

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

██████████ Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

v.

SHILOH INDUSTRIES, INC, RAMZI
HERMIZ, and THOMAS M. DUGAN,

Defendants.

Case No.:

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

JURY TRIAL DEMANDED

Plaintiff [REDACTED] (“Plaintiff”), by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by SHILOH INDUSTRIES, INC. (“Shiloh” or the “Company”), with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Shiloh; and (c) review of other publicly available information concerning Shiloh.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of purchasers of Shiloh securities between March 9, 2015 and September 14, 2015, inclusive (the “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Shiloh manufactures and distributes lightweighting, noise and vibration solutions to automotive, commercial vehicle and other industrial markets. The Company’s products purportedly focus on successfully balancing the need to reduce cost, weight and part complexity with the need to enhance performance, safety and fuel efficiency.

3. On September 9, 2015, the Company announced, after the close of the trading session that it would be unable to timely file its quarterly report for the period ending July 31, 2015 because of an ongoing internal investigation into the accounting for certain costs at the Company’s facility in Wellington, Ohio. Therein, the Company, in relevant part, stated:

During the third quarter of the Company’s 2015 fiscal year, as part of a newly implemented enhanced balance sheet review process encompassing all of the Company’s 21 manufacturing facilities, management encountered preliminary indications of a potential issue with respect to the accounting for inventoried costs and promptly notified the Audit Committee of the Company’s Board of Directors (the “Audit Committee”) and the Company’s external auditor. After receiving this

information from management, the Audit Committee commenced a formal investigation to assess the nature and extent of any misstatements, and their potential effect on previously issued financial statements and management's internal control over financial reporting. The Audit Committee retained independent third-party advisors to assist with this investigation. Although this investigation is ongoing and no final determination has been made as of the date hereof, based on its investigation to date, (i) the Company believes that the majority of this issue is associated with a surcharge assessed on steel at the Company's facility in Wellington, Ohio, and (ii) the Company expects that the aggregate impact on Company's net income will be in the range of \$2.2 million to \$2.5 million.

Due to the ongoing investigation described above, the Company is unable to file the Quarterly Report by the prescribed September 9, 2015 deadline without undue effort and expense. The Company is working toward filing the Quarterly Report as soon as practicable.

4. On this news the Company's shares fell \$1.84 per share, or 16.7%, to close on September 10, 2015, at \$9.15 per share, on unusually high volume.

5. On September 14, 2015, after the close of trading, the Company issued a press release disclosing its financial results for the third quarter of 2015. Therein, the Company reported revenues of \$275.2 million and a gross profit of \$20.2 million. The Company, however disclosed, "that a material weakness existed in the Company's internal control over financial reporting at January 31, 2015 and April 30, 2015," and that Shiloh would need to restate its income for prior periods by over \$2 million. Shiloh's investigation into the accounting irregularities and internal control problems concluded, "that previously reported financial results for this facility had been overstated and that this overstatement was attributable to the accounting for inventoried costs, the majority of which was associated with a surcharge assessed on steel. The Company has taken steps to remediate the internal control deficiencies, including replacing the financial leader at the Company's Wellington facility."

6. On this news shares of Shiloh declined \$1.68 per share, or 16%, to close on September 15, 2015 at \$8.58 per share, on unusually high volume.

7. Throughout the Class Period, Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose: (1) that the Company had underreported the cost related to its manufacturing of products; (2) that the Company engaged in irregular accounting practices related to surcharges assessed on steel at the Company's facility in Wellington, Ohio; (3) that, as a result, the Company's earnings and income were overstated; (4) the Company lacked adequate internal controls over financial reporting; and (5) that, as a result of the foregoing, Defendants' statements about Shiloh's business, operations, and prospects, were false and misleading and/or lacked a reasonable basis.

8. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

9. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

10. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and Section 27 of the Exchange Act (15 U.S.C. §78aa).

11. Venue is proper in this Judicial District pursuant to 28 U.S.C. §1391(b) and Section 27 of the Exchange Act (15 U.S.C. §78aa(c)). Substantial acts in furtherance of the

alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the preparation and dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. The Company's shares are also traded within this Judicial District.

12. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

13. Plaintiff, as set forth in the accompanying certification, incorporated by reference herein, purchased Shiloh common stock during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

14. Defendant Shiloh is a Delaware corporation with its principal executive offices located at 880 Steel Drive, Valley City, Ohio 44280.

