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**IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR ADA COUNTY**

STATE OF IDAHO, DEPARTMENT
OF FINANCE, SECURITIES BUREAU,

Plaintiff,

vs.

SHILOH MANAGEMENT SERVICES,
INC., NATHAN WARD PYLES, an
individual and dba SHILOH
MANAGEMENT SERVICES, INC., and
ROGER BUTTON,

Defendants.

Case No. CV01-18-19936

COMPLAINT

Fee category: Exempt

COMES NOW the State of Idaho, Department of Finance, Gavin M. Gee, Director, by and through its counsel, Alan Conilogue, Deputy Attorney General, and upon information and belief, complains and alleges as follows:

This action is brought pursuant to Idaho's Uniform Securities Act, Idaho Code § 30-14-101 *et seq.* (the Act), and in particular Idaho Code § 30-14-603, wherein the Department is authorized to bring actions seeking injunctive and other relief against persons who have either violated or are about to violate provisions of the Act or any rule promulgated thereunder.

VENUE

The acts and practices alleged herein comprising violations of law by the above-named Defendants occurred in various counties in Southwest Idaho. Defendants resided or were located in Canyon County and Ada County, Idaho, when the alleged acts constituting violations of the Act were committed, and both individual Defendants now live in Ada County. Venue is proper in Ada County, Idaho pursuant to Idaho Code § 5-404.

JURISDICTION

Defendants Shiloh Management Services, Inc., Nathan Ward Pyles and Roger Button, in connection with the offer and sale of securities, offered and sold unregistered securities, conducted securities transactions while not registered as a securities agent, omitted material information in connection with the offer or sale of such securities, and fraudulently diverted investor money to personal use, or materially aided such, in violation of Idaho's Uniform Securities Act (2004), Idaho Code § 30-14-101 *et seq.* Jurisdiction is conferred under the provisions of that Act.

CASE SUMMARY

The statements in this Summary of the Case are not part of the allegations supporting the Department's causes of action, but are intended only as a framework for understanding this regulatory enforcement lawsuit.

Defendant Nathan Pyles doing business as Shiloh Management Services conducted a business fixing and flipping homes for several years and eventually began to buy bare ground and

build new homes. He financed this by raising money, and promising investors they would have 1st position deeds of trust to fully secure their loans to him. He also promised 14 – 17% interest on 6-month notes. Over time, this developed into a Ponzi scheme with aspects of affinity fraud. He overpaid himself, he repaid old investors with new investor money, and he either did not record the deeds as promised, or he would file multiple deeds on the same property, resulting in the junior lien holders having no valid security interest. Pyles dba Shiloh raised at least \$28,769,325.90 from at least 55 investors, 37 of whom were Idaho residents. Defendant Roger Button found investors for Pyles and helped Pyles run the business.

Shiloh and Pyles, assisted by Button, offered and sold unregistered securities and conducted securities transactions while not registered as securities agents, and defrauded investors by making representations about Shiloh's investments, by omitting from solicitations certain material information, and by engaging in a course of business that operated as a fraud or deceit upon other persons. Pyles essentially treated Shiloh's and investors' money as personal assets by using the money for personal needs, for business needs as he saw them, and to repay previous investors.

DEFENDANTS

1. Defendant **Nathan Ward Pyles** (Pyles) has been a resident of Idaho at all times material herein and currently lives in Meridian, Ada County, Idaho. Pyles had been flipping homes since 2008 and transitioned into building new homes in the Canyon County, Idaho area, under the business name Shiloh Management Services, Inc. In addition to flipping and building homes, Pyles launched www.houseflipmentor.com in 2015 to teach other house flippers how to make money through his real estate investing course. Pyles has never been registered or licensed to sell securities in any state.

2. Defendant **Shiloh Management Services, Inc.** (Shiloh), was formed in Idaho on March 18, 2008, by Pyles under the name Shiloh Investments, Inc. Shiloh Investments, Inc. was renamed as Shiloh Management Services, Inc. on December 3, 2013. Shiloh's initial address was 11888 Columbus Court, Caldwell, Idaho. Pyles is listed as the President of the company. Shiloh started out rehabilitating and flipping homes and later purchased bare land to build single-family homes.

