

Shine Investment Advisory Services, Inc.

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January 1, 2011

This Brochure provides information about the qualifications and business practices of Shine Investment Advisory Services, Inc. If you have any questions about the contents of this Brochure, please contact us at (303) 740-8600 and/or shine@shineinvestments.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.

Shine Investment Advisory Services, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. Based on the oral and written communication of an Adviser, the client determines to hire or retain an Adviser.

Additional information about Shine Investment Advisory Services, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated January 1, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Jan White, Chief Compliance Officer at (303) 740-8600 or Jan@shineinvestments.com. Our Brochure is also available on our web site www.shineinvestments.com, free of charge.

Additional information about Shine Investment Advisory Services, Inc. is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Shine Investment Advisory Services, Inc., who are registered, or are required to be registered, as investment adviser representatives of Shine Investment Advisory Services, Inc.

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Item 4 - Advisory Business

Shine Investment Advisory Services, Inc. has provided financial planning services to individuals and small businesses since 1984. The parent company of Shine Investment Advisory Services is Western Alliance Bancorp, which holds 80% of the shares in the company. Judith A. Shine is the President/Director of Shine Investment Advisory Services, Inc. and a 20% shareholder in the company. In addition, Janet White and Sandra Eve each hold a minority interest in the company and serve on the Board of Directors. Dale Gibbons and Jessica Jarvi from Western Alliance complete the Board of Directors.

Shine Investment Advisory Services, Inc. provides asset management and financial planning services to its clients. An investment strategy is discussed with each client wherein goals and objectives are translated into appropriate guidelines for that client. An asset allocation is then determined for each client, i.e., the percentage of the portfolio that will be invested in bonds (or bond funds), and the percentage to be invested in stocks (or stock funds). This discussion also includes an outlook for short, intermediate, and long-term bonds and whether the bond position should be taxable or tax-free. Any needs for near term cash will be outlined, as well as continuing income needs. In short, each portfolio is customized to the needs of each client. An individual Investment Policy Statement confirms each client's objectives. Most client portfolios include both income and growth securities. Portfolio results will obviously not be the same for clients with different investments and allocations.

Time horizon of the client is important. Clients investing in equities should have a 3-5 year investment horizon. The strategies at Shine Investment Advisory Services, Inc. are not based on short-term trading.

Current money managers include SEI Institutional, Envestnet Asset Management, Mount Yale Investment Consulting Group, LLC, Thornburg Investment Management, Nuveen Asset Management, Inc., JP Morgan Investment Management, the managed accounts divisions of all fund families, as well as Charles Schwab & Co., Inc. Other private managers not listed here are also available. Alternative investments such as hedge funds and exchange funds are used when appropriate.

As of January 1, 2011, the Assets Under Management at Shine Investment Advisory Services managed on a discretionary basis are \$427,102,905. The non-discretionary managed funds are \$7,537,975.

Item 5 – Fees and Compensation

Shine Investment Advisory Services, Inc. is a fee-only firm. The specific manner in which fees are charged is established in a client's written agreement with Shine Investment Advisory Services, Inc.

Unless otherwise negotiated and agreed to in writing, the annual minimum fee is the greater of \$10,000 or a fixed percentage of assets under management, billed quarterly in advance as follows: The first \$1,000,000 is billed at the annual rate of 1%. Assets between \$1 million and \$2 million are billed at the annual rate of .85%. Assets between \$2 million and \$3 million are billed at the annual rate of .75%. Assets between \$3 million and \$4 million are billed at the annual rate of .65%. Assets between \$4 million and \$5 million are billed at the annual rate of .50%. Assets between \$5 million and \$10 million are billed at the annual rate of .40%. Assets in excess of \$10 million are billed at the annual rate of .30%.

All fees are subject to negotiation.

Clients may elect to be billed in advance or arrears. Clients may elect to be billed directly for fees or to authorize Shine Investment Advisory Services, Inc. to directly debit fees from client accounts. Management fees are not prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Shine Investment Advisory Services, Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Shine Investment Advisory Services, Inc.'s fee. Shine Investment Advisory Services, Inc. does not receive any portion of these commissions, fees, and costs.

Item 12 describes the factors that Shine Investment Advisory Services, Inc. considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

In addition, Shine Investment Advisory Services, Inc. on occasion will provide one time services. For financial planning services, the minimum fee is \$3000 or more, based on the complexity of the plan. If a client engages Shine Investment Advisory Services, Inc. to prepare a written analysis, it is customary to estimate the total fee for the service requested at the beginning of the engagement and for a contract to be signed by client and by Shine Investment Advisory Services, Inc.

