

**Form ADV Part 2A Appendix 1  
Wrap Fee Program Brochure**

**Item 1: Cover Page**

Romano Brothers & Co.  
1560 Sherman Ave.  
Suite 1300  
Evanston, IL 60201  
(847) 866-7700

February 22, 2017

**This brochure provides information about the qualifications and business practices of Romano Brothers & Co. If you have questions about the contents of this brochure, please contact us at (847) 866-7700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Romano Brothers & Co. is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). Registration with the SEC does not imply a certain level of skill or training.**

## **Item 2: Material Changes**

Since the prior filing of this Brochure as of September 30, 2016, the following “material changes” have been added.

Item 5 (Fees & Compensation) has been updated to highlight certain compensation that Romano Brothers & Co. receives based upon products and services used to meet your investment needs. We receive a distribution payment based upon the cash invested in the FDIC bank sweep product. In addition, we receive \$1.25 of the postage/transaction fee charged.

Please see Item 4 for more detail.

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## Item 4: Services, Fees and Compensation

### Advisory Business

#### *Types of Services We offer*

We offer an investment management, financial planning, and brokerage services. Our clients invest in common stock, tax exempt bonds, government securities, corporate bonds, certificates of deposit, stock options, mutual funds, exchange traded funds, unit investment trusts, and other derivative securities such as reverse convertible notes. We are generally long-term, conservative, value-oriented investment managers.

We offer our clients personalized attention required to meet their specific investment needs. We assess and reassess individual income requirements, tax situations, estate planning concerns, and other issues related to investment recommendations. Based upon these parameters, investment recommendations are then custom-tailored to the client's needs according to asset allocation and risk tolerance. Upon mutual agreement, clients can impose certain investment restrictions.

Fees are calculated based upon the market value of the portfolio at the close of the calendar quarter. For new accounts, the first quarterly fee will be prorated based upon the time management commences.

### Fees & Compensation

#### *Fee Schedule:*

|                               |                          |
|-------------------------------|--------------------------|
| Accounts under \$500,000      | 1.00%                    |
| Accounts over \$500,000       |                          |
| First \$1 million             | 0.75% plus \$1,000, plus |
| Amounts between \$1-5 million | 0.65%, plus              |
| Amounts over \$5 million      | 0.60%                    |

Fees are negotiable, under certain circumstances, including but not limited to:

- Long Term Relationships
- Large Account Relationships
- Charitable and Civic Organizations

#### *Collection*

Fees are paid quarterly in arrears and are generally deducted from the client portfolio. Clients can also elect to pay fees from outside funds or alternate payment accounts. The fee will be computed and billed at the end of each calendar quarter by applying one quarter of the applicable annual rate to the market value of the portfolio on the last trading day of the preceding quarter.

### *Other Fees*

Other fees that may be applicable include:

|                                |   |
|--------------------------------|---|
| Set up fee:                    | \$1,000   |
| Wire transfer fee:             | \$25 per occurrence                                   |
| Retirement account annual fee: | \$25 per year   |
| Postage/transaction fee:       | \$3.75 per trade (Romano receives \$1.25 of this fee) |
| Financial planning services:   | Negotiated  |

Clients are not charged a commission on equity trades, however a mark-up or mark-down may be included on fixed income trades. Our policy is to mark-up or mark-down securities from the inter-dealer offering price as detailed in the investment management agreement. This policy may yield additional compensation to us, however these trades are reviewed for suitability and approved by the customer in advance.

Client liquid funds are typically invested in an FDIC insured cash sweep program. Interest is paid at the current bank rate for short-term demand deposits. This program will automatically invest and redeem uninvested cash held in a portfolio. FDIC coverage is provided for cash investments of \$1 million or less. Romano Brothers receives a distribution fee from First Clearing, a division of Wells Fargo Clearing Services, LLC (“First Clearing”) based upon the aggregate amount of customer funds deposited and the daily interest rates of LIBOR. Under Romano’s agreement with First Clearing, this may result in as much as 60 basis points (0.60%) of the cash balances. While this payment from First Clearing is considered a conflict of interest, it is mitigated by the fact that the lower returns of excessively large balances affect the overall performance of a portfolio and the upside potential of both Romano and the client.

