

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**Form 8-K**

**Current Report**  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

**Date of Report (Date of earliest event reported): November 19, 2015**

**Shepherd's Finance, LLC**  
(Exact name of registrant as specified in its charter)

**Commission File Number: 333-203707**

**Delaware**  
(State or other jurisdiction of incorporation)

**36-4608739**  
(IRS Employer Identification No.)

**12627 San Jose Blvd., Suite 203, Jacksonville, FL 32223**  
(Address of principal executive offices, including zip code)

**(302) 752-2688**  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

**Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:**

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)**
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)**
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))**
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))**
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**Item 1.01. Entry into Material Definitive Agreement.**

On November 19, 2015, Shepherd's Finance, LLC (the "Company") entered into an Amendment (the "Amendment") to its Loan Purchase and Sale Agreement (the "Agreement") with S.K. Funding, Inc. (the "Buyer"). The Agreement was originally entered into between the Company and Seven Kings Holdings, Inc. ("7Kings"). However, on or about May 7, 2015, 7Kings assigned its right and interest in the Agreement to the Buyer.

The purpose of the Amendment was to allow the Buyer to purchase portions of up to two loans from the Company under parameters different from those specified in the Agreement. The loans are larger than the typical loans sold under the Agreement, and the Buyer is purchasing priority interests of \$1,000,000 each. The Buyer has the right to participate in discussions concerning servicing of the loans as the loans age beyond their likely durations. The interest rate accruing to the Buyer is 9.5% calculated on a 365/366 day basis.

The description of the Amendment above is qualified in its entirety by the Amendment to the Loan Purchase and Sale Agreement attached hereto as Exhibit 10.1 to this Current Report on Form 8-K. A copy of the Amendment is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein solely for purposes of this Item 1.01 disclosure.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

10.1 Amendment to the Loan Purchase and Sale Agreement between Shepherd's Finance, LLC and S.K. Funding, Inc. dated as of November 19, 2015

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**Signature(s)**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SHEPHERD'S FINANCE, LLC**

Date: November 24, 2015

By: /s/ Daniel M. Wallach

Daniel M. Wallach  
Chief Executive Officer and Manager

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**Exhibit 10.1**

**1<sup>st</sup> AMENDMENT TO LOAN PURCHASE AND SALE AGREEMENT**

This 1<sup>ST</sup> AMENDMENT TO LOAN PURCHASE AND SALE AGREEMENT (this “**1<sup>st</sup> Amendment**”) dated as of the 19th day of November, 2015 by and between **SHEPHERD’S FINANCE, LLC**, a Delaware limited liability company (“**Seller**”) having an address at 12627 San Jose Boulevard, Suite 203, Jacksonville, Florida 32223, and **S.K. FUNDING, INC.**, a Florida corporation (“**Buyer**”) having an address at 630 Maplewood Drive, Suite 100, Jupiter FL, 33458.

**RECITALS**

- A. On April 29, 2015, Seller and Seven Kings Holdings, Inc., entered into that certain Loan Purchase and Sale Agreement for the purpose of Seven Kings participating in certain loans issues by Seller, as more specifically described therein (“**Agreement**”);
- B. On or about May 7, 2015, Seven Kings assigned its rights and interest in the Agreement to Buyer;
- C. Seller and Buyer wish to amend the Agreement only and specifically for the loans listed on Exhibit “A” of this Amendment, which is attached hereto and made a part hereof (the “**1<sup>st</sup> Amendment Loans**”).

**ARTICLE 1**

**INCORPORATION OF RECITALS; DEFINITIONS**

1.1 **Incorporation of Recitals.** The above recitals are incorporated herein by this reference as if they were set forth herein in their entirety.

1.2 **Definitions.** Unless otherwise stated in this Amendment, defined terms used in this Amendment have their meanings as defined in the Agreement.

**ARTICLE 2**

**MODIFICATIONS**

2.1 The following modifications shall be applicable to the 1<sup>st</sup> Amendment Loans, but shall have no applicability or affect on other loans participated in by the parties pursuant to the Agreement. Except as provided for herein, the Agreement shall apply to the 1<sup>st</sup> Amendment Loans. The following modifications to the Agreement shall apply to the 1<sup>st</sup> Amendment Loans:

- (a) The Buyer’s Investment Amount, as defined in Section 1.2 of the Agreement, will not be impacted by the 1<sup>st</sup> Amendment Loans.
  - (b) The Buyer Loan Amount, as defined in Section 1.2 of the Agreement, shall be the amount listed next to each loan on Exhibit “A.”
  - (c) The Buyer Loan Percentage, as defined in Section 1.2 of the Agreement, shall not be applicable to the 1<sup>st</sup> Amendment Loans.
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(d) The Interest Rate, as defined in Section 1.2 of the Agreement, shall be 9.5% calculated on a 365/366 day basis.