All contractual relationships entered into between Shine Investment Advisory Services, Inc. and client can be terminated at will, without penalty, upon written notice.

Relationships lasting less than one year are discouraged. If, however, Shine Investment Advisory Services, Inc. agrees to consult on an occasional basis, fees will be billed at the rate of \$250 per hour with a three (3) hour minimum charge. Hourly fees are not negotiable.

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

Shine Investment Advisory Services, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Shine Investment Advisory Services, Inc. provides portfolio management services to high net worth individuals with a minimum of \$1 million in investable assets.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Shine Investment Advisory Services, Inc. uses Modern Portfolio Theory as its primary investing strategy. Shine Investment Advisory Services, Inc. recognizes that investing in securities involves risk of loss.

When determining an appropriate portfolio for a client, Shine Investment Advisory Services, Inc. meets with clients to discuss several determining factors. The initial and most critical decision is the establishment of an investment time horizon. Shine Investment Advisory Services, Inc. takes a long term view in respect to the capital markets. The next decision is the equity/fixed income allocation, then the asset classes within this allocation. The final decision is the individual investments, i.e. mutual funds, separate

accounts, and/or individual stocks/bonds. Fixed income portfolios may contain individual bonds (or other debt instruments) or mutual funds depending on current yield strategy, supply, size of the bond portion of the portfolio, and client preference.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of Shine Investment Advisory Services, Inc. or the integrity of Shine Investment Advisory Services, Inc.'s management. Shine Investment Advisory Services, Inc. has no information to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Shine Investment Advisory Services, Inc. merged with Western Alliance Bancorporation (Western Alliance) on July 31, 2007. Western Alliance owns entities in Arizona (Alliance Bank of Arizona, and Western Alliance Leasing), California (Torrey Pines Bank and Alta Alliance Bank), and Nevada (Bank of Nevada, First Independent and Bank of Nevada). Shine Investment Advisory Services, Inc. offers Western Alliance a high-end investment solution for their client base. Western Alliance offers Shine Investment Advisory Services, Inc. additional services to support continued growth. The merger with a banking organization, and specifically Western Alliance, affords the advantages of a strong strategic partner and at the same time allows Shine Investment Advisory Services, Inc. to maintain independence towards investment philosophies and investment managers.

Item 11 – Code of Ethics

Shine Investment Advisory Services, Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons at Shine Investment Advisory Services, Inc. acknowledge and agree to the terms of the Code of Ethics annually, or more frequently if amended.

Shine Investment Advisory Services, Inc. anticipates that, in appropriate circumstances, and consistent with clients' investment objectives, it may recommend to clients or

prospective clients, the purchase or sale of securities in which Shine Investment Advisory Services, Inc., and/or clients, directly or indirectly, have a position of interest. Subject to satisfying the Code of Ethics and applicable laws, officers, directors and employees of Shine Investment Advisory Services, Inc. may trade for their own accounts in securities which are recommended to and/or purchased for Shine Investment Advisory Services, Inc.'s clients. The Code of Ethics is designed to ensure that personal securities transactions, activities and interests of the employees of Shine Investment Advisory Services, Inc. will not interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. In addition, the Code requires pre-clearance of some transactions, and restricts trading in close proximity to client trading activity. Because the Code of Ethics permits employees to invest in the same securities as clients, all trades that include both clients and employees are transacted in a pro rata manner so employee trading does not impact client transactions. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Shine Investment Advisory Services, Inc. and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Shine Investment Advisory Services, Inc.'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Shine Investment Advisory Services, Inc. will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Shine Investment Advisory Services, Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Janet White.

Item 12 - Brokerage Practices

Shine Investment Advisory Services, Inc. assumes discretionary power on client accounts upon execution of a limited power-of-attorney (LPOA). A signed LPOA authorizes Shine Investment Advisory Services, Inc. to purchase, sell, or exchange investment assets in the designated account. Accounts are managed according to the investment policy established by the client and Shine Investment Advisory Services, Inc.

Shine Investment Advisory Services, Inc. does not maintain custody of client assets. Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Shine Investment Advisory Services, Inc. recommends that clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. Shine Investment Advisory Services, Inc. is independently owned and

operated and is not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when instructed to. While Shine Investment Advisory Services, Inc. recommends that clients use Schwab as custodian/broker, clients will decide whether to do so and will open their account with Schwab by entering into an account agreement directly with them.