First Clearing charges a \$3.75 postage and handling fee per trade. Romano receives \$1.25 of this fee. While this fee is considered a conflict of interest, it is mitigated by the fact that Romano’s net cost per trade is \$7.75. Hence, the execution of more trades than necessary to implement an investment plan results in more net cost to the firm and doesn’t benefit Romano or the client.

Based upon the investment objectives of the client, Romano may recommend investments in, or the retention of, mutual funds or exchange traded funds (ETFs). Both mutual funds and ETFs may incur management and administrative expenses which are collected inside of the fund. Based upon the specific mutual fund or ETF that is held, the fund itself may incur fees which are in addition to the fee you pay Romano.

Romano Brothers & Co. portfolio managers are paid a portion of the Romano management fee collected. This payment ranges from 0-50%. Your participation in this program may cost you more or less than purchasing these services separately.

### **Item 5: Account Requirements and Types of Clients**

We manage portfolios for a variety of clients such as individuals, high-net-worth individuals, employee benefit plans, non-profit organizations, endowments, trusts, estates, corporations, and other entities.

### **Item 6: Portfolio Manager Selection and Evaluation**

Romano Brothers & Co. portfolio managers are also employees of the firm. In addition to a portion of the management fee collected, portfolio managers may receive additional compensation from trade mark-ups or mark-downs, mutual fund 12(b)1 payments, and other fees. Each portfolio manager's customer and personal trades are surveilled by the Chief Compliance Officer for adherence to company guidelines. See Item 4 above for additional information on fees and expenses.

### **Item 7: Client Information Provided to Portfolio Managers**

Romano Brothers & Co. portfolio managers have access to all customer information provided. This includes new account information and profiles, completed by each customer at the inception of the management agreement, notes of correspondence, historical statements and trade confirmations, and other materials.

### **Item 8: Client Contact with Portfolio Managers**

No restrictions

### **Item 9: Additional Information**

#### **Disciplinary Information**

Romano Brothers & Co. has no disciplinary information to report about itself or its management persons.

#### **Other Financial Industry Activities and Affiliations**

##### *Registered Representatives*

The following Romano Brothers & Co. employees are both Investment Advisor Representatives and Registered Representatives:

Eric Bederman  
Deborah Cross  
Douglas Geisser  
Peter Hemwall

Richard Hemwall  
Brett Larson  
Scott Miller  
Holly C. Nanos  
Joseph Romano  
Richard Romano

#### *Material Relationships*

Romano Brothers & Co. is also registered as a broker-dealer. In the course of providing managed account services, the firm will execute trades for clients through its broker-dealer. As an executing broker-dealer, the firm routes all equity orders to its clearing firm, First Clearing for execution on a non-directed basis.

The firm, as principal, does buy or sell securities from or to its clients. Our policy is to mark-up or mark-down securities from the inter-dealer offering price as specified in the investment management contract. This policy may yield additional compensation to the firm and might in some cases provide a potential conflict of interest. The amount of any mark-up or mark-down will be provided on request. This process is supervised by the Chief Compliance Officer.

#### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Romano Brothers & Co. has adopted a comprehensive Code of Ethics. A copy of this Code will be provided upon request.

Romano Brothers & Co. is also a registered securities broker-dealer. Our broker-dealer will be utilized to effect securities transactions for all managed accounts. Romano will act in either a principal or agent capacity for such transactions. Written disclosure of the capacity in which Romano is acting (i.e., either as principal or agent) will be disclosed on the trade confirmations.

Romano Brothers & Co. may act as principal on customer fixed-income transactions. Our policy is to mark-up or mark-down securities from the inter-dealer offering price as disclosed beforehand in the investment management agreement. This policy has a potential conflict of interest and may result in additional compensation to us. This process is supervised by our Chief Compliance Officer. See Item 4 above for additional information on fees we may receive.

