



ROMANO BROTHERS & CO.

DISCLOSURE STATEMENT

SERVICES

The Investment Management Services of Romano Brothers & Co. consist of several components:

- a) General financial, retirement, tax and estate planning
- b) Investment selection and follow-up monitoring
- c) Purchase and sales of securities
- d) Securities custody and income collection
- e) Continuing communication to discuss account performance, market conditions, changes in client circumstances, etc.

Investment Management Services are generally offered to individuals, corporations, trusts, estates, charitable organizations, pension and profit sharing plans. Generally, the minimum amount of assets for a managed account is \$250,000, but this is not a rigid requirement and there are exceptions.

INVESTMENT PHILOSOPHY

The investment philosophy of Romano Brothers & Co. is very conservative. Our fundamental objective is to preserve the investor's capital. A major part of our advisory service is to determine the most advantageous investment allocation among asset classes at any given time. Investment values and investment fashions vary inversely with each other. Consequently, major effort is expended in evaluating those asset classes that offer the most potential for gain and the least potential for loss, and the distribution of a client's assets is adjusted among the various classes accordingly. At certain times cash or equivalents are the most desirable assets. When markets become so overvalued that the risk of loss outweighs the return on short-term investments, funds are moved in that direction. Within a portfolio of securities, each security must stand on its own merit. We do not recommend securities merely for industry representation or because it is a "good name". Our analysis of securities is based on fundamentals. The main sources of information we use include Bloomberg, Zacks Investment Research, financial periodicals, research material prepared by others, corporate rating services such as Standard & Poor's, and company filings with the Securities and Exchange Commission. We seek those securities that, in our opinion, represent outstanding value based on earnings, earnings trend, assets and cash payouts in relationship to price.

SERVICE EXECUTION

In the Romano Brothers & Co. Investment Management Program, the financial consultant and portfolio manager are the same person. The client chooses the financial consultant he or she wishes to work with and works directly with that person without intermediaries, and continues to work with that same person unless the client elects to change. Generally, the Portfolio Manager will choose the amount of and the securities to be bought or sold. Communication between client and consultant is extremely important and we encourage frequent contact.

All accounts are reviewed at least quarterly. Additionally, reviews are triggered by the occurrence of a significant event in a particular portfolio security. If a significant event occurs in a security owned by our clients, all accounts owning that security are reviewed. In addition, a portfolio performance is calculated each quarter and is reviewed by a principal of the firm or its Chief Compliance Officer, who also monitors the suitability of investments and their compliance with the client's stated investment objectives.

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 account statement which shows:

- a) Purchases and/or sales of securities during the month
- b) Securities movements
- c) Dividend and interest received
- d) Cash movements into or out of the account including any associated money market mutual fund
- e) Beginning and ending cash balances
- f) Closing securities positions and current market value, annual income, yield and gain or loss compared to cost
- g) Total account equity

PEOPLE

Romano Brothers & Co. employs 8 Portfolio Managers, and in addition some serve as officers of the firm from Vice President to President. All of these people have university training - in one case a Ph.D. All have completed a minimum of the FINRA Series 7 General Securities Representative Examination as well as hold significant securities or other financial industry experience. Two have earned the designation of Certified Financial Planner and one is in the process of completing the requirements. One holds the designation of Certified Financial Analyst.

Each manager supervises from approximately 20 to 250 relationships and each is overseen by a firm principal. Their employment histories and educational backgrounds are listed below:

Richard C. Romano, Chairman

Date of birth: September 7, 1932

B.S. Chemical Engineering, University of Illinois 1954

M.S. Chemical Engineering, University of Delaware 1956

Ph. D. Chemical Engineering, University of Delaware 1958

August 1, 1962 through 2002 general partner and President of Romano Brothers & Co. engaged in the general securities business and financial management.

Since October 2002, Chairman of Romano Brothers & Co.

Joseph R.V. Romano, President, CFP®

Date of birth: November 26, 1969

B.A. Economics with Honors, Wesleyan University, Middletown, CT 1992

Carolina Millwright Service, Logistics Manager, 1994-1995

Romano Brothers & Co. 1995-2002, Portfolio Manager

Since October 2002, President of Romano Brothers & Co.

Douglas N. Geisser, Vice President-Fixed Income Securities

Date of birth: November 17, 1960

B.A. Economics and Business, Lake Forest College 1982

Columbian Securities Inc. 1983-1990, Vice President and Sales Manager

Since May 1990, Vice President of Romano Brothers & Co. engaged in the general securities business specializing in fixed income securities as well as equity portfolio management.