How We Select Brokers/Custodians

Shine Investment Advisory Services, Inc. seeks to use custodians/brokers who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. Shine Investment Advisory Services, Inc. considers a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and to clients
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us From Schwab”)

Your Brokerage and Custody Costs

For our clients’ accounts that Schwab maintains, Schwab generally does not charge separately for custody services but is compensated by charging commissions or other fees on trades that Schwab executes or that settle into client Schwab accounts. This commitment benefits the client because the overall commission rates are lower than they would be otherwise. In addition to commissions, Schwab charges clients a flat dollar amount as a “prime broker” or “trade away” fee for each trade that is executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer. Because of this, in order to minimize your trading costs, Shine Investment Advisory Services, Inc. has Schwab execute most trades for client accounts. Shine Investment Advisory Services, Inc. has determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above. (see “How We Select Brokers/Custodians”).

Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business unit serving independent investment advisory firms like Shine Investment Advisory Services, Inc. They provide Shine Investment Advisory Services, Inc. and clients with access to its institutional brokerage— trading, custody, reporting, and related services—many of which are not available to Schwab retail customers. Schwab also makes available various support services. Some of those services help manage or administer clients' accounts; while others help manage and grow our business. Schwab's support services generally are available on an unsolicited basis (Shine Investment Advisory Services, Inc. does not have to request them) and as long as Shine Investment Advisory Services, Inc. collectively maintains a total of at least \$10 million of assets in accounts at Schwab. The \$10 million minimum is met by personal accounts within Shine Investment Advisory Services, Inc.

Services That Benefit You

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

Services That May Not Directly Benefit You

Schwab also makes available to Shine Investment Advisory Services, Inc. other products and services that benefit Shine Investment Advisory Services, Inc. and indirectly may benefit clients. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Shine Investment Advisory Services, Inc.

Schwab also offers other services intended to help manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession

Schwab may provide some of these services internally. In other cases, it will arrange for third-party vendors to provide the services. Schwab may also discount or waive fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab is a benefit because Shine Investment Advisory Services, Inc. does not produce or purchase them. We do not pay for Schwab's services as long as our clients collectively hold a minimum of \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon a commitment of a specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum is met by personal accounts within Shine Investment Advisory Services, Inc., therefore Shine Investment Advisory does not have an incentive to recommend that clients maintain their accounts with Schwab. We believe the selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is supported by the scope, quality, and price of Schwab's services (see "How We Select Brokers/Custodians") and not Schwab's services that benefit Shine investment Advisory Services, Inc.

Item 13 – Review of Accounts

Judith A. Shine, CFP, Janet H. White, CFP, Sandra Eve, CFP, and Karen K. Salvatore, CFA, CFP, provide financial planning services. Financial planning is ongoing by all financial planners

Judith A. Shine, CFP, is the firm's Chief Executive Officer. She conducts or supervises investment research, review, and implementation of asset management accounts. The firm uses a team approach in identifying and addressing client needs. The firm focuses on client total net worth rather than limiting the scope of inquiry solely to investment assets.

Clients receive quarterly reports listing securities held, current market value, and cost basis of investments, as well as comments regarding these assets. Communication regarding client investment accounts may be in writing, by telephone contact, office meetings, e-mail, or other such electronic means. Client contact also includes annual update meetings and review of investment policy and objectives, as well as asset allocation

and security selection decisions. Monthly brokerage statements are sent directly to the client by the brokerage firm having custody of the account.

Item 14 – Client Referrals and Other Compensation

Clients are not compensated in any way for referrals of future clients. Employees of Shine Investment Advisory Services, Inc. receive a \$500 cash reward from Western Alliance Bancorp for any client they refer.

Item 15 – Custody

Clients receive monthly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Shine Investment Advisory Services, Inc. urges the client to carefully review such statements and compare such official custodial records to the account statements provided by Shine Investment Advisory Services, Inc. The two different statements may vary slightly based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Shine Investment Advisory Services, Inc. receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, discretion is exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Shine Investment Advisory Services, Inc. observes the investment policies, limitations and restrictions of individual clients.

Investment guidelines and restrictions must be provided to Shine Investment Advisory Services, Inc. in writing.

Item 17 – Voting *Client* Securities

The client retains proxy voting responsibility for its investment assets except for client investment assets that are managed by separate account managers; those proxies will be voted by the separate account manager. The client will be instructed to inform its custodian that Shine Investment Advisory Services, Inc. should not be designated as the party to receive information on voting client proxies.

Item 18 – Financial Information

Shine Investment Advisory Services, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.