15. Defendant Ramzi Hermiz ("Hermiz") was, at all relevant times, President and CEO of Shiloh.

16. Defendant Thomas M. Dugan ("Dugan") was at all relevant times Vice President of Finance and Treasurer of Shiloh.

17. Defendants Hermiz and Dugan are collectively referred to hereinafter as the "Individual Defendants." The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of Shiloh's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and

institutional investors, *i.e.*, the market. Each defendant was provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, each of these defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein, as those statements were each "group-published" information, the result of the collective actions of the Individual Defendants.

SUBSTANTIVE ALLEGATIONS

Materially False and Misleading Statements Issued During the Class Period

18. The Class Period began on March 9, 2015 Shiloh issued a press release entitled, "Shiloh Industries Reports First Quarter 2015 Results." Therein, the Company, in relevant part, stated:

First Quarter 2015 Highlights:

- Sales revenue for the quarter was \$257.1 million, an increase of 40.1 percent.
- Gross profit for the quarter improved by 15.1 percent and was \$20.5 million.
- Net income per share diluted for the quarter was \$0.21 per share.

Sales revenue for the first quarter of fiscal 2015 increased to \$257.1 million, a 40.1 percent improvement compared with first quarter of fiscal 2014. Acceptance of our leading technologies and the recent strategic acquisitions completed in fiscal 2014 have contributed to the increase in sales revenue of \$73.5 million; \$8.4 million, or 11.4%, of which was generated through organic growth.

Gross profit improved \$2.7 million to \$20.5 million, a 15.1 percent improvement compared with \$17.8 million for the first quarter of fiscal 2014, and a 10.2 percent sequential improvement from \$18.7 million for the fourth quarter of fiscal 2014. Gross margin improved 15.9% from 4Q14 to 1Q15. The gross profit improvement was driven by several new product launches, successful productivity initiatives and increased sales revenue through acquisition.

“In the first quarter, we continued to invest to better serve growing global demand for our technologies and products,” said Ramzi Hermiz, president and chief executive officer. “On December 9, 2014, we announced the opening of a strategically located facility in Clarksville, Tennessee to manufacture high-pressure and structural aluminum die castings. In addition, we continue to achieve new business and gain synergistic benefits from our recent Finnveden Metal Structures and Radar Industries acquisitions. Expanded magnesium capabilities have enabled significant new business wins and future opportunities in Europe. Additional stamping capabilities and footprint expansion in the rapidly growing automotive market in Central Mexico have also delivered strong results. Also in the first quarter, we announced our new sales and technical center in Plymouth, Michigan. The Plymouth Technical Center will officially open on March 16th and we are excited about the opportunity for greater collaboration amongst our employees, our customers and our suppliers.”

Selling, general and administrative costs were \$13.6 million, or 5.3 percent of sales revenue compared with \$10.4 million, or 5.7 percent of sales revenue in the prior year and \$17.3 million, or 6.4 percent, for the fourth quarter of fiscal 2014. The sequential improvement reflects the company's on-going integration of recent acquisitions in Europe and North America.

Net income for the quarter was \$3.7 million, or \$0.21 per diluted share, compared with \$0.24 per diluted share in the prior quarter excluding a \$0.05 benefit from one-time asset sales. The first quarter of 2015 was up \$0.15 per diluted share compared to the fourth quarter of fiscal 2014. The quarter to quarter improvement was due in part to the non-reoccurrence of one-time acquisition costs in the fourth quarter of 2014 and operational efficiencies in the following quarter.

19. On March 11, 2015, Shiloh filed its Quarterly Report with the SEC on Form 10-Q for the 2015 fiscal first quarter. The Company’s Form 10-Q was signed by Defendants Hermiz and Dugan, and reaffirmed the Company’s statements previously announced on March 9, 2015. The Form 10-Q contained certifications pursuant to the Sarbanes-Oxley Act of 2002 (“SOX”), signed by defendants Hermiz and Dugan, who certified the following:

1. I have reviewed this annual report on Form 10-Q of Shiloh Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's

auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

20. On June 4, 2015 Shiloh issued a press release entitled, "Shiloh Industries Reports

Second Quarter 2015 Results." Therein, the Company, in relevant part, stated:

Second Quarter 2015 Highlights:

- Sales revenue for the quarter was \$280.4 million, an increase of 34.2 percent compared to the prior year quarter
- Gross profit for the quarter improved by 39.3 percent and was \$29.3 million, as the gross margin expanded by 40 basis points to 10.4 percent compared to prior year quarter
- Net income per share diluted for the quarter was \$0.42 per share
- Announced plans to open a new aluminum casting plant in Nantong, China

"We are pleased with our second quarter performance. We generated solid financial results and continued to make strategic investments to further strengthen Shiloh's leadership position," said Ramzi Hermiz, president and chief executive officer. Hermiz continued, "Our efforts over the past two years to transform the organization are generating expected results and establishing a robust product portfolio that addresses the evolving technology needs of our customers. We are well positioned as a market leader to capitalize on the growing demand for lightweighting technologies in the global automotive industry. We believe that this backdrop creates a favorable environment for Shiloh to generate growth and profitability in the years ahead."

Second Quarter 2015 Financial Review

Sales revenue for the second quarter of fiscal 2015 increased to \$280.4 million, a 34.2 percent improvement compared with second quarter of fiscal 2014. Acceptance of our leading technologies and the recent strategic acquisitions completed in fiscal 2014 have contributed to the increase in sales revenue of \$71.4 million.

Gross profit improved \$8.3 million to \$29.3 million, a 39.3 percent improvement compared with \$21.0 million for the second quarter of fiscal 2014, and a 42.4 percent sequential improvement from \$20.5 million in the first quarter of fiscal 2015. Gross profit as a percent of sales was 10.4 percent, an increase of 40 basis points compared to the second quarter of fiscal 2014 and represented the highest level in six quarters. The gross profit improvement was driven by several new product launches, the return of full production by Ford of their new F150 in March, successful productivity initiatives and increased sales revenue through acquisition.

Selling, general and administrative costs were \$16.9 million, or 6.0 percent of sales revenue compared with \$10.7 million, or 5.1 percent of sales revenue in the prior year. The year-over-year increase is the result of our investment to build an infrastructure to support Europe and Asia as well as expand the R&D and sales force functions.

Net income for the quarter was \$7.2 million, or \$0.42 per diluted share, compared with \$0.35 per diluted share in the prior year quarter excluding a \$0.12 benefit from one-time asset sales. The second quarter of 2015 was up \$0.21 per diluted share compared to the first quarter of fiscal 2015. The quarter to quarter improvement was due in part to successful new product launches, operational efficiencies and continued integration of acquisitions.

21. On June 5, 2015, Shiloh filed its Quarterly Report with the SEC on Form 10-Q for the 2015 fiscal second quarter. The Company's Form 10-Q was signed by Defendants Hermiz and Dugan, and reaffirmed the Company's statements previously announced on June 4, 2015. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Hermiz and Dugan and was substantially similar to the certification described in ¶19, *supra*.

22. The above statements contained in ¶¶ 18-23 were false and/or misleading, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, these statements were false and/or misleading statements and/or failed to disclose: (1) that the Company had underreported the cost related to its manufacturing of products; (2) that the Company engaged in irregular accounting practices related to surcharges assessed on steel at the Company's facility in Wellington, Ohio; (3) that, as a result, the Company's earnings and income were overstated; (4) the Company lacked adequate internal

controls over financial reporting; and (5) that, as a result of the foregoing, Defendants' statements about Shiloh's business, operations, and prospects, were false and misleading and/or lacked a reasonable basis.

Disclosures at the End of the Class Period

23. On September 9, 2015, the Company announced, after the close of the trading session that it would be unable to timely file its quarterly report for the period ending July 31, 2015 because of an ongoing internal investigation into the accounting for certain costs at the Company's facility in Wellington, Ohio. Therein, the Company, in relevant part, stated:

During the third quarter of the Company's 2015 fiscal year, as part of a newly implemented enhanced balance sheet review process encompassing all of the Company's 21 manufacturing facilities, management encountered preliminary indications of a potential issue with respect to the accounting for inventoried costs and promptly notified the Audit Committee of the Company's Board of Directors (the "Audit Committee") and the Company's external auditor. After receiving this information from management, the Audit Committee commenced a formal investigation to assess the nature and extent of any misstatements, and their potential effect on previously issued financial statements and management's internal control over financial reporting. The Audit Committee retained independent third-party advisors to assist with this investigation. Although this investigation is ongoing and no final determination has been made as of the date hereof, based on its investigation to date, (i) the Company believes that the majority of this issue is associated with a surcharge assessed on steel at the Company's facility in Wellington, Ohio, and (ii) the Company expects that the aggregate impact on Company's net income will be in the range of \$2.2 million to \$2.5 million.

