

**FORM ADV PART 2A**

**QUAD-CITIES INVESTMENT GROUP, LLC**  
**5177 UTICA RIDGE ROAD**  
**DAVENPORT, IA 52807**

*December, 2014*

This brochure provides information about the qualifications and business practices of Quad-Cities Investment Group, LLC (“QCIG”). If you have any questions about the contents of this brochure, please contact by telephone at 563-484-5000 or Scott L. Stoltenberg (Chief Compliance Officer) via email at [quadcitiesinvestmentgroup@gqcig.com](mailto:quadcitiesinvestmentgroup@gqcig.com). 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 QCIG also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term “registered investment adviser” and description of QCIG and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firms’ associates who advise you for more information on the qualifications of our firm and its employees.

**ITEM 2 - MATERIAL CHANGES**

**Quad-Cities Investment Group, LLC** is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure.

Material changes since the firm’s last filing of Form ADV Part 2A are provided below:

1. Ownership changes include:
  - a. Effective December 11, 2014, Wayne Wagner is no longer an owner
  - b. Laura Swift’s ownership percentage is 50%
  - c. Scott Stoltenberg’s ownership percentage is 50%

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**Item 4 - Advisory Business**

We specialize in the following types of services: asset management, financial planning and consultations. As of January 31, 2014, our assets under management are approximately \$151,400,440.

A. Description of our advisory firm, including how long we have been in business and our principal owner(s).

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of Iowa. Our firm has been in business as an investment adviser since 2010 and is currently owned as follows:

Laura Ann Swift: 50% owner

Scott Lee Stoltenberg: 50% owner

B. Description of the types of advisory services we offer.

(i) Asset Management:

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio is initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least semi-annually, and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments held in the portfolio. All such restrictions are to be agreed upon in writing at the account's inception.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our clients' cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance is maintained in a money market account so that our firm may debit advisory fees for our services related to asset management service, as applicable.

(ii) Financial Planning and Consultations:

We provide a variety of financial planning and consultation services to individuals, families and other clients based upon analysis of their current situation, goals, and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Written financial plans rendered to clients usually include general recommendations for a course of activity or specific actions to be taken. For example, recommendations may be made that the client begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we may refer clients to an accountant, attorney, or other specialist for non-advisory related services. For written financial planning engagements, we provide clients a written summary of their financial situation, observations, and recommendations.

Financial consulting engagements do not normally include a written summary, as the process is less formal than our planning service.

(iii) Referrals to Third Party Money Managers:

Under certain circumstances, we may recommend third party professional portfolio management. As part of this process, we assist clients in identifying an appropriate third party money manager. We conduct initial due diligence of third party money managers and ongoing review of client accounts.

In order to assist clients in the selection of a third party money manager, we typically gather information from the client regarding their financial situation, investment objectives, and any reasonable restrictions they impose on the management of the account. All such restrictions are to be agreed upon in writing at the account's inception. It is important to note that we do not offer advice on any specific securities or other investments in connection with this service. Investment advice and trading of securities is only offered by or through the third party money managers.

We periodically review third party money manager reports provided to the client, but no less often than on an annual basis. Our associates contact clients from time to time in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third party money manager. Clients are expected to notify us of any changes in their financial situation, investment objectives, or account restrictions that could affect management of their account(s). Clients may also directly contact the third party money manager.

C. Individual Tailoring of Advice to Clients

We offer individualized investment advice to clients utilizing Asset Management, Financial Planning and Consultations and Referrals to Third Party Money Managers.

Ability of Clients to Impose Restrictions on Investing in Certain Types of Securities

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. All such restrictions are to be agreed upon in writing at the account's inception.

D. Participation in wrap fee programs

We offer wrap fee programs as further described in Part 2A, Appendix 1 (the "Wrap Fee Program Brochure") of our Brochure. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, and risk tolerance. We do not manage wrap fee accounts in a different fashion than non-wrap fee

accounts. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

E. Assets under Management

We manage approximately \$151,400,440 on a discretionary basis as of 1/31/2014.

**Item 5 - Fees and Compensation**

Our fees may be negotiable in certain cases.

