UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,	
Plaintiff,	**CIVIL ACTION NO. CV-04-CO-0686-S** **Hon. L. Scott Coogler**
v.	
TIMOTHY R. HEYMAN, HEYMAN INTERNATIONAL, INC., PAUL D. CARTER AND AMERICAN FINANCIAL BUSINESS, LLC,	
Defendants,	
and	
THE CARTER GROUP, INC.,	
Relief Defendant.	

FIRST AMENDED COMPLAINT

Plaintiff, United States Securities and Exchange Commission ("Commission"), alleges and states as follows:

NATURE OF THE COMPLAINT

1. From at least 2001 through April 2004, Timothy R. Heyman

("Heyman"), raised at least $10 million from approximately 200 investors by offering and selling securities issued by Heyman International, Inc. ("Heyman International"). Heyman represented to investors, most of whom live in and around Birmingham, Alabama, that he would pay them a minimum of 10% per month on their investment generated by depositing their funds in "high yield depository accounts." Those representations are false and misleading. In reality, the Heyman International offering was a fraud, because Heyman was operating a Ponzi scheme. Heyman used new investors' funds to pay previous investors the 10% monthly "interest" payments that he promised to make. He also used a significant amount of investor funds to pay for his personal expenses, such as luxury cars and expensive trips abroad. Of the $10 million Heyman received from investors, he has used at least $1.3 million for personal expenses.

2. From at least 2002 through April 2004, in conjunction with the Heyman International offering, Paul D. Carter ("Carter") raised nearly $2 million from approximately 100 investors by offering and selling securities issued by American Financial Business, LLC ("AFB"). Like Heyman, Carter also deceived AFB investors by misrepresenting the AFB offering and the Heyman International operation. Specifically, Carter represented to AFB investors that Heyman would invest their money in trading foreign currencies. Carter also promised investors that their funds were fully refundable. In reality, Carter used new investor funds

and Heyman International investor funds to pay previous AFB investors the monthly "interest" he promised them. Neither Carter nor AFB have enough funds to refund investors as promised; less than $370,000 remains of the nearly $2 million that Carter raised from AFB investors. Moreover, Carter used approximately $360,000 of investor funds to pay for his personal expenses.

3. Carter used an AFB bank account to deposit AFB investor funds, as well as funds he received from Heyman that represented the purported "interest" from the foreign currency trading. Carter transferred some of these funds to a bank account in the name of Relief Defendant, The Carter Group ("Carter Group").

4. Accordingly, the Commission seeks (1) against Heyman, Heyman International, Carter and AFB (a) orders of permanent injunction enjoining defendants from future violations of certain federal securities laws, (b) disgorgement, plus prejudgment interest, of all ill-gotten gains and (c) civil penalties; (2) against Carter Group, disgorgement of all ill-gotten funds received from the AFB and Heyman International offerings; and (3) against all defendants and relief defendant, such other ancillary and equitable relief as is sought herein and may be appropriate.

DEFENDANTS

5. Timothy R. Heyman, is 33 years old and resides in Fort Worth, Texas. Heyman offered and sold investments in the form of Depository Agreements issued

by Heyman International. Heyman controls all of the Heyman International bank accounts into which he deposited and withdrew investor funds he raised from the Heyman International offering. Heyman is President, Treasurer and Secretary of Heyman International.

6. Heyman International, Inc., a Nevada corporation, was incorporated in 2000. Heyman International is controlled by Heyman who is the corporation's President, Secretary and Treasurer. Heyman International purports to be in the "business of financing, and asset growth management." Heyman International has no business purpose other than offering investments in the form of "Depository Agreements." No registration statement was filed or is in effect with the Commission in connection with the securities offered and sold by Heyman and Heyman International.

7. Paul D. Carter, is 54 years old and resides in Bowling Green, Kentucky. Carter offered and sold investments in the form of Depository Loan Agreements issued by AFB. Carter controls all of the AFB and Carter Group bank accounts into which he deposited investor funds and from which he withdrew funds to pay investors the promised "interest" on their AFB investments and to pay his personal expenses. Carter's AFB scheme was related to the Heyman International fraud in that Carter wired AFB investor funds to Heyman, who purportedly invested the funds in foreign currencies. In reality, Heyman merely

wired AFB and Heyman International investor funds back to Carter, who then paid AFB investors their monthly "interest" payments.

8. American Financial Business, LLC., a Kentucky limited liability company, was formed in 2003. Carter is the President of AFB and controls the AFB bank accounts referenced in this First Amended Complaint. AFB has no business purpose other than the offering of investments in the form of Depository Loan Agreements. No registration statement was filed or is in effect with the Commission in connection with the securities offered and sold by Carter and AFB.

9. The Carter Group, Inc., a Kentucky corporation, was incorporated in 2002. Carter is the President of Carter Group and also operates his insurance business under the name of Carter Group. Carter also controls a bank account in the name of Carter Group, into which he transferred AFB and Heyman International investor funds from an AFB account. Carter used some of the funds in the Carter Group account to pay his personal expenses. Carter has transferred nearly $1 million of AFB investor funds to Carter Group.

