at fair value or carrying amounts that approximate fair value as a result of the short term to maturity of the instruments.

3. INCOME TAXES

As a single member LLC, the Company is a disregarded entity for U.S. federal, state and local income tax purposes. Accordingly, the Company does not record a provision for income taxes.

The Company recognizes the tax benefits of any uncertain tax positions only when the position is “more likely than not” to be sustained assuming examination by tax authorities, including resolutions of any related appeals or litigation processes, based on the technical merits. The Company reviews and evaluates tax positions in its major jurisdictions (where the Company is organized or registered to do business) and determines whether or not there are uncertain tax positions that require financial statement recognition. As of December 31, 2011, no reserves for uncertain tax positions were required to be recorded. The Company is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. As a result, no income tax liability has been recorded in the accompanying statement of financial condition.

4. NET CAPITAL REQUIREMENTS

The Company is a registered broker-dealer under the Securities Exchange Act of 1934 (the “Act”) and, as such, must comply with the rules and regulations thereunder. Pursuant to the net capital provisions of Rule 15c3-1 under the Act, the Company is required to maintain minimum net capital (as defined equal to the greater of \$50,000 or 6-2/3% of aggregate indebtedness. In addition, the ratio of aggregate indebtedness (as defined) to net capital may not exceed 15:1. At December 31, 2011, the Company’s net capital and minimum net capital required were \$382,995 and \$97,910, respectively. The Company’s aggregate indebtedness to net capital ratio is 3.83:1 as of December 31, 2011.

During the year ended December 31, 2011 the Company identified a deficiency in its net capital. The deficiency resulted from the exclusion of Distribution Fees Receivables and Distribution Fees Payables from its financial statements. The inclusion of the Distribution Fees Receivable is considered a Non-Allowable Asset for purposes of net capital requirements which resulted in the net capital deficiency. As a result, the Member made a capital contribution of \$1,000,000 during the year ended December 31, 2011 to remediate the net capital deficiency.

5. RELATED PARTY TRANSACTIONS

Commissions and Clearing Fees — LCM acts as the clearing broker on behalf of the Company’s customers’ accounts through a fully disclosed clearing arrangement with the Company. LCM is responsible for carrying and clearing transactions, executing orders for the purchase or sale of securities, and monitoring customer accounts to ensure they comply with applicable rules and requirements. The clearing fee charged by LCM relating to such services is \$10 per trade. In addition, LCM executes

orders for the purchase or sale of securities on behalf of the customers of the Company. Commissions due to the Company are settled on a monthly basis.

Payable to Parent — The Company receives services from its Parent, which provides the use of its employees, facilities and other assets. Expenses incurred by the Parent that are directly related to the Company's distribution activities are specifically allocated to the Company, and other shared costs such as employees, facilities, and other assets are allocated to the Company based on revenues. Those costs which remain payable by the Company as of December 31, 2011 are included in Payable to Parent on the Statement of Financial Condition.

Reimbursement From Parent — The Company is reimbursed by the Parent for all operating expenses, excluding distribution fee expenses, including the allocated costs noted above.

6. SUBSEQUENT EVENTS

Subsequent events have been evaluated through issuance date of the statement of financial condition. Based on such evaluation, no events were discovered that required disclosure or adjustment to the statement of financial condition, other than the following:

On January 13, 2012, the Member made a capital contribution to the Company in the amount of \$500,000.

* * * * *

February 28, 2012

Lazard Asset Management Securities LLC
30 Rockefeller Plaza
New York, NY 10112

In planning and performing our audit of the financial statements of Lazard Asset Management Securities LLC (the "Company") as of and for the year ended December 31, 2011 (on which we issued our report dated February 28, 2012 and such report expressed an unqualified opinion on those financial statements), in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934, and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of the Member, management, the SEC, Financial Industry Regulatory Authority, Inc., and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered broker-dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,

Deloitte & Touche LLP