(e) The Purchase Limit, as defined in Section 1.2 of the Agreement, shall not apply and this Amendment shall not affect the Purchase Limit as applied to other loans participated in by the parties pursuant to the terms of the Agreement.

(f) Section 2.1(a) of the Agreement is modified, to the extent necessary, to provide that Buyer agrees to purchase from Seller the 1<sup>st</sup> Amendment Loans in the amount set forth on Exhibit "A."

(g) Section 2.2(a) of the Agreement is modified to provide that the Purchase Price shall be the amount listed on Exhibit "A."

(h) Section 2.4 of the Agreement shall not apply to the 1<sup>st</sup> Amendment Loans and there will be no Buyer Loan Funding on these loans after the initial Purchase Price is funded.

(i) Section 2.5 of the Agreement is modified to provide that Buyer will not make Protective Advances.

(j) Section 5.6(c) of the Agreement is deleted in its entirety for the purposes of this Amendment and replaced with the following provision: "From all collections of principal payments under the Loan, Buyer will receive all proceeds until the Buyer Loan Amount has been repaid, after which all proceeds will be paid to Seller."

(k) Section 5.7 of the Agreement is hereby deleted in its entirety for the purposes of this Amendment and replaced with the following provision: "Buyer Loan shall have priority over Seller Loan."

(l) In the event either of the 1<sup>st</sup> Amendment Loans are not paid in full within fourteen (14) months from Buyer funding of the Buyer Loan Amount, within ten (10) days of the end of such sixteen (16) month period, and within the same period each month thereafter either of the loans remain outstanding, Seller shall provide Buyer with a written update on the status and performance of such outstanding loans together with a recommendation on how to proceed with said loans. In the event either of the 1<sup>st</sup> Amendment Loans are not paid in full within eighteen (18) months from Buyer funding of the Buyer Loan Amount, at any time thereafter, and from time to time as either such loans remain outstanding, in the event Buyer disagrees with Seller's recommendation not to call the loan or otherwise take no action, as applicable, Buyer may request a third party (which the parties agree shall be Kenneth Summers unless he is unable or unwilling to undertake such request in which case the parties shall mutually agree on said third party) conduct an independent review of such outstanding loans and direct the parties how to proceed with said loans, which decision shall be binding on the parties.

(m) In the event either or both of the 1<sup>st</sup> Amendment Loans are not funded by December 31, 2015, Buyer shall have the right, in its sole discretion, to not fund such remaining loan or loans under this Amendment and upon such decision by Buyer this Amendment shall have no further force and effect except to the extent of any such 1<sup>st</sup> Amendment Loan already funded hereunder and outstanding.

**ARTICLE 3**

**GENERAL**

3.1 Except as specifically amended by this Amendment, all other terms and conditions of the Agreement shall continue in full force and effect. Except for the 1<sup>st</sup> Amendment Loans, no term or provision of this Amendment shall apply to any other loan participated in by the parties under the Agreement. No variation, modification or amendment to this Amendment shall be deemed valid or effective unless and until it is signed by the parties hereto. This Amendment may be executed in counterparts, each of which once so executed shall be deemed to be original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

**SELLER:**

**SHEPHERD'S FINANCE, LLC,**  
a Delaware limited liability company

By:           /s/ Daniel M. Wallach            
Name:           Daniel M. Wallach            
Title:           Chief Executive Officer          

**BUYER:**

**S.K. FUNDING, INC.,** a Florida corporation

By:           /s/ Raymond E. Graziotto            
Name:           Raymond E. Graziotto            
Title:           President

**EXHIBIT A**

**1<sup>ST</sup> Amendment Loans**

Borrower	Lot	Buyer Loan Amount/Purchase Price	
Eclipse Partners, LLC	Parcel A Lido Beach Division A Plat 2 165 Whittier Dr., Sarasota, FL 34236	\$	1,000,000
Eclipse Partners, LLC	Parcel B Lido Beach Division A Plat 2 171 Whittier Dr., Sarasota, FL 34236	\$	1,000,000

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