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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

**ORDER GRANTING PLAINTIFF’S MOTION FOR
SUMMARY JUDGMENT**

The Court having reviewed the parties’ Stipulation for Granting of Plaintiff’s Motion for Summary Judgment and Entry of Final Judgment (“Stipulation”) and having reviewed the case file, and finding good cause, enters the following Order:

The Plaintiff’s Motion for Summary Judgment (“Plaintiff’s Motion”), filed on March 3, 2020, is GRANTED in Part, based on the following findings of fact and conclusions of law:

From 2015 through 2017, Defendants Shiloh Management Services, Inc. (“Shiloh”) and Nathan Pyles (“Pyles” and collectively “Defendants”) sold approximately 150 promissory notes to approximately 53 investors (the “Investors”). Attached as Exhibit A is a list of the promissory notes (the “Securities”), organized by investor. The parties agree that application of the Court’s rulings from its Memorandum Decision of October 4, 2019, results in the conclusion that the 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 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 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 Memorandum in Support of Summary Judgment filed on May 14, 2020 and as stated in the Stipulation.

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).

Plaintiff’s Motion is also 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.

The restitution judgment amount will be calculated by starting with the principal invested (see Exhibit A for a list of the principal invested by each investor), subtracting all 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.

As a remedy for these various securities violations by Defendants, It is Hereby Ordered:

Defendants Nathan Pyles and Shiloh Management are permanently enjoined from selling or offering for sale securities in any form in the state of Idaho.

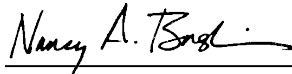
Defendants Nathan Pyles and Shiloh Management are jointly and severally liable for restitution in the amount of \$9,574,708.24, which is to be partially satisfied from liquidation of Shiloh assets and distributions to the Investors (as described above) or by payment to the Department for the ministerial function of being returned as restitution to persons who invested with Pyles and Shiloh in this case, pursuant to Idaho Code § 30-14-603(b)(2)(C). Any Restitution payments received pursuant to this judgment shall not become assets of the Department. The Department may distribute restitution in an equitable manner, taking into account amounts invested by individual investors, the number of investors, the amount of restitution to be received by each investor, the frequency and timing of the payments, and the burden on the state in making restitution, and need not necessarily be paid according to a strict ratio of investment to restitution.

This judgment is being entered while the Shiloh Chapter 7 bankruptcy liquidation is still pending and while Shiloh’s assets, including its real estate assets, are being liquidated both inside and outside of the bankruptcy. The Judgment amount owed will be reduced and partially satisfied by all amounts paid to Investors related to the Shiloh bankruptcy through the liquidation of Shiloh’s assets and distribution to creditors.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for restitution, civil penalty or other amounts due by Defendants under this Order or 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).

DATED this _____ day of _____, 2020.

Signed: 6/4/2020 03:48 PM



Nancy Baskin
District Judge