3. Shiloh is a mere alter ego for Pyles and was used to effectuate the fraud described in this Complaint. Shiloh has such a unity of interest with Pyles that the separate personalities of Shiloh and Pyles no longer exist. Further, if Pyles is allowed to hide behind the corporate facade it will sanction the fraud, promote injustice, and shield Pyles from accountability for the fraud he perpetrated on investors. Shiloh's corporate existences should be ignored.

4. Defendant **Roger Button** (Button) has been a resident of Idaho at all times material herein and currently lives in Boise, Ada County, Idaho. Button sometimes conducts business under the name Triple B, LLC.

Related Entities

5. Pyles is or has been associated with, or has done business under the names of, several related entities, as follows.

6. **Ebenezer Enterprises, LLC**, was formed in Idaho on April 3, 2008, by Ward William Pyles, Defendant Pyles' father, with an initial address of 3406 Kaden Lane, Nampa, Idaho. The company was initially named Ebenezer Investments, LLC, but on November 9, 2015, Ward W. Pyles was deleted as a manager, Pyles was added, and the name was changed to Ebenezer Enterprises, LLC. The principal office address was listed as 1215 1st Street South, Nampa, Idaho. The LLC was administratively dissolved on July 23, 2018.

7. **Merchant Product Solutions, LLC**, was formed as an Idaho LLC on August 19, 2008, by Ward W. Pyles and Pyles, with an initial address of 3406 Kaden Lane, Nampa, Idaho. On May 29, 2013, Ward W. Pyles was deleted as a manager and the principal office address was changed to 6268 W. Lake Hazel Road, Nampa, Idaho. The LLC was administratively dissolved on December 1, 2014.

8. **England Group, Inc.** was formed as a Montana corporation on November 2, 2007. The company was registered in California on September 23, 2015, with a corporate address of 623 Park Way, South San Francisco, California. David Cairo was listed as the agent for service of process at the same South San Francisco address. A California Statement of Information filed on May 26, 2016, continued Cairo as the registered agent, but listed Pyles as the CEO, CFO, and Secretary of the company. Cairo resigned as the Agent on June 15, 2018. England Group was administratively dissolved in Montana on December 1, 2016.

9. **Clear Portal, Inc.** was formed as a Montana corporation on November 15, 2007. Like the England Group, Clear Portal was registered in California on September 23, 2015, but with a corporate address of 26949 Mile Pine Road, Twin Peaks, California. Daniel Shuster was listed as its registered agent and as its President and Director, at the same Twin Peaks address. Clear Portal was administratively dissolved on December 1, 2017.

10. **Triple B, LLC** was organized in Idaho on November 6, 2009, and Defendant Button was added as a member on May 9, 2012.

FACTS

11. Pyles began to “fix and flip” homes at an unknown date, but probably at least by March, 2008, when he formed Shiloh Investments, Inc. Over time, Pyles began to solicit money to fund his real estate transactions, and by approximately 2015 he expanded into buying bare

ground and building new homes.

12. Pyles, doing business as Shiloh, offered short-term high-yield investments of between one month and one year, but mostly for six months, and evidenced the investment with promissory notes. Pyles' notes paid between 10 and 30 percent interest. Most investors were offered between 14 and 17 percent interest, though in 2017, near the end of the scheme, the offered rate crept up as Pyles scrambled to bring in new investors.

13. Pyles made monthly interest payments to his investors on time and sometimes early. In his first years of doing business he would repay the principal when the property sold. By paying reliably, Pyles gained a reputation as offering safe investments, which became one of his selling points.

14. A key part of Pyles' sales pitch was that the investment was safe because he would only invest in projects with low loan-to-value ratios. In other words, the property would have more value than what Shiloh borrowed from investors to purchase it. Pyles' selling point was that even if something bad happened to the project, the property could always be sold and the investor repaid, with money left over.

15. Another key part to Pyles' sales pitch was that each investor would have a deed of trust or similar secured interest in the property. Pyles promised his investors that they would have a first-position security interest or, sometimes, a second-position security interest when the property had sufficient value to cover both security interests.

16. Pyles' projects were supposed to be structured so that only one investor's money, or occasionally two investors', would be used on each piece of property. This was to ensure that the favorable loan-to-value ratio would not be exceeded.

