

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-25-0033**

**IN THE MATTER OF:
BRANDON STOWE
HOME MATRIX SAAS**

RESPONDENTS

REQUEST FOR CEASE AND DESIST ORDER

The Staff of the Arkansas Securities Department (“Staff”) has received certain information and has in its possession certain evidence indicating that Brandon Stowe (“Stowe”) and Home Matrix SaaS (“Home Matrix”), (collectively “Respondents”), have violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. §§ 23-42-101 through 23-42-509, and the Rules of the Arkansas Securities Commissioner (“Rules”), 23 CAR §§ 300-101 through 300-609.

ADMINISTRATIVE AUTHORITY

1. This matter is brought in connection with violations of the Act and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”) in accordance with Ark. Code Ann. § 23-42-409.

RESPONDENT

2. Stowe is a resident of Searcy, Arkansas in White County. He claims to be the President and General Manager of Home Matrix. Stowe has never been registered as an individual with the Department in any capacity and has never made filings to register securities or claim an exemption from registration for securities with the Department for Home Matrix.
3. Home Matrix claims to be an Arkansas corporation with its principal place of business at 1601 Westpark Dr., Suite 7, Little Rock, Arkansas 72204. A review of the Arkansas Secretary of State's website showed no business entities registered in Arkansas using the Home Matrix name.

FACTS SUPPORTING REQUEST FOR CEASE AND DESIST ORDER

4. On August 12, 2025, the Arkansas Securities Department (“Department”) received a complaint from a Washington resident (“WR1”). In this complaint, WR1 alluded to an investment scam operated by Stowe through his company, Home Matrix. The scam involved the creation of a software program that would be used in the heating, ventilation, and air conditioning (“HVAC”) industry.
5. WR1 first met Stowe through the HVAC industry around August 2020, when Stowe asked WR1 to demonstrate sales software. WR1 did not move forward with the software and was not contacted again by Stowe until he reached out to WR1 regarding Home Matrix.
6. WR1 saw a post on Facebook in early September 2022 from Stowe in which Stowe was soliciting investors in Home Matrix. Intrigued, WR1 reached out and was told by Stowe the following:

“...we are working on software for the home services industry starting with HVAC. If you are interested, I can send an NDA, and we can schedule a zoom this week with myself and our software dev POC to show give the 30k ft view and answer any questions. We are not looking for a lot - 20-50k per investor will get the software in place to move and sell the product.”

7. After exchanging messages over Facebook, WR1 and Stowe had a Zoom call to discuss Home Matrix in detail. During the call with WR1, Stowe made the following representations and claims to WR1:
 - a. He had sold his original software to 100 companies but then claimed he refunded all the companies because it didn’t work out.
 - b. Home Matrix had several items necessary for the software’s development.
 - c. He had invested in about five different software companies.
 - d. Home Matrix had a \$1 million valuation.
 - e. Investors should start seeing a return on all the upfront costs after about the second or third month from September. Investors would start seeing significant returns within the first quarter of 2023.
 - f. Shipping would begin in 2022 and by spring of 2023 investors would see a return of their funds.

8. After hearing that pitch, WR1 stated that he, along with three other investors, one New Mexico resident (“NMR1”) and two additional Washington residents (“WR2” and “WR3”) (collectively with WR1, “Home Matrix Investors”), invested a total of \$150,000 into Home Matrix via shares of common stock offered by Stowe.
9. To solidify their respective investment, the Home Matrix investors individually entered into an Investor Agreement (“Agreement”) with Stowe as the agent of Home Matrix, an example of which is attached as Exhibit A.
10. The number of shares of common stock purchased by the Home Matrix Investors were memorialized in their respective Agreements. The percentage of shares owned are as follows:
 - a. WR1- 2.5% or \$25,000.
 - b. NMR1- 2.5% or \$25,000.
 - c. WR2- 5% or \$50,000.
 - d. WR3- 5% or \$50,000.
11. In the Agreement, the Home Matrix Investors stipulated that Stowe would be the managing shareholder. This granted Stowe the ability “to manage, control, and operate the business and affairs of Home Matrix as President and General Manager without any further action or approval by the Shareholders [Home Matrix Investors] or the Board.”
12. The Agreement stated that Stowe was charged with “using the Shareholders’ best efforts to cause the business of Home Matrix to be conducted in accordance with sound business practices...”
13. A key factor reviewed by the Home Matrix Investors before making their investments was a section of the Agreement titled “Regular Distribution of Net Income.” This section, in

part, states that “[t]he net income of Home Matrix in excess of \$100,000 shall be distributed by Home Matrix quarterly, proportionate to the percentage of shares owned by each Shareholder.”