Romano Brothers & Co., our portfolio managers and employees, may from time-to-time purchase or sell the same securities for our own accounts that are recommended for client accounts. We believe any conflict of interest is mitigated since when co-investing with our client we therefore have additional incentive to make prudent investment choices. Since we prefer to invest in very liquid companies with significant market capitalizations listed on public exchanges, we believe the size of our combined transactions relative to daily traded volume does not present any pricing advantages and mitigates any potential conflict of interest. To ensure that client interests take precedence over the personal securities trading interests of others within our control, transactions for client accounts will receive preference in terms of

execution and price over transactions effected at or about the same time for personal accounts of Romano, our portfolio managers, or employees. Additionally, we require all employees to report on a periodic basis their personal securities transactions to our compliance officer to ensure that client accounts are not disadvantaged by the personal securities transactions of such persons.

### **Review of Accounts**

Reviews are triggered by the passage of time or by a particular securities position. If a significant event occurs in a security position owned by our clients, all accounts owning that security are reviewed. All accounts are reviewed on at least a quarterly basis. There are seven reviewers, each of whom supervises from 30 to 350 accounts. Their titles range from Portfolio Manager to Chairman. Each client account is reviewed for change in client circumstances, suitability of current investment strategy, and suitability of specific investments in the account

Each client receives a monthly statement that shows purchases and sales of securities during the month, security movements, dividends and interest received, cash movements into and out of the account (including any associated money market/FDIC cash fund activity), opening and closing balances for current month, previous month, and current year, closing securities positions with current market value, and total account equity.

Quarterly, clients receive a report of investment performance for the previous quarter and year-to-date showing beginning and ending balances, asset allocation, asset additions/withdrawals, dollar gain/loss, percentage gain/loss, and comparison versus an appropriate index such as the S&P 500 Index or Barclays Aggregate Bond Index.

### **Client Referrals and Other Compensation**

Romano Brothers & Co. has no agreements to compensate any outside party for customer referrals. We also do not receive any fees for referrals made by us.

We do not accept non-de minimis forms of compensation from outside parties. We do not accept or provide prizes or cash sales awards to any of our employees or portfolio managers.

### **Financial Information**

Not applicable

## Part 2B of Form ADV: Brochure Supplements

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## Brochure Supplements

### Item 1: Cover Page

Richard C. Romano  
Joseph R. V. Romano  
Douglas N. Geisser  
Richard A. Hemwall  
Deborah L. Cross  
Peter M. Hemwall  
Brett P. Larson  
Scott M. Miller  
Holly C. Nanos

Romano Brothers & Co.  
1560 Sherman Ave. Suite 1300  
Evanston, IL 60201

February 22, 2017

This brochure supplement provides information about the above listed supervised employees that supplements the Romano Brothers & Co. brochure. You should have received a copy of that brochure. Please contact Eric Bederman at (847) 866-7700 if you did not receive this brochure or if you have any questions about the contents of this supplement.

#### Professional Designations Used

##### **CERTIFIED FINANCIAL PLANNER™ (CFP®)**

The CFP® designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP Board) in the United States. To receive authorization to use the designation, the candidate must meet the following requirements:

- Bachelor's degree from an accredited college or university
- Completion of the financial planning education requirements set by the CFP Board
- Successful completion of the ten hour CFP® certification exam
- Qualifying full-time work experience
- Successfully pass the Candidate Fitness Standards and background check

##### **CHARTERED RETIREMENT PLANNING COUNSELOR<sup>SM</sup> (CRPC<sup>SM</sup>)**

The CRPC<sup>SM</sup> designation is a professional certification mark for retirement planning professionals conferred by the College of Financial Planning. To receive authorization to use this designation, the candidate must meet the following requirements:

- Completion of an eight module study program
- Successfully passing the program's final exam

## **Item 2: Educational Background and Business Experience**

Name: Richard C. Romano

Year of Birth: 1932

Formal Education after High School:

B.S., University of Illinois

M.S., Chemical Engineering, University of Delaware

Ph.D., Chemical Engineering, University of Delaware

Business Background for Preceding Five Years:

02/1964 to Present—Chairman, Romano Brothers & Co.

