

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**January 20, 2006**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12153**

**In the Matter of**

**PAUL D. LEMMON, MARK  
VALENTINE, AND  
MICHAEL VLAHOVIC,**

**Respondents.**

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
15(b) OF THE SECURITIES EXCHANGE  
ACT OF 1934 AND NOTICE OF HEARING**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Paul D. Lemmon (“Lemmon”), Mark Valentine (“Valentine”) and Michael Vlahovic (“Vlahovic”) (collectively “Respondents”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. Lemmon and Valentine**

1. Lemmon was the founder and managing director of Voyager Group, Ltd., a Bermuda financial services company that was a member of the Bermuda Stock Exchange. Lemmon, 43 years old, is a resident of New Brunswick, Canada.

2. Valentine was the chairman of Thomson Kernaghan & Co., a securities broker-dealer located in Ontario, Canada. Valentine controlled a significant amount of C-Me-Run, Inc. (“C-Me-Run”), SoftQuad Software, Ltd. (“SoftQuad”) and JagNotes.com, Inc. (“JagNotes”) stocks. Valentine, 35 years old, is a resident of Toronto, Ontario, Canada.

3. Lemmon and Valentine participated in an offering of C-Me-Run, SoftQuad and JagNotes, which are penny stocks.

4. On December 18, 2002, Lemmon pleaded guilty to one count of conspiracy to commit wire fraud, mail fraud and securities fraud in violation of Title 18 of the United States Code, Section 371 before the United States District Court for the Southern District of Florida, in Unites States v. Paul D. Lemmon, et al., Criminal Indictment No. 02-80088-CR-Cohn. On April 6, 2004, a judgment in the criminal case was entered against Lemmon. Lemmon was sentenced to time served, two years of supervised release with five months of home detention and special conditions of supervision.

5. On March 10, 2004, Valentine pleaded guilty to one count of securities fraud in violation of Title 15 of the United States Code, Section 78j(b) and 78ff before the United States District Court for the Southern District of Florida, in Unites States v. Mark Valentine, et al., Criminal Indictment No. 02-80088-CR-Cohn. On May 21, 2004, a judgment in the criminal case was entered against Valentine. Valentine was sentenced to four years of probation with nine months of home detention and other special conditions of supervision and ordered to pay a \$100 assessment to the court.

6. The count of the criminal indictment to which Lemmon and Valentine pleaded guilty alleged, among other things, that Lemmon and Valentine conspired to unjustly enrich themselves by defrauding a fictitious foreign mutual fund (the “Fund”) through paying undisclosed payoffs and kickbacks to brokers in exchange for causing the Fund to purchase large amounts of overpriced C-Me-Run, SoftQuad and JagNotes stocks. The count of the criminal indictment further alleged that it was also the object of the conspiracy for the defendants to unjustly enrich themselves by defrauding the shareholders of C-Me-Run, SoftQuad and JagNotes by artificially inflating the market price of these stocks through illegal means.

## **B. Vlahovic**

1. Vlahovic controlled a significant amount of Uncommon Media Group, Inc. (“UMDA”) stock. Vlahovic, 52 years old, is a resident of Alberta, Canada.

2. Vlahovic participated in an offering of UMDA, which is a penny stock.

3. On June 24, 2004, Vlahovic pleaded guilty to one count of conspiracy to commit wire fraud, mail fraud and securities fraud in violation of Title 18 of the United States Code, Section 371 before the United States District Court for the Southern District of Florida, in Unites States v. Michael Vlahovic, et al., Criminal Indictment No. 02-20637-CR-Marra. On October 5, 2004, a judgment in the criminal case was entered against Vlahovic. Vlahovic was sentenced to three years of probation with 180 days home detention, 200 hours of community service and other special conditions of probation and ordered to pay a \$100 assessment to the court and a \$15,000 fine.

4. The count of the criminal indictment to which Vlahovic pleaded guilty alleged, among other things, that Vlahovic and his co-defendants conspired to unjustly enrich themselves by defrauding the Fund through paying undisclosed kickbacks to certain persons affiliated with the Fund in exchange for causing the Fund to purchase a large amount of overpriced

UMDA stock. The count of the criminal indictment also alleged that the object of the conspiracy was for Vlahovic and his co-defendants to unjustly enrich themselves by defrauding the shareholders of UMDA by artificially inflating the market price of its stock through illegal means.

### **III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. Whether, pursuant to Section 15(b) of the Exchange Act, it is appropriate and in the public interest to bar Respondents from participating in any offering of penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock; or inducing or attempting to induce the purchase or sale of any penny stock.

### **IV.**

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that each Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If any Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, that Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon each Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Nancy M. Morris  
Secretary