Due to the ongoing investigation described above, the Company is unable to file the Quarterly Report by the prescribed September 9, 2015 deadline without undue effort and expense. The Company is working toward filing the Quarterly Report as soon as practicable.

24. On this news the Company's shares fell \$1.84 per share, or 16.7%, to close on September 10, 2015, at \$9.15 per share, on unusually high volume.

25. On September 14, 2015, after the close of trading, the Company issued a press release disclosing its financial results for the third quarter of 2015. Therein, the Company

reported revenues of \$275.2 million and a gross profit of \$20.2 million. The Company further disclosed the following regarding its investigation into the alleged accounting misstatements:

On September 9, 2015, the Company filed a notification of late filing with the Securities and Exchange Commission disclosing that the Company was investigating the accounting for certain costs at its Wellington, Ohio facility. This investigation determined that previously reported financial results for this facility had been overstated and that this overstatement was attributable to the accounting for inventoried costs, the majority of which was associated with a surcharge assessed on steel. The Company has taken steps to remediate the internal control deficiencies, including replacing the financial leader at the Company's Wellington facility, continuing to evaluate additional organizational changes, reassigning detailed reconciliations of interrelated accounts to experienced employees from both corporate and plant personnel, implementing new internal reporting procedures, retraining employees in key internal control measures, utilizing subject matter experts across different facilities and enhancing management oversight over the Company's Wellington facility until remediation is completed. The financial statements for the three-month period ended January 31, 2015 and the 3- and 6-month periods ended April 30, 2015 were included in the Company's Quarterly Reports on Form 10-Q filed on March 11, 2015 and June 5, 2015, respectively. Today the Company filed amended Quarterly Reports on Form 10-Q to correct the misstatements and related disclosures. The impact of the restatement on reported net income was a reduction of \$1.2 million for the first quarter of 2015 and \$800,000 for the second quarter of 2015.

49. The Company further disclosed in an 8-K filed with the SEC the following:

During the third quarter of the 2015 fiscal year of Shiloh Industries, Inc. (the Company"), management implemented an enhanced balance sheet review process across all of the Company's 21 manufacturing facilities. In the course of implementing this new process, management encountered preliminary indications of accounting irregularities with respect to the accounting for inventoried costs, the majority of which was associated with a surcharge assessed on steel at the Company's facility in Wellington, Ohio. As a result, management promptly notified the Audit Committee and the Company's independent registered public accounting firm. After receiving this information from management, the Audit Committee commenced a formal investigation to assess the nature and extent of any misstatements, and their potential effect on previously issued financial statements and management's assessment of internal control over financial reporting. The Company, at the direction of the Audit Committee, retained independent third-party advisors to assist with this investigation.

The investigation by the Audit Committee, with the assistance of management and independent third-party advisors, determined that an employee with

functional responsibilities at the Company's Wellington facility had circumvented certain internal controls resulting in an understatement of the cost of sales related to inventoried costs, the majority of which was associated with a surcharge assessed on steel at the Company's Wellington facility. The enhanced balance sheet review process included an examination of selected accounts at the Company's other facilities. No other misstatements were discovered during this review process.

Based on the results of its investigation into these misstatements, the Audit Committee with the assistance of management and independent third-party advisors determined that previously reported consolidated cost of sales for the three-month periods ended January 31, 2015 and April 30, 2015 are understated by approximately \$1.7 million and \$1.1 million, respectively, resulting in cumulative overstatements of reported gross profit of \$1.9 million and \$1.3 million, respectively, and net income of approximately \$1.2 million and \$0.8 million, respectively.

On September 11, 2015, after analyzing these misstatements and consulting with management and independent third-party advisors involved in the investigation, the Audit Committee concluded that the financial statements for the three-month periods ended January 31, 2015 and the three- and six-month periods ended April 30, 2015 should be restated and therefore should no longer be relied upon. The Audit Committee discussed the restatement with its independent registered public accounting firm.

The financial statements for the three-month period ended January 31, 2015 and three-month and six-month periods ended April 30, 2015 were included in the Company's Quarterly Reports on Form 10-Q filed on March 11, 2015 and June 5, 2015, respectively. The Company will amend both Quarterly Reports on Form 10-Q in order to correct the misstatements and related disclosures on September 14, 2015.