17. Pyles' website, www.shilohinvest.com, featured many of Pyles' claims about

investing with Shiloh, listed below, all of which turned out to be false:

- Better investment returns that were consistent, predictable, and safe
- The investment was not a security
- Investor funds were responsibly invested in properties that were sold at a profit
- Return on investment was better than the funds sitting in the bank
- Investments were safe and held a favorable equity position with a first position deed of trust
- The deed of trust was recorded to secure the investment
- Upon the closing of the completed property, the investor received 100% of the principle plus interest
- Investor money would grow two, three, even four times faster than other investments

18. Pyles' sales pitches may have been true in early projects, and in some later projects, but Pyles broke his promises when he began to assign three, four, five, and up to eight, investors interests in the same property. Although the first investor or two might be fully secured, the others were not.

19. Pyles' projects were profitable but they were not profitable enough to cover his spending, and Shiloh became a money-losing operation.

20. Pyles paid himself handsomely. In a credit application dated February 1, 2016, Pyles listed his gross income as "\$250k."¹ Elsewhere he stated his income was \$10,000 a month.

21. Pyles also paid his personal living expenses from Shiloh funds, which funds included both profits from the projects and investor money. Pyles and Shiloh co-mingled these funds.

22. Pyles testified at a bankruptcy hearing that he always used the Shiloh business bank account for personal use. Records show that between January 2014, and September 2017, Pyles used at least \$386,724.11 of the co-mingled funds on personal spending.

23. Pyles was also paying between 10 and 30 percent interest on six-month notes.

¹ Although the application asked for "Gross Monthly Income," Pyles likely meant he made \$250,000 annually. Otherwise, Pyles would be claiming that his annual income was three million dollars.

Between the profligate spending and the high interest rates, Pyles' projects did not generate enough profit to cover the expenses. This became progressively worse over time as Pyles offered higher rates and shorter-term notes in order to attract more money.

24. Pyles needed ever more money because, like any Ponzi scheme, as more investors joined, interest payments grew.

25. Pyles offered finders fees to persons who found him properties and to persons who brought new investors into the enterprise.

26. Pyles' finders fees came in three forms. One, a percent of the amount invested by the new investor (points) was paid to the finder, and sometimes to the person who found the finder. Two, "an equity participation agreement" in which the finder got a cut of the profits on the project. And three, gift cards.

27. Pyles bought \$500 gift cards from Wal-Mart, Fred Meyer, or Home Depot, and gave these to finders as compensation, and possibly to investors as interest payments.

28. Pyles attracted investors but did not have enough projects and properties for them. Pyles spent money too fast and could not afford to buy properties for each investor. He responded by placing multiple investors on a single property.

29. Pyles continued to give his investors deeds of trust and similar instruments because this made his scheme alluring, but he either did not record them or simply stacked them so that several investors had recorded interests in the same property, which interests exceeded the value of the property. The subordinated interests were essentially unsecured.

30. Pyles dba Shiloh raised at least \$28,769,325.90 from at least 55 investors, 37 of whom were Idaho residents. Pyles conducted at least dozens, and probably hundreds, of property transactions during the life of his real estate enterprise.

31. For example, investor CD alone engaged in 10 investment transactions between April 2015 and October 2017.

32. As his Ponzi scheme payments snowballed out of control, Pyles began to borrow from commercial lenders to sustain the required cash flow. Pyles borrowed at least \$6,845,737.70 from at least 30 commercial lenders. Near the end of his scheme, Pyles made daily interest payments to some of these lenders.

33. Due to the number of real estate transactions, the many years that Pyles operated his enterprise, the investment rollovers that were reflected in loan documents but not bank records, the number of investors, the virtually untraceable gift cards, and Pyles' poor recordkeeping, the Department is unable to determine the exact amount for investor losses as of the date of this Complaint. Nevertheless, a conservative estimate of the amount still owed to investors is \$4,889,860.47.

34. Pyles' fraud had aspects of both a Ponzi scheme and of an Affinity Fraud.

Aspects of a Ponzi Scheme

35. A well-known aspect of a Ponzi scheme is that early investors are paid with money from later investors. Pyles used later-investor money to pay earlier investors.

36. Another common element of Ponzi schemes is that the fraudster offers higher and higher returns as the scheme ages and nears its senescence. As the number of investors grows, the fraudster must raise more and more money to cover the increasing amount of interest payments. Investors are offered higher returns to make the investment more appealing. Pyles' activities fit this pattern because he offered higher rates and for shorter terms as his scheme neared the end.