14. Stowe promoted Home Matrix in a manner that convinced the Home Matrix Investors that it was a profitable investment. He relied on his experience in the HVAC industry as well as prior business models when speaking about Home Matrix.
15. The Home Matrix Investors, according to the Agreement, were not free to transfer their respective shares to anyone with whom they did not share a familial relationship. Examples of familial relationships, as defined in the Agreement, include: a spouse, ancestors or lineal descendants or the spouses of any such persons, or to any trust for any individual defined above. In fact, the Agreement provided that “[a]ny transfer, sale, assignment, hypothecation, encumbrance, or alienation of any shares of Home Matrix . . . is void and transfers no right, title, or interest in or to those shares”
16. In his complaint, WR1 stated the supposed software development began for a short period of time after the Home Matrix Investors completed their respective investments in September and October 2022. After that period, communication with Stowe completely dropped off. WR1 stated that he and the other Home Matrix Investors attempted to communicate with Stowe on numerous occasions, between May 2023 and September 2023, but were unable to reach him. However, once the Home Matrix Investors hired counsel and sent a demand letter in September 2023 to Stowe requesting information regarding the status of the software development, Stowe immediately updated the Home Matrix investors and began to respond again.

17. Stowe's communications with the Home Matrix Investors were short-lived. According to WR1, the Home Matrix Investors made requests for Home Matrix's updated financial documents on several occasions. Each time, they were told by Stowe that he would send the financials, but Stowe never did.
18. When the Home Matrix Investors spoke with Stowe via Zoom, he provided the investors with only excuses as to why documents were not produced or why they were not seeing returns on their investments. These Zoom calls started off monthly at first beginning in September 2023. However, starting in 2024 the calls became sporadic and less frequent. This carried on until September 2024.
19. Stowe stopped communicating with the Home Matrix Investors again around September 2024.
20. Thereafter, the Home Matrix Investors noticed that Stowe was promoting a new investment opportunity in a new venture, Pathway Platform. When WR1 reached out regarding the new opportunity, Stowe attempted to pitch the Home Matrix Investors into rolling over their alleged equity in Home Matrix into Pathway Platform. In lieu of rolling over the equity, in [month] [year], Stowe offered \$76,000 back to the Home Matrix Investors. This amount represented the remaining portion of the \$150,000 originally invested.
21. The parties agreed that this would be an acceptable resolution, but Stowe subsequently ceased any further communications with the Home Matrix Investors. At the time of filing his complaint, WR1 and the other Home Matrix Investors had not heard from Stowe. Additionally, there has not been a return of the agreed upon \$76,000 or any payments from the net proceeds of Home Matrix.

22. In lieu of returning the invested money or making payments to the Home Matrix Investors, Stowe has been spending the funds on his personal expenses. A review of the transactions associated with Stowe and Home Matrix revealed that \$79,271.41 was used by Stowe for a several non-business-related expenses like purchasing lingerie, reserving hotel rooms and Airbnbs, purchasing airplane tickets, and funding personal trips.
23. The Staff's review of Department records found that the investment opportunities offered by Home Matrix to Home Matrix Investors, through its agent Stowe, are not registered securities pursuant to the Act. Additionally, the Staff found no filing evidencing a proof of exemption in accordance with the Act and no notice filing pursuant to federal law in connection with a covered security.