A. Description of how we are compensated for our advisory services

(i) Asset Management, (ii) Financial Planning & Consultations:

<u>Assets under management</u>			<u>Annual Percentage of assets charged</u>
\$0	-	\$500,000	1.75 %
\$500,001	-	\$1,000,000	1.50 %
\$1,000,001	-	\$2,000,000	1.25 %
Above \$2,000,000			1.00 %

(iii) Referrals to Third Party Money Managers:

Third party money managers pay us a portion of the investment advisory fee that they charge for management of your account. Fees paid to us by third party money managers are generally ongoing. All fees we receive from third party money managers and the written separate disclosures made to you regarding these fees comply with Rule 206(4)-3 of the Investment Advisers Act of 1940. Clients are provided a copy of the third party money manager's Form ADV Part 2, all relevant Brochures, a Solicitation Disclosure Statement detailing the exact fees we are paid, and a copy of the third party money manager's privacy policy. Third party money managers recommended by us will not charge you a higher fee than they would have charged had we not recommended them.

B. Direct Debit of fees from client accounts or invoicing for fees incurred:

(i) Asset Management; (ii) Financial Planning:

Our fees are billed on a pro-rata annualized basis, monthly in arrears, based upon the value of your account on the last day of the month. Fees are generally automatically deducted from your managed account. In rare cases, we may agree to directly bill you. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements to you at least quarterly, showing all disbursements from your account, including advisory fees paid to us; and

- b) You provide authorization permitting us to be directly paid under these terms;

If we bill you directly, our invoice will include a legend, as required by paragraph (a)(2) of Rule 206(4)-2 under the Investment Advisers Act of 1940, urging you to compare information provided in our invoice with that on account opening notices and subsequent statements from the qualified custodian.

(iii) Referrals to third party money managers:

Third party money managers establish and maintain their own separate billing processes which we have no control over. In general, they will directly bill you and describe their billing process in their separate written disclosure documents.

C. Fees incurred by the Client and not received or shared by the Adviser:

(i) Clients will incur fees charged by the Custodian, which may include transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm executing the trades.

(ii) Clients may also pay charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

(iii) Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Wrap fee clients will not incur transaction costs for trades. More information about this is disclosed in our separate Wrap Fee Program Brochure.

- D. Certain of the Adviser's employees are licensed insurance agents. These employees may receive compensation in the form of commissions for insurance products. We recognize that this practice presents a conflict of interest and may provide these employees incentive to recommend investment products based on compensation received rather than on client need. We address this conflict by retaining and reviewing all orders for such securities to verify that there is an economic benefit for the client through such transactions.

**Item 6 - Performance-Based Fees and Side-By-Side Management**

We do not charge performance fees to our clients.

**Item 7 - Types of Clients and Account Requirements**

We have the following types of clients:

- Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, Limited Liability Companies, and/or other business types.

**Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

Methods of Analysis:

- Our methods of analysis are a combination of technical, cyclical, and fundamental analysis.

Investment Strategies may include:

- Long term purchases (securities held at least a year);
- Short term purchases (securities held less than one year);
- Trading (securities held less than 30 days);
- Short sales;
- Margin transactions;
- Option writing including covered options, uncovered options or spread strategies.

Investing in securities involves risk of loss that *clients* should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

**Item 9 - Disciplinary Information**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

**Item 10 - Other Financial Industry Activities and Affiliations**

We have no other financial industry activities and affiliations to disclose.

**Item 11 - Code of Ethics, Participation or Interest in Client Transactions/ Personal Trading**

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics, and we require that all such transactions be carried out in a way that do not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures, including an employee transaction review procedure, for transactions effected by our members, officers, and employees in their personal accounts. Additionally, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which includes Policies and Procedures regarding Insider Trading and Personal Securities Transactions. We require all of our supervised persons to conduct business with the



highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

### **Item 12 - Brokerage Practices**

Potential soft dollar arrangement: The Adviser has an arrangement with Raymond James Financial Services, Inc. (RJFS) whereby the Adviser receives services which include, brokerage, custodial, administrative support, record keeping, and related services, which are intended to support our firm in conducting business and in serving the best interests of our clients, but that may also benefit our firm.

RJFS makes available certain research and brokerage services at no additional cost to our firm. Some research services may be obtained by RJFS directly from independent research companies and selected by our firm, within specific parameters. Research products and services provided by RJFS to our firm may include research reports, recommendations, or other information about particular securities; economic surveys, data, and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used for investment decision-making; and other products or services that provide lawful and appropriate assistance by RJFS to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

RJFS charges transaction fees (which may be defined as “commissions”) for effecting certain securities transactions. RJFS enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. RJFS’s transaction fees are generally discounted from customary retail commission rates. However, transaction fees charged by RJFS may be higher or lower than those charged by other custodians and broker-dealers.