Aspects of Affinity Fraud

37. In addition to being a Ponzi scheme, Pyles conducted Shiloh as an affinity fraud. According to the SEC², “Affinity fraud refers to investment scams that prey upon members of identifiable groups, such as religious or ethnic communities, the elderly, or professional groups. The fraudsters who promote affinity scams frequently are - or pretend to be - members of the group.”

38. Pyles lulled some of his investors into a false sense of security by holding himself out as a religious man. These victims tended to trust Pyles more because they believed his religion made him more trustworthy. Investor DB stated: “This was a guy I went to Bible College with, what could go wrong?” Investor CD states that Pyles “presented himself as a God fearing Christian to gain trust.” Investor CP wrote: “In meeting with Mr. Pyles he started off by claiming to be a Christian and used that as a method to instill trust and confidence.”

39. Pyles signaled his religion by using Christian names and themes from the Christian bible as part of his business. “Shiloh,” as in Shiloh Management, is often associated with a quote in Genesis 49:10: “The scepter shall not depart from Judah, nor a lawgiver from between his feet, until Shiloh come.” “Ebenezer,” as in Ebenezer Investments, LLC, is mentioned in the Bible in the first book of Samuel: “Now Israel went out against the Philistines to battle, and pitched beside Ebenezer.” (1 Samuel 4:1), and in the second book of Samuel: “Then Samuel took a stone, and set it between Mizpeh and Shen, and called the name of it Ebenezer, saying, Hitherto hath the Lord helped us.” (2 Samuel 6:12). Pyles developed a property off Fish Pond Lane in Owyhee County, and named it the Gilgal subdivision. Gilgal is mentioned several times in the books of Joshua, Deuteronomy, and Samuel as a place or places.

² <https://www.sec.gov/investor/pubs/affinity.htm>

40. Although Pyles may have genuine religious convictions, he engaged in a practice or course of business that operated as a fraud or deceit on the investors when he used religion as a means to lure investors into his fraudulent enterprise.

Defendant Roger Button

41. Button helped Pyles find investors and run the Shiloh enterprise. With these activities, Button violated the Uniform Securities Act in three ways: he offered or sold, directly or indirectly, unregistered securities, he acted as an unregistered agent of the issuer, and he materially aided Pyles in violating the Act.

42. Button had been a builder and entrepreneur in the real estate market in the Treasure Valley for years preceding his involvement with Pyles and Shiloh. Initially, Button's involvement with Pyles and Shiloh was only as an investor, but he eventually joined the enterprise by bringing in new investors and by helping Pyles operate his enterprise.

43. Button brought several investors into the Shiloh enterprise.

44. Button assisted Pyles in pitching the investment to the new investors.

45. Button received compensation from Pyles for finding these investors. The compensation was paid in the form of "points³" and/or gift cards.

46. For example, around late-March 2015, investor CD attended a meeting with Pyles, Button and CP in the Lucky Perk coffee shop on Overland Road in Boise, during which Button and CP helped Pyles with the sales pitch. Based on what he learned in the meeting, CD invested \$300,000 with Pyles. Helping convince an investor to invest constitutes the offer or sale of securities.

47. Button received compensation related to the sales of Shiloh securities, including,

³ A "point" equates to a percent of the investment. One point of a \$100,000 investment equals \$1,000.

among others, sales to investor CD. Although another finder initially contacted CD, over time Button became CD's point of contact and Button received compensation related to CD's investment.

48. Button also provided general assistance to Pyles to promote and operate the enterprise and conducted himself as part of the operation. On January 30, 2016, Button texted to Pyles "My barber is selling the 4-plex I built for him 15 years ago and will have about \$300k for us to invest as well." [Emphasis added]

49. Button described his involvement to Pyles: "I review a lot of your notes to insure their accuracy; then when you write checks I often review them to insure your accuracy. To date my extra effort has netted you some \$3000.00 in money you normally would have lost. I really do spend a lot of my time helping you become successful."

50. Button expected compensation for helping the enterprise and for finding new investors. On February 24, 2016, he texted to Pyles: "I enjoy our time together, however I cannot continue to give my time away for no compensation. It matters not if my time is spent reviewing check amount [sic] you pay investors, delivering checks to investors or trying to find you new investors, it is still my time and I feel I need to be compensated for it."