The Company's internal control over financial reporting may not prevent or detect misstatements because of inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud; effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. To that end, the Company concluded that certain controls relating to journal entries and account reconciliations were circumvented by an employee with functional responsibilities at the Wellington manufacturing plant. In light of these circumstances, the Company has determined that a material weakness existed in the Company's internal control over financial reporting at January 31, 2015 and April 30, 2015 as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. The Company has taken additional remediation steps, including replacing the financial leader at the Company's Wellington facility, continuing to evaluate additional organizational changes, reassigning detailed reconciliations of interrelated accounts to trusted,

experienced employees from both corporate and plant personnel, implementing new internal reporting procedures, retraining employees in key internal control measures, utilizing subject matter experts across different facilities and enhancing management oversight over the Company's Wellington facility until remediation is completed. The Company continues to evaluate whether any additional remediation measures are necessary.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers;

Compensatory Arrangements of Certain Officers.

On September 8, 2015, Gary DeThomas was appointed as the principal accounting officer of the Company, effective September 8, 2015. Mr. DeThomas, who serves as Vice President Corporate Controller, joined the Company in March 2015. Prior to joining the Company, Mr. DeThomas, 52, worked at Techtronic Industries, a designer, manufacturer and marketer of power tools, outdoor power equipment and floor care appliances, beginning in June 2013.

While at Techtronic Industries, Mr. DeThomas was Vice President and Chief Financial Officer of the Floor Care Division. Prior to that, Mr. DeThomas served as the Vice President and Chief Financial Officer for King Systems, a manufacturer and distributor of medical devices, from 2011 until June 2013. Mr. DeThomas also served as Vice President, Controller of North American Tire Division for Cooper Tire & Rubber Company, the parent company of a global family of companies that specializes in the design, manufacture, marketing and sale of passenger car and light truck tires, from 2008 until 2011. He has also served in various leadership roles for Owens Corning and Motorola. Mr. DeThomas earned his master's of business administration degree from the University of Chicago and a bachelor's degree in finance from Bowling Green State University.

There is no arrangement or understanding between Mr. DeThomas and any other person pursuant to which Mr. DeThomas was appointed as the principal accounting officer of the Company, and there are no transactions in which Mr. DeThomas has an interest requiring disclosure under Item 404(a) of Regulation S-K. No director or executive officer of the Company has any family relationship with Mr. DeThomas.

Effective September 8, 2015, Thomas Dugan, Vice President Finance and Treasurer, who previously served as principal financial officer and principal accounting officer of the Company, will continue to serve as the Company's principal financial officer.

26. On this news shares of Shiloh declined \$1.68 per share, or 16%, to close on

September 15, 2015 at \$8.58 per share, on unusually high volume.

**SHILOH'S VIOLATION OF GAAP RULES
IN ITS FINANCIAL STATEMENTS
FILED WITH THE SEC**

27. These financial statements and the statements about the Company's financial results were false and misleading, as such financial information was not prepared in conformity with GAAP, nor was the financial information a fair presentation of the Company's operations due to the Company's improper recording of revenue, in violation of GAAP rules.

28. GAAP are those principles recognized by the accounting profession as the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. Regulation S-X (17 C.F.R. § 210.4-01(a)(1)) states that financial statements filed with the SEC which are not prepared in compliance with GAAP are presumed to be misleading and inaccurate. Regulation S-X requires that interim financial statements must also comply with GAAP, with the exception that interim financial statements need not include disclosure which would be duplicative of disclosures accompanying annual financial statements. 17 C.F.R. § 210.10-01(a).

29. The fact that Shiloh announced that it intends to restate certain of its financial statements, and informed investors that these financial statements should not be relied upon is an admission that they were false and misleading when originally issued (APB No.20, 7-13; SFAS No. 154, 25).