JURISDICTION

10. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act of 1933 [15 U.S.C. § 77v(a)] and Sections 21(e) and 27 of the Securities Exchange Act of 1934 [15 U.S.C. §78u(e) and 78aa] and 28 U.S.C. §1331. Venue is proper in this Court pursuant to Section 22(a) of the Securities

Act of 1933 [15 U.S.C. § 77v(a)] and Section 27 of the Securities Exchange Act of 1934 [15 U.S.C. §78aa].

11. The acts, transactions, practices, and courses of business constituting the violations alleged herein occurred within the jurisdiction of the United States District Court for the Northern District of Alabama and elsewhere.

12. Defendants, directly and indirectly, have made, and are making, use of the means and instrumentalities of interstate commerce, the means and instruments of transportation and communication in interstate commerce, and the mails, in connection with the acts, transactions, practices, and courses of business alleged herein.

FACTS

The Heyman International Offering

13. From at least 2001 through April 2004, Heyman raised at least $10 million from approximately 200 investors.

14. Heyman raised these funds from investors by offering and selling securities in the form of a written "Depository Agreement" issued by Heyman International.

15. The majority of Heyman International investors live in and around Birmingham, Alabama.

16. Heyman International also offered and sold Depository Agreements to

residents of Arizona, Florida, Georgia, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey and Tennessee.

17. Often, the investors were elderly and had limited experience with securities and investments. Investors withdrew retirement savings, sold land and used business assets in order to fund their investment with Heyman International.

18. Heyman, on behalf of Heyman International, and each investor executed a Depository Agreement that described Heyman's representations to investors.

19. Heyman represented to investors through the Depository Agreement that he had access to "certain proprietary high yield depository accounts, and trading programs in the United States and elsewhere." Heyman further represented to investors that their funds would be deposited in these accounts to "increase the overall yield of the accounts" and that, as a result, investors would earn a minimum of 10% per month on their principal investment. He also represented that investor funds were fully refundable.

20. After receiving investor funds, Heyman pooled the funds in non-interest bearing bank accounts under the name of Heyman International (hereinafter referred to as "Heyman International Bank Accounts"). Heyman alone controlled these accounts.

21. In reality, Heyman operated a Ponzi scheme by using new investors'

funds to make "interest" payments to previous investors. He paid "interest" out of the investor funds that he pooled in the non-interest bearing Heyman International Bank Accounts. Out of the $10 million Heyman International raised from investors, he used nearly $7 million to pay investors their "interest."

22. Heyman also used investor funds from the Heyman International Bank Accounts to pay for his personal expenses, such as luxury cars and expensive trips abroad. Of the $10 million Heyman received from investors, he used at least $1.3 million for personal expenses.

23. Contrary to the representations that he made in the Depository Agreements, Heyman has invested, at most, a de minimus amount of Heyman International investor funds. Any investments that Heyman may have made did not earn the interest that Heyman told investors they would receive.

24. Heyman did not disclose to investors that instead of investing their funds, he used their funds to pay other investors their monthly "interest" and Heyman's personal expenses.

25. Contrary to the representations that Heyman made in the Depository Agreement, Heyman International cannot fully repay the investors' principal. Heyman International's Bank Accounts do not have funds sufficient to repay the amount investors have given to him. Heyman International's Bank Accounts have approximately $1 million remaining of the $10 million invested with Heyman

International since 2001.

26. The fact that Heyman used investor funds to pay previous investors and his personal expenses and that Heyman International's accounts do not have sufficient funds to fully refund investors is information that would be highly important to investors because they would not have invested with Heyman International if they were informed of these facts.

27. No registration statement has been filed or is in effect with the Commission in connection with the securities offered or sold by Heyman and Heyman International.

The AFB Offering

28. From at least 2002 through the April 2004, Carter raised nearly $2 million from approximately 100 investors.

29. Carter raised these funds from investors by offering and selling securities in the form of a written "Depository Loan Agreement" issued by AFB.

30. AFB offered and sold Depository Loan Agreements to residents of Colorado, Kentucky, Michigan, Pennsylvania and Virginia.

31. Often, investors had limited experience with securities and investments and used retirement savings in order to invest with AFB.

32. Carter, on behalf of AFB, and each investor executed a Depository Loan Agreement that described Carter's representations to investors. The

Depository Loan Agreement that Carter issued to AFB investors is virtually identical to the Depository Agreement that Heyman issued to Heyman International investors.

33. Carter represented in the Depository Loan Agreement that he had access to "trading organizations who have availability of certain proprietary high yield depository accounts, and trading programs in the United States and elsewhere." Carter further represented to investors in the Depository Loan Agreement that their funds would be deposited in these accounts "that should increase the overall yield of the accounts" and that, as a result, investors would earn a minimum of 3% per month on their principal investment. He also represented in the Depository Loan Agreement that investor funds were fully refundable. Carter verbally told investors that he was going to send their funds to Heyman, who would use the funds to trade foreign currencies.

34. Carter created and distributed to potential investors a pamphlet entitled: "Currency Trading: What You Need to Know," on the back of which it stated "Information provided by American Financial Business, LLC." The pamphlet generally explained foreign currency trading. The pamphlet stated that investors could not lose all of their money because "the trading program has a 1% stop/loss order" and "our traders on a 24 hour basis professionally supervise the currency trading account." AFB did not have, at any time, any traders or a

CERTIFICATE OF SERVICE
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On December 15, 2004, a copy of the Plaintiff's First Amended Compliant was sent, via Federal Express, to:

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