51. For example, on October 7, 2016, Button received check number 1067 from Pyles in the amount of \$2,000, made out to Button's company "Tripple [sic] B, LLC." The check bears the notation "Hagenberger Points," which refers to a property (actually named Hockberger) invested in by investor DB in the amount of \$100,000. \$2,000 represents Button's compensation of 2% of DB's investment.

52. On May 2, 2017, DB rolled her investment over. That is, Pyles repaid DB her \$100,000 principal from an earlier investment but she left the principal with Pyles for another 6-

month term.⁴ This rollover was memorialized in a promissory note of that date.

53. Also on May 2, 2017, Pyles wrote another check to Triple B, LLC in the amount of \$2,000 to pay Button his 2% cut of the DB rollover investment.

54. These payments to Button through his LLC were compensation for bringing DB to the investment.

55. Attachment A to this complaint lists 25 checks paid to Button as Triple B, LLC from Pyles as compensation for bringing investors into the enterprise, totaling \$97,300. Attachment A reflects only the period from January, 2017 through September, 2017, but Button received additional payments in earlier years.

56. In addition to the checks written to Button by Pyles, Pyles also used gift cards as a means to provide compensation. Button received the gift cards, typically valued at \$500 each, and would often receive more than one card. Some cards Button passed to investors, some he passed to finders, and some he kept himself as compensation.

MATERIAL OMISSIONS

57. Pyles did not tell potential investors certain information that would be necessary to make other statements not misleading and that an investor would likely consider as material to a decision to invest with Pyles. Pyles failed to disclose the following material information:

- a. Information about Pyles' personal financial condition;
- b. Information about the financial condition or operating history of Shiloh;
- c. That Pyles and Shiloh were the "same" when using investor money;
- d. The true risks of the investment;
- e. That investor money would be used for Pyles' personal expenses or to pay returns

⁴ The repayment and rollover was a paper transaction. Pyles did not actually return DB's \$100,000 to her. Instead he credited her with another \$100,000 investment.

to other investors;

- f. That some investors were not recorded on certain deeds as expected;
- g. That existing liens on properties made new investor security interests almost worthless;
- h. That Pyles was not registered as an agent to sell securities, as required by Idaho's Uniform Securities Act (2004);
- i. That the agreements between Pyles and his investors were securities issued by Pyles and Shiloh, but were not registered as required by Idaho's Uniform Securities Act.

MATERIAL MISREPRESENTATIONS

58. Pyles made several material misrepresentations to his investors to promote investment in the Shiloh enterprise, including:

- a. His investments would provide better investment returns that were consistent, predictable, and safe;
- b. The investment was not a security;
- c. Investor funds were responsibly invested in properties that were sold at a profit;
- d. Return on investment was better than the funds sitting in the bank;
- e. Investments were safe and held a favorable equity position with a first position deed of trust;
- f. The deed of trust was recorded to secure the investment; and
- g. Upon the closing of the completed property, the investor received 100% of the principle plus interest.

COUNT ONE **(Fraud - False and Misleading Statements - Pyles)**

59. The allegations of paragraphs 1 through 58 above are realleged and incorporated

herein as if set forth verbatim.

60. Idaho Code § 30-14-501(2) provides that it is unlawful for any person, directly or indirectly, in connection with the offer, sale or purchase of a security, to make an untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

61. Pyles' misrepresentations to prospective investors as set forth in paragraph 58 were made in connection with the offer, sale or purchase of securities. Pyles' misrepresentations were false and misleading, constituting violations of Idaho Code § 30-14-501(2) as to each misrepresentation to each investor.

62. Pyles' omissions of material facts and failures to disclose to prospective investors as set forth in paragraph 57 were made in connection with the offer, sale or purchase of securities. Pyles' omissions of material facts and failures to disclose constitute violations of Idaho Code § 30-14-501(2) as to each omission and failure to disclose to each investor.

