

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 103538 / July 24, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-22497

In the Matter of

**CAZ L. CRAFFY a/k/a CARZ
LEVINSKI CRAFFEY,**

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

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 Caz L. Craffy a/k/a Carz Levinski Craffey (“Craffy” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraphs III.2 and III.4 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. From November 2017 through January 2023, Craffy worked full-time as a U.S. Army Financial Counselor, tasked in part with helping Gold Star families who had received survivor and insurance payments of as much as \$500,000 because a family member had died while on active duty. Concurrently, Craffy also worked full-time as a registered representative for registered broker-dealers, and held Series 7 and 63 securities licenses. Craffy, age 42, resides in Colts Neck, New Jersey.

2. On July 16, 2025, a final judgment was entered by consent against Craffy, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Exchange Act, and Rules 10b-5 and 15c-1(a)(1) thereunder, as set forth in the judgment entered in the civil action entitled Securities and Exchange Commission v. Caz L. Craffy a/k/a Carz Levinski Craffey, Civil Action Number 3:23-CV-03639, in the United States District Court for the District of New Jersey.

3. The Commission's complaint alleged that from May 2018 to November 2022, Craffy used his position as a U.S. Army financial counselor to manipulate grieving family members by directing them to transfer their benefits into brokerage accounts he managed outside of his official duties with the U.S. Army. Once the funds were deposited, Craffy engaged in unauthorized trading and trading that did not match his customers' risk profiles and investment objectives. Craffy repeatedly placed his own financial interest ahead of the customers' interest. Through his unauthorized trading, Craffy implicitly recommended a series of transactions in certain customer accounts without having a reasonable basis to believe the recommendations were not excessive when taken together in light of those customers' investment profiles. Craffy also implicitly recommended trades in certain customer accounts that resulted in the accounts being highly concentrated in one or a small number of corporate-issuer stocks, which were not in the best interest of those customers in light of their investment profiles.

4. On April 16, 2024, Craffy pleaded guilty to six counts of wire fraud in violation of 18 U.S.C. §§ 1343 and 2; one count of securities fraud in violation of 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240. 10b-5, and 18 U.S.C. § 2; one count of making false statements in a loan application in violation of 18 U.S.C. §§ 1014 and 2; one count of committing acts affecting a personal financial interest in violation of 18 U.S.C. § 208(a); and one count of making false statements to a federal agency in violation of 18 U.S.C. § 1001 before the United States District Court for the District of New Jersey, in United States v. Caz Craffy, Crim. No. 3:23-CR-4541. On August 22, 2024, a judgment in the criminal case was entered against Craffy. He was sentenced to a prison term of 151 months followed by 3 years of supervised release. On January 7, 2025, he was ordered to make restitution in the amount of \$4,085,988.32.

5. The counts of the criminal indictment to which Craffy pleaded guilty alleged, inter alia, that Craffy used his position as an Army financial counselor to identify and target Gold Star families and other military families, and he obtained more than \$9.9 million from these

families to invest in accounts he managed in his “private capacity.” Once in control of this money, Craffy repeatedly executed trades, often without the family's authorization, and these unauthorized trades earned Craffy high commissions.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Craffy’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Craffy be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Craffy be, and hereby is barred from participating in any offering of a 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.

Any application for reentry by the Respondent will be made to the appropriate self-regulatory organization, or if there is none, to the Commission by contacting the Division of Enforcement’s Office of Chief Counsel at ENF-Reentry@sec.gov, and will be subject to the applicable laws and regulations governing the reentry process. Reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission’s order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Secretary