## **Item 3: Disciplinary Information**

None

## **Item 4: Other Business Activities**

Mr. Romano is also a registered representative of the broker-dealer arm of Romano Brothers & Co. Mr. Romano may receive additional compensation from principal fixed-income trades for advisory accounts and for 12(b)1 fees paid on mutual funds.

## **Item 5: Additional Compensation**

None

## **Item 6: Supervision**

Richard Romano is supervised by Eric Bederman, Chief Compliance Officer. Pursuant to company policies, the customer and personal trades of Mr. Romano are surveilled for adherence to company policy.

## **Item 2: Educational Background and Business Experience**

Name: Joseph R.V. Romano, CFP®

Year of Birth: 1969

Formal Education after High School:  
B.A. With Honors, Wesleyan University

Business Background for Preceding Five Years:  
08/1995 to Present—President (Current Position), Romano Brothers & Co.

Professional Designation: Certified Financial Planner®

## **Item 3: Disciplinary Information**

None

## **Item 4: Other Business Activities**

Mr. Romano is also a registered representative of the broker-dealer arm of Romano Brothers & Co. Mr. Romano may receive additional compensation from principal fixed-income trades for advisory accounts and for 12(b)1 fees paid on mutual funds.

## **Item 5: Additional Compensation**

None

## **Item 6: Supervision**

Joseph Romano is supervised by Eric Bederman, Chief Compliance Officer. Pursuant to company policies, the customer and personal trades of Mr. Romano are surveilled for adherence to company policy.

## **Item 2: Educational Background and Business Experience**

Name: Douglas N. Geisser

Year of Birth: 1960

Formal Education after High School:

B.A. Economics & Business, Lake Forest College

Business Background for Preceding Five Years:

04/1990 to Present—Vice President (Current Position), Romano Brothers & Co.

## **Item 3: Disciplinary Information**

None

## **Item 4: Other Business Activities**

Mr. Geisser is also a registered representative of the broker-dealer arm of Romano Brothers & Co. Mr. Geisser may receive additional compensation from principal fixed-income trades for advisory accounts and for 12(b)1 fees paid on mutual funds.

## **Item 5: Additional Compensation**

None

## **Item 6: Supervision**

Douglas Geisser is supervised by Eric Bederman, Chief Compliance Officer. Pursuant to company policies, the customer and personal trades of Mr. Geisser are surveilled for adherence to company policy.

## **Item 2: Educational Background and Business Experience**

Name: Richard A. Hemwall

Year of Birth: 1959

Formal Education after High School:  
B.A., Illinois State University

Business Background for Preceding Five Years:  
04/1996 to Present—Portfolio Manager, Romano Brothers & Co.

## **Item 3: Disciplinary Information**

None

## **Item 4: Other Business Activities**

Mr. Hemwall is also a registered representative of the broker-dealer arm of Romano Brothers & Co. Mr. Hemwall may receive additional compensation from principal fixed-income trades for advisory accounts and for 12(b)1 fees paid on mutual funds.

## **Item 5: Additional Compensation**

None

## **Item 6: Supervision**

Richard Hemwall is supervised by Eric Bederman, Chief Compliance Officer. Pursuant to company policies, the customer and personal trades of Mr. Hemwall are surveilled for adherence to company policy.

## **Item 2: Educational Background and Business Experience**

Name: Deborah L. Cross

Year of Birth: 1952

Formal Education after High School:  
B.A., Allegheny College

Business Background for Preceding Five Years:  
10/2003 to Present—Portfolio Manager, Romano Brothers & Co.

## **Item 3: Disciplinary Information**

None

## **Item 4: Other Business Activities**

Ms. Cross is also a registered representative of the broker-dealer arm of Romano Brothers & Co. Ms. Cross may receive additional compensation from principal fixed-income trades for advisory accounts and for 12(b)1 fees paid on mutual funds.

## **Item 5: Additional Compensation**

None

## **Item 6: Supervision**

Deborah Cross is supervised by Eric Bederman, Chief Compliance Officer. Pursuant to company policies, the customer and personal trades of Ms. Cross are surveilled for adherence to company policy.