COUNT TWO
(Fraudulent Conduct - Pyles)

63. The allegations of paragraphs 1 through 58 above are realleged and incorporated herein as if set forth verbatim.

64. Idaho Code § 30-14-501(3) provides that it is unlawful for any person, directly or indirectly, in connection with the offer, sale or purchase of a security, to engage in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

65. Pyles' acts, doing business as Shiloh, as set forth in paragraphs 1 through 58 above were made in connection with the offer, sale or purchase of securities. His conduct as described in those paragraphs constitutes engaging in transactions, acts, practices, or courses of business

which operate or would operate as a fraud or deceit upon investors or prospective investors, in violation of Idaho Code § 30-14-501(3) as to each victim.

66. Specifically, Pyles' ongoing misrepresentations and omissions were designed to perpetuate the fraud. The misrepresentations and omissions were intended to, and did, deceive investors about the true value of their investment and the potential risk of making the investment. The misrepresentations and the lack of material information caused investors to give Pyles investment money that, had investors known the truth, they might not have invested.

COUNT THREE
(Unregistered Securities – Pyles and Button)

67. The allegations of paragraphs 1 through 58 above are realleged and incorporated herein as if set forth verbatim.

68. Idaho Code § 30-14-301 provides that it is unlawful to offer or sell an unregistered security in Idaho.

69. Pyles doing business as Shiloh, and Button, issued, sold or offered for sale in Idaho securities in the form of promissory notes and investment contracts, as described in paragraphs 1 through 58 above. Such securities were not registered with the Department as required by Idaho Code § 30-14-301.

70. Pyles' and Button's offers and sale of the unregistered Shiloh securities constituted a violations of Idaho Code § 30-14-301.

COUNT FOUR
(Failure to Register as Agent – Pyles and Button)

71. The allegations of paragraphs 1 through 58 above are realleged and incorporated herein as if set forth verbatim.

72. Pyles and Button transacted business in Idaho agents of issuer Shiloh. Neither

Pyles nor Button ever registered as an agent with the Department as required by Idaho Code § 30-14-402(a).

73. Pyles' and Button's transactions of business as agents of Shiloh constituted a violation of Idaho Code § 30-14-402(a).

COUNT FIVE
(Fraudulent Conversion - Pyles)

74. The allegations of paragraphs 1 through 58 are realleged and incorporated herein as if set forth verbatim.

75. Idaho Code § 30-14-501(4) provides that it is unlawful and fraudulent for any person, directly or indirectly, in connection with the offer, sale or purchase of a security, to divert money to the personal use of the issuer, offeror or seller, or to pay prior investors, without specifically disclosing that use before receiving the investor's money.

76. Pyles' conversion of investor money to his personal use without specifically disclosing that to his investors before receiving the money constitutes fraud and a violation of Idaho Code § 30-14-501(4).

COUNT SIX
(Materially Aiding - Button)

77. The allegations of paragraphs 1 through 58 are realleged and incorporated herein as if set forth verbatim.

78. Idaho Code § 30-14-603 provides that the Director may maintain an action in a court of competent jurisdiction to enjoin violations and enforce compliance with Idaho's Uniform Securities Act, including against a person who has materially aided an act, practice or course of business constituting a violation of Idaho's Uniform Securities Act.

79. Button's acts in providing ongoing assistance to Pyles in conducting what he knew

or should have known was an unlawful enterprise, by communicating with investors, by helping with banking and making financial and business arrangements, and by arranging for the purchase and delivery of gift cards, materially aided Pyle's illegal enterprise, in violation of Idaho Code § 30-14-603.

PRAYER FOR RELIEF

WHEREFORE, the Department prays for judgment in favor of the Department and against Defendants as follows:

1. That Shiloh, Pyles and Button be adjudged to have violated Idaho's Uniform Securities Act, Idaho Code § 30-14-101 *et seq.*, rules promulgated thereunder, and other applicable federal laws and regulations as proven at trial, as to Counts One through Six alleged above, as well as any additional counts proven at trial.

2. That Shiloh, Pyles and Button be permanently enjoined from engaging in any act or practice violating any provision of the Act or any rule promulgated thereunder, pursuant to Idaho Code § 30-14-603(b)(1), and that they be permanently enjoined from selling or offering for sale securities in any form in the state of Idaho.

3. That Pyles and Button be permanently enjoined from working in any financial services industry or business in the State of Idaho.

