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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

**AMENDED STIPULATION FOR GRANTING OF  
PLAINTIFF'S MOTION FOR SUMMARY  
JUDGMENT AND ENTRY OF FINAL JUDGMENT**

COMES NOW the Plaintiff and the remaining Defendants, Shiloh Management Services, Inc. ("Shiloh") and Nathan Pyles ("Pyles" and collectively "Defendants"), by and through counsel, in order to avoid prolonged litigation, and stipulate and agree as follows:

Defendants admit the following facts:

1. Plaintiff recently filed a motion for summary judgment, with a memorandum in support, and eight declarations in support, that sets forth approximately 150 promissory notes that were sold by Defendants to 53 investors (the “Investors”) from 2015 through 2017. Attached as **Exhibit A** is a list of the promissory notes at issue (the “Securities”), organized by investor.

2. Defendants represented to the Investors that these promissory notes were sold to raise capital for the Defendants’ business of real estate development, i.e. buying residential properties for renovation and resale and for new residential construction. The investors’ funds (more than \$10,000,000) were pooled by Defendants for use in the real estate development business, and investors were passive and entirely dependent upon the Defendants’ entrepreneurial and management efforts in order to obtain a return on their investments.

3. Applying the Court’s rulings from its Memorandum Decision of October 4, 2019, these promissory notes were “securities” as that term is defined by the Idaho Uniform Securities Act (2004), Idaho Code Section 30-14-101, et seq. (the “IUSA”). These promissory notes were also securities whether analyzed under the federal *Howey* or *Reves* tests.

4. These Securities were sold without being registered and these securities and securities transactions were not exempt from registration. Defendants, therefore, sold these Securities in violation of Idaho Code Section 30-14-301. The remedies for Defendant’s registration violations are found in Idaho Code Section 30-14-603, which include a “permanent or temporary injunction,” “an order of rescission, restitution, or disgorgement,” and “a civil penalty not to exceed ten thousand dollars (\$10,000) for each violation.”

5. The Securities were also sold in violation of Idaho Code Section 30-14-501, the antifraud provisions of the IUSA. The Defendants made material misrepresentations and omissions related to the sale of the Securities to the Investors, as detailed by Plaintiff in the recently filed memorandum in support of summary judgment, including the failure to disclose: the stacking of multiple investor liens on properties, investor liens for amounts in excess of the value of the property, that investment proceeds would not be used for the property upon which the investor was given a lien, that the business was insolvent by millions of dollars, and that the Defendants were selling unregistered securities through an unregistered agent.

6. The remedies for Defendants' securities fraud violations are found in Idaho Code Section 30-14-603, which again include a "permanent or temporary injunction," "an order of rescission, restitution, or disgorgement," and "a civil penalty not to exceed ten thousand dollars (\$10,000) for each violation."

7. Pyles sold the Securities as an Agent of the Issuer, Defendant Shiloh, as that term Agent is defined in the IUSA. As an Agent, Pyles was required to be registered. Pyles's activities as an unregistered Agent violated Idaho Code Section 30-14-402(a).

8. Based on these above facts, the Defendants agree to the following remedies:

- a. Defendants Nathan Pyles and Shiloh Management are permanently enjoined from engaging in the offer or sale of securities in any form in the state of Idaho; and
- b. A final judgment amount will be imposed against the Defendants, jointly and severally, for restitution to the Investors.

9. The Plaintiff is seeking a judgment for the total damages for all Investors who invested principal which has not been repaid. The Defendants agree that Investors are entitled to restitution for principal that they invested and which has not been repaid.

10. The Parties agree that the restitution judgment is calculated by starting with the principal invested (see Exhibit A for a list of the principal invested by each investor), subtracting all monthly interest or other "points" that the investor actually received as a return on the investment, subtracting all funds received by the investor from sale of any underlying real property collateral, and subtracting any amounts received by the investor from the bankruptcy trustee for the Pyles and/or Shiloh Management bankruptcies.

11. Attached as **Exhibit B** is the current calculation of the restitution owed to the Investors for the Securities, \$9,574,708.24. However, those final amounts owed in Exhibit B are subject to future offset because the Shiloh Chapter 7 bankruptcy is on-going and may be on-going for several years, and what restitution various Investors receive through the Shiloh bankruptcy may remain undetermined for an extended period into the future.

12. In order to resolve this litigation now, the parties agree to the Judgment amount as the sum total in Exhibit B, \$9,574,708.24. The parties further agree that the Judgment amount owed will be reduced and partially satisfied by all amounts paid to Investors related to the Shiloh bankruptcy and the liquidation of its assets and distribution to the Investors.

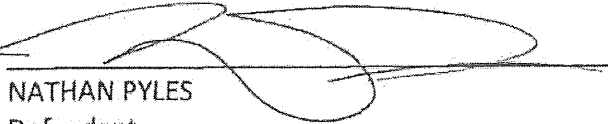
13. The Defendants agree that the Order Granting Plaintiff's Motion for Summary Judgment attached hereto as "**Exhibit C**," may be entered against them, and they hereby consent to the entry thereof in this case.

14. The Defendants agree that the Stipulated Judgment attached hereto as "Exhibit D," may be entered against them, and they hereby consent to the entry thereof in this case.

15. Defendants agree that any debt for restitution, civil penalty or other amounts due by Defendants under any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendants of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

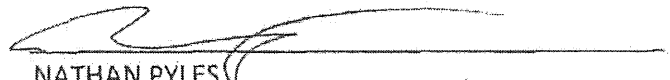
16. The Department agrees to forgo any claim for costs, attorney fees, and reimbursement for investigative efforts in this action pursuant to Idaho Code § 30-1442(3)(c), and also agrees to forgo any additional civil penalties against Defendants related to this action. Defendants agree to bear their own attorney fees and costs in this action.

DATED this 3 day of JUNE, 2020.

  
NATHAN PYLES  
Defendant

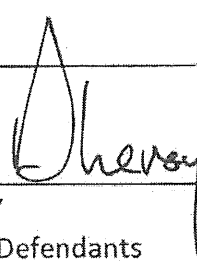
DATED this 3 day of JUNE, 2020.

SHILOH MANAGEMENT SERVICES, INC.

  
NATHAN PYLES  
President  
Title

APPROVED AS TO FORM AND CONTENT:

DATED this 3rd day of June, 2020.

  
\_\_\_\_\_  
DAVID LEROY  
Attorney for Defendants

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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PATRICIA HIGHLEY  
Securities Bureau Chief  
Idaho Department of Finance

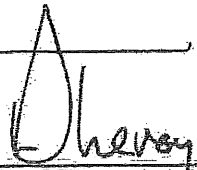
APPROVED AS TO FORM AND CONTENT:

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
LOREN K. MESSERLY  
Attorney for Plaintiff

*Amended*

DATED this 3rd day of June, 2020.

  
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DAVID LEROY  
Attorney for Defendants


DATED this 4th day of June, 2020.



~~PATRICIA HIGHLEY~~ PATRICIA R PERKINS  
~~Securities Bureau Chief~~ DIRECTOR  
Idaho Department of Finance

APPROVED AS TO FORM AND CONTENT:

DATED this 4th day of June, 2020.

  
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LOREN K. MESSERLY  
Attorney for Plaintiff

*Amended*