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

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 1/1/11 AND ENDING 12/31/11
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 Poudras Suite 1400

(No. and Street)

New Orleans

LA

70130-6116

(City)

(State)

(Zip Code)

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

Harold E. Doley III

212-684-6808

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Edward Richardson Jr., CPA

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

15565 Northland Dr. Suite 508 West Southfield, MI. 48075

(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)

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OATH OR AFFIRMATION

I, Harold E. Doley 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, as of December 31, 2011, 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:

N/A

Harold E. Doley III

Signature

President

Linda A. Philip

Notary Public

LINDA A. PHILIP
Notary Public, State of New York
No. 01PH6088964
Qualified in New York County
Commission Expires March 17, 2015

Title

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (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.

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

The Lugano Group Incorporated
BALANCE SHEET
As of December 31, 2011

ASSETS

CURRENT ASSETS

Cash in Bank	\$ 6,503.90
Cash in Bank	176.97
Accounts Receivable	<u>118.53</u>

Total Current Assets	<u><u>6,799.40</u></u>
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PROPERTY AND EQUIPMENT

TOTAL ASSETS	<u><u>\$ 6,799.40</u></u>
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The footnotes are an integral part of the financial statements.

The Lugano Group Incorporated
BALANCE SHEET
As of December 31, 2011

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 141.00
Liabilities subordinated to the claims of g	<u>13,000.00</u>

Total Current Liabilities 13,141.00

LONG-TERM LIABILITIES

Total Liabilities 13,141.00

STOCKHOLDERS' EQUITY

Capital Stock, par value, \$1 per share, 10,000 shares authorized, 100 shares issued and outstanding	100.00
Paid in Excess	87,747.00
Retained Earnings	<u>(94,188.60)</u>

Total Stockholders' Equity (6,341.60)

**TOTAL LIABILITIES AND
STOCKHOLDERS' EQUITY** \$ 6,799.40

The footnotes are an integral part of the financial statements.