APPLICABLE LAW

24. Ark. Code Ann. § 23-42-102(17)(A)(xi) defines "security" to include investment contracts.
25. Ark. Code Ann. § 23-42-102(17)(A)(ii) defines "security" to include stock.
26. Ark. Code Ann. § 23-42-102(1)(A)(i) defines an "agent" as an individual, other than a broker-dealer, who represents a broker-dealer or issuer in effecting or attempt to effect purchases or sales of securities.
27. Ark. Code Ann. § 23-42-102(10) defines an "issuer" to mean every person who issues or proposes to issue any security.
28. Ark. Code Ann. § 23-42-301(a) states it is unlawful for a person to transact business in Arkansas as an agent unless they are registered under the Act.
29. Ark. Code Ann. § 23-42-501 states that it unlawful for any person to offer or sell any security in this state unless it is registered under the Act; the security or transaction is exempted under Ark. Code Ann. § 23-42-503 or § 23-42-504; or it is a covered security.

30. Ark. Code Ann. § 23-42-507(2) states that it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.
31. Ark. Code Ann. § 23-42-507(3) states that it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.
32. Ark. Code Ann. § 23-42-209(a) states that whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Act, the Commissioner may summarily order the person to cease and desist from the act or practice.

CONCLUSIONS OF LAW

33. The shares/common stock offered by Home Matrix are securities in the form of an investment contract because they involved an investment of monetary value in Home Matrix, a common enterprise, with a reasonable expectation of profits to be derived from Stowe's efforts, and through no efforts of the investor. Ark. Code Ann. § 23-42-102(17)(A)(xi) and *Securities and Exchange Commission v. W.J. Howey Co.*, 328 U.S.C. 293, 298-99 (1946) (“[A]n investment contract . . . means a contract, transaction, or scheme whereby a person invests his money in a common enterprise and is led to expect profits solely from the efforts of the promoter or a third party . . .”).

34. The common stock in Home Matrix, sold via the Agreement, is a security pursuant to Ark. Code Ann. § 23-42-102(17)(A)(ii).
35. Respondent Home Matrix acted as an issuer under Ark. Code Ann. § 23-42-102(10), by engaging in the business of issuing common stock to Home Matrix investors.
36. Respondent Stowe acted as an agent under Ark. Code Ann. § 23-42-102(1)(A)(i) by effecting the purchase and sale of Respondent Home Matrix's common stock to Home Matrix investors. Respondent Stowe violated Ark. Code Ann. § 23-42-301(a) by acting as agent without first being registered with the Department pursuant to the Act and Rules.
37. The securities offered by Respondents were not registered with the Department, exempt from registration with the Department, or covered securities under federal law. Therefore, the Respondents violated Ark. Code Ann. § 23-42-501 when they offered unregistered, nonexempt securities to the public.
38. Respondents violated Ark. Code Ann. § 23-42-507(2) by making false and misleading statements of material facts including, but not limited to, the following: claiming to be a properly registered Arkansas corporation; promising a profit distribution on a product that did not exist; claiming to have sold a prior software without providing any supporting documents; claiming to have been invested in five software companies; claiming that the software was further in development than what it truly was; claiming that Home Matrix had a \$1 million valuation; and claiming to use the funds invested by the Home Matrix investors to develop software.
39. Respondents violated Ark. Code Ann. § 23-42-507(3) by claiming to the Home Matrix Investors that a software was being developed and by operating a fraudulent, unregistered business for the sole purpose of soliciting investors. Respondent Stowe subsequently

violated Ark. Code Ann. § 23-42-507(3) when he utilized invested funds for personal expenses.

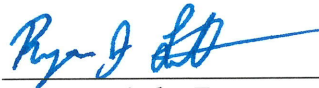
40. The Respondents' conduct, acts, and practices violate the Act and threaten immediate and irreparable public harm on an ongoing basis. Therefore, a cease and desist order is in the public's interest and is appropriate under Ark. Code Ann. § 23-42-209(a).

41. This matter is brought in connection with violations of the Act and Rules and is therefore properly before the Commissioner in accordance with Ark. Code Ann. § 23-42-209.

PRAYER FOR RELIEF

WHEREFORE, the Staff respectfully requests that the Commissioner summarily order Respondents to immediately cease and desist from acting as an issuer of unregistered, nonexempt securities, from acting as an unregistered agent of an issuer, and from offering and selling unregistered, fraudulent securities.

Respectfully submitted,



Ryan J. Little, Esq.

Attorney II

Arkansas Securities Department

e: ryan.little@arkansas.gov

t: 501-324-9266