The Adviser and its associated persons do not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

### **Directed Brokerage**

The Adviser has authority over the selection of the broker to be used and the commission rates to be paid without obtaining specific client consent. The Adviser may recommend brokerage firms as qualified custodians and for trade execution. QCIG requests that clients direct us to place trades through RJFS. QCIG has evaluated RJFS and believes that it will provide our clients with a blend of execution services, commission costs, and competence that will assist our firm to meet our fiduciary obligations to clients.

QCIG reserves the right to decline acceptance of any client account for which the client directs the use of a broker other than RJFS if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account.

While the term Best Execution typically defines the investment advisor as having a fiduciary duty to execute “securities transactions for clients in such a manner that the clients’ total cost or proceeds in each transaction is the most favorable under the circumstances”, QCIG has disclosed to its clients that we will

not research other custodians, and may not always have the best execution. Best execution does not always mean the best price. Although this is considered, RJFS checks to insure that the customer receives at least the national best bid or offer (NBBO) at the time of execution on all transactions on a daily basis. Raymond James & Associates

There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts with similar investment objectives. Although such concurrent authorizations could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, using price averaging, proration, and consistently non-arbitrary methods of allocation, and taking into consideration client objectives, current asset allocation, and availability of funds.

### **Item 13 - Review of Accounts or Financial Plans**

We may review client accounts more frequently than described below. Factors which may trigger an off-cycle review include but are not limited to market or economic events, changes in client circumstances, or upon client request.

#### **Asset Management**

We review accounts at least semi-annually for clients subscribing to our Asset Management services. Written reports may include information on individual securities, account valuation, portfolio allocation, and performance. Clients receive statements of account positions no less than quarterly from the account custodian.

#### **Financial Planning**

We recommend that our financial planning clients meet with us on a regular basis as we attempt to provide ongoing services for those clients. Please note that financial planning clients do not receive written or verbal updated reports unless they agree to an update of their initial financial plan.

#### **Third Party Money Management**

Third Party Money Management clients receive at least semi-annual reviews. The nature of these reviews is to discern whether accounts are in line with investment objectives, appropriately positioned based on market conditions, and to review investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews.

### **Item 14 - Client Referrals and Other Compensation**

Our firm may recommend or determine the broker through which client security transactions are executed. Financial strength of the broker or dealer, its reputation, pricing, and ability to execute trades in a timely manner will be taken into consideration when making this decision. In most cases, securities transactions will be executed through Raymond James Financial Services, Inc. ("RJFS").

It is important to note that RJFS does not maintain a supervisory relationship with respect to our firm or our representatives. RJFS and our firm are separately registered and independently controlled entities.

Clients in need of brokerage and custodial services may have RJFS recommended to them. As part of the RJFS program, we receive the benefit of execution and custodial services.

We do not pay referral fees to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

#### **Item 15 - Custody**

The Adviser does not accept or permit the Firm or its associated persons to obtain custody of client assets, act as trustee, or provide bill paying service. All checks or wire transfer to fund client accounts are required to be made out to and sent to the account custodian.

All of our clients receive at least quarterly account statements directly from their custodian(s). Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send independent account statements listing your account balance(s), transaction history and any fees debited from your account.

#### **Item 16 - Investment Discretion**

Our clients sign a discretionary investment advisory agreement with our firm for the management of their account(s). This type of agreement only applies to our Asset Management clients. The Adviser has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The firm's discretionary authority regarding investments may however be subject to certain limitations. These limitations are recognized as the reasonable restrictions placed by the Client on transactions in certain types of securities. All such restrictions are to be agreed upon in writing at the account's inception. Where discretion is not obtained, the Adviser will consult with the client prior to each trade in order to obtain client approval for the transaction(s).

#### **Item 17 - Voting Client Securities**

The Adviser will not vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. Clients may call, write or email us to discuss questions they may have about particular proxy vote or other solicitation.

However, third party money managers selected or recommended by our firm may vote proxies for clients.

#### **Item 18 - Financial Information**

The Adviser does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. The Adviser meets all net capital requirements that it is subject to, and the Adviser has not been the subject of a bankruptcy petition in the last 10 years.

The Adviser is not required to provide a balance sheet as it does not serve as custodian for client funds or securities, does not require prepayment of fees of more than \$1,200 per client or six months or more in advance.