

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF: J & W FINANCIAL SERVICES, INC,  
J & W CONSTRUCTION, INC., BEAR CARES DAY CARE  
CENTER and DEREK J. WOODS**

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) **Case No. C0800515**  
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**ORDER OF PROHIBITION**

**TO RESPONDENT:**

Derek J. Woods (CRD# 2358893)  
16234 Louis Avenue  
South Holland, Illinois 60673

J & W Financial Services, Inc.  
Attn: Derek J. Woods  
313 River Oaks Drive  
Calumet City, Illinois 60409

J & W Construction, Inc.  
Attn: Derek J. Woods  
16234 Louis Avenue  
South Holland, Illinois 60673

Bear Cares Day Care  
Attn: Derek J. Woods  
16234 Louis Avenue  
South Holland, Illinois 60673

**TO THE ATTORNEY  
FOR RESPONDENTS:**

Cardinal Legal Group, P.C.  
Attn: Alex Ogoke  
100 West Monroe, Ste 711  
Chicago, Illinois 60603

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on June 16, 2009 temporarily prohibiting Respondents from offering or selling securities in the State of Illinois until further order of the Secretary of State.

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WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondents have failed to request a hearing on the matters contained in the said Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duty authorized representatives, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Final Findings of Fact as follows:

1. That Derek J. Woods, ("Woods" or together with J & W Financial Services, Incorporated and/or J & W Construction, Inc., "Respondents") is an individual who last known address of 16234 Louis Avenue, South Holland, Illinois 60409.
2. That J & W Financial Services, Incorporated, ("J & W Financial" or together with Derek J. Woods and/or J & W Construction, Inc., "Respondents") is a business entity with the last known address of 16234 Louis Avenue, South Holland, Illinois 60409.
3. That J & W Construction, Inc., ("J & W Construction", or together with Derek J. Woods and/or J & W Financial Services, Incorporated, "Respondents") is a business entity with the last known address of 16234 Louis Avenue, South Holland, Illinois 60409.
4. That Bear Cares Day Care Incorporated, ("Bear Cares", or together with Derek J. Woods and/or J & W Financial Services, Incorporated, "Respondents") is a business entity with the last known address of 16234 Louis Avenue, South Holland, Illinois 60409.
5. That Respondent Woods was registered as a salesperson with the State of Illinois until May 3, 1999.
6. Complainants, Investor A and Investor B are residents of the State of Illinois.
7. On or around April 8, 2003, on behalf of Respondent J & W Financial, Respondent Woods sold Investor A a \$35,000.00 10% Investment Contract, with principal and interest due on August 8, 2003.
8. That on or about August 8, 2003, on behalf of Respondent J & W Financial, Respondent Woods issued Investor A a \$35,000.00 12% Investment Contract, replacing the April 8, 2003 Investment Contract.

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9. That on or about November 19, 2003, on behalf of Respondent J & W Financial, Respondent Woods issued Investor A a \$35,000.00 10% Investment Contract, replacing the August 8, 2003 Investment Contract.
10. That on February 19, 2004, on behalf of Respondent J & W Financial, Respondent Woods issued Investor A a \$35,000.00 10% Investment Contract, replacing the November 19, 2003 Investment Contract.
11. That on June 1, 2004, on behalf of Respondent J & W Financial, Respondent Woods issued Investor A a \$35,000.00 12% Investment Contract, replacing the February 19, 2004 Investment Contract.
12. On or around November 5, 2004, on behalf of Respondent J & W Financial, Respondent Woods sold Investor A a \$25,000.00 10% Investment Contract, with principal and interest due November 5, 2007.
13. On or around November 5, 2004, on behalf of Respondent Bear Cares, Respondent Woods sold Investor A a \$25,000.00 10% Investment Contract, with principal and interest due November 5, 2007.
14. In or around March 2005, on behalf of Respondent J & W Construction, Respondent Woods sold Investor B a \$237,310.00 Investment Contract.
15. On or around March 5, 2006, on behalf of Respondent J & W Financial, Respondent Woods issued Investor B a \$206,515.00 10% Investment Contract, replacing the previous Investment Contract.
16. Between January 2004 and January 2005, on behalf of Respondent J & W Financial, Respondent Woods sold to Investor C, notes and/or investment contracts totaling approximately \$110,000.00.
17. In or around January 2005, on behalf of Respondents J & W Construction and J & W Financial, Respondent Woods replaced the previous contracts issued to Investor C of Respondent J & W Financial with a contract issued from Respondent J & W Construction.
18. On or around January 28, 2006, on behalf of Respondent J & W Construction, Respondent Woods issued Investor C a \$82,150.00 14% Investment Contract, replacing the previous Investment Contract.
19. To date, despite demands, the Respondents have failed to pay Investors their principal and interest, pursuant to the terms of the Investment Contracts.
20. That the activities set forth in paragraphs above constitute the offer and sale of Investment Contracts, and therefore securities, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*

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21. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act for any person to "offer or sell any security except in accordance with the provisions of this Act."
22. Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
23. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to "fail to file with the Secretary of State any application, report or document under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
24. Respondents failed to file an application for registration of the above-referenced securities with the Secretary of State and as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
25. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's final Conclusions of Law as follows:


1. That by virtue of the foregoing, the Respondents Derek J. Woods, J & W Financial, Inc., J & W Construction and Bear Cares Day Care Incorporated has violated Sections 12.A, 12.C and 12.D of the Act; and
2. That by virtue of the foregoing, the Respondents, Respondents Derek J. Woods, J & W Financial, Inc., J & W Construction and Bear Cares Day Care Incorporated, are subject, pursuant to Section 11.F of the Act, to an Order which permanently prohibits them from offering or selling securities in the State of Illinois.

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NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents Derek J. Woods, J & W Financial, Inc., J & W Construction and Bear Cares Day Care Incorporated are hereby prohibited from offering or selling securities in the State of Illinois until further order of the Secretary of State.

ENTERED: This 31st day of July, 2009

Handwritten signature of Jesse White in black ink, with the initials 'DJP' written to the right of the signature.

JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Illinois Securities Act, [14 Ill. Admin. Code Ch. I, Section 130.1123]. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:  
Felicia H. Simmons-Stovall  
Enforcement Attorney  
Office of the Secretary of State  
Illinois Securities Department  
69 West Washington Street, Suite 1220  
Chicago, Illinois 60602  
Telephone: (312) 793-3384