

MORRIS

Stock fraud brings prison - Former broker gets 27-month jail term

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Calling a former Florham Park broker's conduct despicable, a federal judge sentenced the man yesterday to 27 months in prison for bilking clients out of lifetime savings by investing in phony securities.

Louis Romano of Madison had pleaded guilty in March to cheating customers out of \$350,000 by duping them into buying fake stocks and bonds. U.S. Judge Dickinson Debevoise, sitting in Newark, ordered Romano to return the money he stole from his customers after he serves the jail term, scheduled to begin Aug. 4.

Romano, 60, had been a broker for **Seaboard Securities** of Florham Park. When he was indicted in October, he denied the charges, saying he looked forward to clearing up allegations dating back four years.

Romano had been hoping for an 18-month sentence but could have been sentenced to five years.

"We are certainly disappointed the court imposed the high end of the guideline range, but Mr. Romano is certainly prepared to serve out his punishment and is committed to make restitution in full in the future," said his attorney, John C. Whipple of Morristown.

According to the indictment, the scheme began in 1986 when Romano began to persuade customers, who had purchased legitimate investments, to make out personal checks for safe, high-yield, long-term

investments.

He told the customers not to expect monthly statements because their money was held in Seaboard "house" or "street" accounts.

Lured into the scheme were friends and neighbors who Debevoise said invested college education and retirement funds, "rainy day" savings and even baptism gifts, according to Michele Brown, the assistant U.S. attorney who prosecuted the case.

To cover up the fraud, Romano provided customers with bond or stock "powers" that purported to indicate the investments had been made, but the documents were worthless, according to the indictment.

He also made periodic payments to some customers, saying the money represented returns on their investments.

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