4. That Shiloh, Pyles and Button be ordered to pay civil penalties of up to ten thousand dollars (\$10,000) for each violation of the Act as the Court deems appropriate, pursuant to Idaho Code § 30-14-603(b)(2)(C), for total penalties in an amount to be proven at trial but at least one hundred thousand dollars (\$100,000) each, and that the Court award a money judgment in favor of the Department in such amount.

5. That Shiloh, Pyles and Button be ordered to make restitution to investors, jointly

and severally, pursuant to Idaho Code §30-14-603(b)(2)(C), in the amount of \$4,889,860.47, or such other amount as proven at trial, that Defendants pay the restitution amount to Plaintiff to be delivered to the investors, and that the Court award a money judgment in favor of Plaintiff in such amount.

6. That the court ignore the corporate existence of Pyles' companies and treat them as personal property of Pyles, and that the court make their assets and property available to Plaintiff as part of its relief.

7. That the Department be awarded attorney fees and costs incurred in the preparation and prosecution of this action, pursuant to Idaho Code § 12-121, and that the Court award a money judgment in favor of the Department in such amount. Should judgment be taken by default herein, the Department asserts that \$5,000 is a reasonable sum for the same.

8. For such further relief as this Court may deem just and equitable under the circumstances.

DATED this 25th day of October, 2018.

STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL

/s/ Alan Conilogue
ALAN CONILOGUE
Deputy Attorney General

ATTACHMENT A

| Points Paid to Roger Button (Triple B LLC) in 2017 | | | | |
|---|----------------------------|---------------|--|----------------------------------|
| Date | Check No. (Icon CU) | Amount | Investor (according to Pyles' notes) | Check Notes |
| 01/18/17 | 3009 | \$1,500 | unknown | "cemetery points" "none taxable" |
| 04/10/17 | 7029 | \$2,050 | "Points on Flash loan" | |
| 04/19/17 | 5058 | \$2,000 | "Points for 3 week loan extension on 40k) | "3 week 40k Note exten" |
| 05/02/17 | 6003 | \$2,000 | "Points for Loan on Medicoff" | |
| 05/02/17 | 6005 | \$2,250 | "Points for Wilson exention" [sic] | |
| 05/10/17 | 6023 | \$2,000 | "Points for Ebenezer for getting loan from Medicoff" | |
| 05/12/2017 | 6024 | \$2,000 | "Points on Ustick for getting loan from Medicoff" | "85k [indecipherable] Ustick" |
| 05/22/17 | 6030 | \$2,250 | "Points on extending Ebenezer loan from Steve Medicoff" | "45k Exten" |
| 06/01/17 | 3053 | \$2,700 | "points on Ebenezer" | |
| 06/14/17 | 4026 | \$6,200 | "points on Golden Hills funds – Flash and Bowdrin. Shiloh never receive [sic] the money" | "Golden Hills Points" |
| 06/14/17 | 4027 | \$2,250 | "points on Mendicoff's money" | "interest" |
| 06/21/17 | 4020 | \$2,000 | "point's on Flash's money" | |
| 06/27/17 | 4017 | \$3,000 | "points on Bellomy" | "interest" |
| 07/15/17 | 9031 | \$4,250 | "points on Ustick" | |
| 07/19/17 | 1092 | \$5,000 | "Points on 85k loan secured by Ebenezer and Warren" | "85k" |
| 08/10/17 | 9007 | \$5,125 | "Short Term Points – 3k for Chandler Sell to Donna Schlaich closed 8-9-2017" | |
| 08/21/17 | 9009 | \$6,500 | "debt Short Term Points" | |
| 09/01/17 | 9021 | \$4,600 | "debt short term points" | |

| | | | | |
|--------------|------|----------|--------------------------|--|
| 09/13/17 | 4039 | \$4,200 | “debt short term points” | “Chet (??) Point” |
| 09/15/17 | 3064 | \$6,500 | “debt short term points” | |
| 09/19/17 | 4001 | \$2,000 | “debt short term points” | |
| 09/19/17 | 4008 | \$5,950 | “debt short term points” | “-Bill – Flash” “-Molly – Gilgal” |
| 09/19/17 | 4009 | \$4,500 | “debt short term points” | “Ebenezer (??) Gilgal” |
| 09/22/17 | 4012 | \$16,475 | “debt short term points” | “6800 [indecipherable]” “4 Silver Spur” “Wilson” |
| TOTAL | | \$97,300 | | |