Richard A. Hemwall, Portfolio Manager

Date of birth: October 2, 1959

B.S. Communications, Illinois State University 1982

Merrill Lynch 1987-1996 Senior Financial Consultant

Since April 1996, Portfolio Manager at Romano Brothers & Co.

David G. Davenport, Portfolio Manager

Date of birth: May 15, 1967

B.A. Economics, University of Arizona 1990

The First National Bank of Chicago 1991-1997, Private Banking Associate

Since June 1997, Portfolio Manager at Romano Brothers & Co.

Natalie Romano, Associate Portfolio Manager

Date of birth: July 11, 1973

Northwestern University, Liberal Arts

Merrill Lynch, 1994-1996, Registered Assistant Fixed Income Team

Solomon Smith Barney, 1997-1998, Registered Sales Associate, Equity Portfolio Manager

Since March 1999, Associate Portfolio Manager at Romano Brothers & Co.

Jac A. Cerney, CFA, CFP® Portfolio Manager

Date of birth: January 16, 1952
A.B. Chemistry, Oberlin College 1974
M.S. Chemistry, University of Chicago 1975
MBA Finance, University of Chicago 1978
Commonwealth Edison 1978-1989, Assistant Manager of Investments
ABN AMRO Asset Management 1990-2002, Senior Vice President
Since October 2003, Portfolio Manager at Romano Brothers & Co.

Deborah L. Cross, Portfolio Manager

Date of birth: March 10, 1952
B.A. Liberal Arts, Allegheny College, Meadville, PA 1974
Certificate Financial Services, Investment Analysis 1999
National Steel Service Center, Inc. 1978-1988, Territory Manager, Materials Manager
Circle K Industries, Inc. 1988-1992, Vice President, Sales and Marketing
National Securities Corp. 2003, Investment Executive
Since October 2003, Portfolio Manager at Romano Brothers & Co.

Christopher K. Knorr, Associate Portfolio Manager

Date of birth: April 14, 1984
B.A. Economics, Hamilton College, Clinton, NY 2006
Since July 2006, Associate Portfolio Manager at Romano Brothers & Co.

FEES

Annual asset valuation fee (including cash) for our services (subject to negotiation):

\$100,000 to \$250,000	1% subject to \$1,000 minimum fee
\$250,000 to \$1,000,000	0.6% plus \$1,000 base fee
Next \$1,000,000 to \$4,000,000	0.5%
Accounts of \$5,000,000 +	by negotiation

This fee is retained by Romano Brothers & Co. Included in the management fee are normal brokerage commissions customarily charged for brokerage transactions. The asset base for calculation of fees includes all securities in the account including money market funds and mutual funds. Fees charged by the firm are in addition to those charged by the fund managers.

The services provided by this program might be more or less than the cost of the same services if provided separately. Since the program services consist of a) general financial, tax and estate planning, b) investment selection and monitoring, c) purchase and sale of securities, d) securities custody and income collection, and e) reporting, the cost of these services purchased separately would depend upon the relative usage of each component. For example, for a client that is an active trader, transaction fees could total more than the single comprehensive account fee under the investment management program, and vice versa.

ADDITIONAL CONSIDERATIONS

Romano Brothers & Co. is also registered as a broker-dealer and in those capacities executes securities transactions. Transactions for clients of the Investment Management Program are executed exclusively through the brokerage facilities of the firm.

The firm as principal does buy or sell securities from or to its clients. The broker-dealer arm of the firm does not engage in underwriting or trading equity securities. It does however, engage in trading municipal, corporate and U.S. Government Agency securities, and maintains bona fide positions subject to real market risk in owning those securities. Our policy is to mark-up or mark-down securities from the inter-dealer offering price and the investment management contract discloses this information to our clients. This policy usually yields 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.

Romano Brothers & Co. receives distribution fees (so called 12b-1 fees) from mutual funds and specifically from the distributor of the money market mutual fund used by it for deposit of un-invested funds.

On occasion, the firm makes an error in executing a client transaction. When these errors occur, the firm policy is to determine what the client was properly entitled to and puts the client in that position. The firm assumes the market risk of making the customer whole, and in the process of correcting the error might make a gain or take a loss. Any gain or loss inures to the firm since the client was put in his rightful position and the firm assumed the risk.

The portfolio manager recommending and managing the Romano Brothers & Co. Investment Management Program receives compensation for the client's participation in the program, and this compensation might be more than what the manager would receive if the client paid separately for the various services provided by the firm, and might therefore have a financial incentive to recommend the investment management program over other services.

Neither Romano Brothers & Co. nor any related person has any arrangement oral or written where it is paid cash or receives any economic benefit from a non-client in connection with giving advice to clients. Nor does Romano Brothers & Co. or any affiliated person directly or indirectly compensate any person for client referrals.

Revised June 2008