

BEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of
J & M DEVELOPERS LLC,
and LERNIE C. JONES,

PETITION FOR ORDER

Respondents.

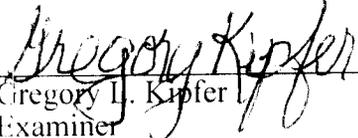
File No. S-06124(EX)

The staff of the Bureau of Registration & Enforcement, of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. J & M Developers LLC ("J & M") is a foreign business entity incorporated as a Limited Liability Company in Illinois on March 18, 2005, with a last known business address of 125 East 13th Street, Chicago, Illinois 60605.
2. Lerne C. Jones ("Jones") is an individual who at all time material hereto has been an officer of J & M Developers LLC, with a last known mailing address of 7047 S. Prairie, Chicago, Illinois 60619.
3. During the period of at least March 1, 2005 through May 30, 2005, Jones, on behalf of J & M, offered and sold to at least one person in Wisconsin the opportunity to provide funds to obtain a loan to be used towards a housing development in Chicago named "Amalgamated Homes."
4. The loan obtained by Respondents is an evidence of indebtedness and as such is a security as defined by Sec 551.02(13), Wis. Stats.
5. In connection with the offer and sale of the security described above, Jones provided Wisconsin investor with written information stating that "He holds a Bachelor of Science Degree in Construction Management & Technology from the University of Southern Illinois, Carbondale, Illinois in 1994." Contact with the Records Office of the University of Southern Illinois in Carbondale, Illinois verified that Jones never attended the University of Southern Illinois.
6. Jones has violated Sec. 551.41(2) Wis. Stats. by making an untrue statement of a material fact necessary to make the statements made, in light of the circumstances in which they were made, not misleading, in connection with the offer and sale of a security to at least one person in Wisconsin.
7. Upon information and belief, in connection with the security described above, Respondents drafted and forwarded to the Wisconsin investor a fictitious letter, dated July 1, 2005. The fictitious letter stated that Jones on behalf of J & M had obtained a confirmed agreement with the City of Chicago to be the contractor for Englewood Community Project when such an agreement had actually not been reached.

8. Upon information and belief, on 4/11/2006, in Cook County Circuit Court, Illinois, Jones was found guilty of at least 2 felony counts of Deceptive Practice in case number 06110646201.

Therefore, the staff of the Bureau of Registration & Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Orders pursuant to Ch. 551, Wis. Stats.



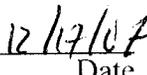
Gregory I. Kipfer
Examiner
Enforcement Unit



Date



David A. Cohen
Supervising Attorney
Enforcement Unit



Date