## **Item 2: Educational Background and Business Experience**

Name: Peter M. Hemwall, CRPC<sup>SM</sup>, CFP<sup>®</sup>

Year of Birth: 1988

Formal Education after High School:  
B.S., Miami University, Oxford OH

Business Background for Preceding Five Years:  
09/2014 to Present—Portfolio Manager, Romano Brothers & Co.  
08/2011 to 09/2014—Financial Advisor, Merrill Lynch Global Wealth Management

Professional Designations  
Chartered Retirement Planning Counselor<sup>SM</sup>  
Certified Financial Planner<sup>®</sup>

## **Item 3: Disciplinary Information**

None

## **Item 4: Other Business Activities**

Mr. Hemwall is also a registered representative of the broker-dealer arm of Romano Brothers & Co. Mr. Hemwall may receive additional compensation from principal fixed-income trades for advisory accounts and for 12(b)1 fees paid on mutual funds.

## **Item 5: Additional Compensation**

None

## **Item 6: Supervision**

Peter Hemwall is supervised by Eric Bederman, Chief Compliance Officer. Pursuant to company policies, the customer and personal trades of Mr. Hemwall are surveilled for adherence to company policy.

## **Item 2: Educational Background and Business Experience**

Name: Brett P. Larson, CFP®

Year of Birth: 1980

Formal Education after High School:  
B.S., University of Iowa

Business Background for Preceding Five Years:  
11/2006 to Present—Portfolio Manager (Current Position), Romano Brothers & Co.

Professional Designation: Certified Financial Planner®

## **Item 3: Disciplinary Information**

None

## **Item 4: Other Business Activities**

Mr. Larson is also a registered representative of the broker-dealer arm of Romano Brothers & Co. Mr. Larson may receive additional compensation from principal fixed-income trades for advisory accounts and for 12(b)1 fees paid on mutual funds.

## **Item 5: Additional Compensation**

None

## **Item 6: Supervision**

Brett Larson is supervised by Eric Bederman, Chief Compliance Officer. Pursuant to company policies, the customer and personal trades of Mr. Larson are surveilled for adherence to company policy.

## **Item 2: Educational Background and Business Experience**

Name: Scott M. Miller, CFP®

Year of Birth: 1976

Formal Education after High School:  
B.S., Illinois State University

Business Background for Preceding Five Years:  
04/2013 to Present—Portfolio Manager, Romano Brothers & Co.  
10/2010 to 10/2011—Business Performance Advisor, Insperity  
05/2003 to 01/2010—Financial Consultant, Charles Schwab & Co.

Professional Designation: Certified Financial Planner®

## **Item 3: Disciplinary Information**

None

## **Item 4: Other Business Activities**

Mr. Miller is also a registered representative of the broker-dealer arm of Romano Brothers & Co. Mr. Miller may receive additional compensation from principal fixed-income trades for advisory accounts and for 12(b)1 fees paid on mutual funds.

## **Item 5: Additional Compensation**

None

## **Item 6: Supervision**

Scott Miller is supervised by Eric Bederman, Chief Compliance Officer. Pursuant to company policies, the customer and personal trades of Mr. Miller are surveilled for adherence to company policy.

## **Item 2: Educational Background and Business Experience**

Name: Holly C. Nanos

Year of Birth: 1985

Formal Education after High School:  
B.S., DePaul University

Business Background for Preceding Five Years:  
12/2013 to Present—Portfolio Manager, Romano Brothers & Co.  
09/2009 to 10/2013—Senior Financial Analyst, Ayco Co.

## **Item 3: Disciplinary Information**

None

## **Item 4: Other Business Activities**

Ms. Nanos is also a registered representative of the broker-dealer arm of Romano Brothers & Co. Ms. Nanos may receive additional compensation from principal fixed-income trades for advisory accounts and for 12(b)1 fees paid on mutual funds.

## **Item 5: Additional Compensation**

None

## **Item 6: Supervision**

Holly Nanos is supervised by Eric Bederman, Chief Compliance Officer. Pursuant to company policies, the customer and personal trades of Ms. Nanos are surveilled for adherence to company policy.