30. Given these accounting irregularities, the Company announced financial results that were in violation of GAAP and the following principles:

(a) The principle that "interim financial reporting should be based upon the same accounting principles and practices used to prepare annual financial statements" was violated (APB No. 28, 10);

(b) The principle that “financial reporting should provide information that is useful to present to potential investors and creditors and other users in making rational investment, credit, and similar decisions” was violated (FASB Statement of Concepts No. 1, 34);

(c) The principle that “financial reporting should provide information about the economic resources of Shiloh, the claims to those resources, and effects of transactions, events, and circumstances that change resources and claims to those resources” was violated (FASB Statement of Concepts No. 1, 40);

(d) The principle that “financial reporting should provide information about Shiloh’s financial performance during a period” was violated (FASB Statement of Concepts No. 1, 42);

(e) The principle that “financial reporting should provide information about how management of Shiloh has discharged its stewardship responsibility to owners (stockholders) for the use of Shiloh resources entrusted to it” was violated (FASB Statement of Concepts No. 1, 50);

(f) The principle that “financial reporting should be reliable in that it represents what it purports to represent” was violated (FASB Statement of Concepts No. 2, 58-59);

(g) The principle that “completeness, meaning that nothing is left out of the information that may be necessary to insure that it validly represents underlying events and conditions” was violated (FASB Statement of Concepts No. 2, 79); and

(h) The principle that “conservatism be used as a prudent reaction to uncertainty to try to ensure that uncertainties and risks inherent in business situations are adequately considered” was violated (FASB Statement of Concepts No. 2, 95).

31. The adverse information concealed by Defendants during the Class Period and detailed above was in violation of Item 303 of Regulation S-K under the federal securities law (17 C.F.R. §229.303).

CLASS ACTION ALLEGATIONS

32. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all those who purchased Shiloh's securities between March 9, 2015 and September 14, 2015, inclusive (the "Class Period") and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

33. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Shiloh's securities were actively traded on the Nasdaq Stock Market (the "NASDAQ"). While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Millions of Shiloh shares were traded publicly during the Class Period on the NASDAQ. As of June 4, 2015, Shiloh had 17,249,355 shares of common stock outstanding. Record owners and other members of the Class may be identified from records maintained by Shiloh or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

34. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

35. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

36. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Shiloh; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

37. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

38. The market for Shiloh's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Shiloh's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Shiloh's securities relying upon the integrity of the market price of the Company's securities and market information relating to Shiloh, and have been damaged thereby.

39. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Shiloh's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. Said statements and omissions were materially false and/or misleading in that they failed to disclose material adverse information and/or misrepresented the truth about Shiloh's business, operations, and prospects as alleged herein.

40. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Shiloh's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at

artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

41. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

42. During the Class Period, Plaintiff and the Class purchased Shiloh's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

43. As alleged herein, Defendants acted with scienter in that Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of information reflecting the true facts regarding Shiloh, his/her control over, and/or receipt and/or modification of Shiloh's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Shiloh, participated in the fraudulent scheme alleged herein.

APPLICABILITY OF PRESUMPTION OF RELIANCE (FRAUD-ON-THE-MARKET DOCTRINE)

44. The market for Shiloh's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to

disclose, Shiloh's securities traded at artificially inflated prices during the Class Period. On April 22, 2014, the Company's stock closed at a Class Period high of \$20.65 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Shiloh's securities and market information relating to Shiloh, and have been damaged thereby.

45. During the Class Period, the artificial inflation of Shiloh's stock was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Shiloh's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Shiloh and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company stock. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

46. At all relevant times, the market for Shiloh's securities was an efficient market for the following reasons, among others:

(a) Shiloh stock met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, Shiloh filed periodic public reports with the SEC and/or the NASDAQ;

(c) Shiloh regularly communicated with public investors *via* established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Shiloh was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

47. As a result of the foregoing, the market for Shiloh's securities promptly digested current information regarding Shiloh from all publicly available sources and reflected such information in Shiloh's stock price. Under these circumstances, all purchasers of Shiloh's securities during the Class Period suffered similar injury through their purchase of Shiloh's securities at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

48. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as "forward-looking statements" when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to

any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Shiloh who knew that the statement was false when made.

FIRST CLAIM
Violation of Section 10(b) of
The Exchange Act and Rule 10b-5
Promulgated Thereunder Against All Defendants

49. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

50. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Shiloh's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

51. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Shiloh's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

52. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Shiloh's financial well-being and prospects, as specified herein.

53. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Shiloh's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Shiloh and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

54. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the

Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

55. The defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Shiloh's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

56. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Shiloh's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class

acquired Shiloh's securities during the Class Period at artificially high prices and were damaged thereby.

57. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Shiloh was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Shiloh securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

58. By virtue of the foregoing, Defendants have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

59. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM
Violation of Section 20(a) of
The Exchange Act Against the Individual Defendants

60. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

61. The Individual Defendants acted as controlling persons of Shiloh within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had

the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

62. In particular, each of these Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

63. As set forth above, Shiloh and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and/or omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: September 21, 2015