

Part 2A of Form ADV: Firm Brochure
Item 1 Cover Page



**J. Pappas Investments
208 Newark Pompton Tpke
Little Falls, New Jersey 07424
CRD No. 299387**

This brochure provides information about the qualifications and business practices of Pappas Wealth Management, LLC DBA J. Pappas Investments. If you have any questions about the contents of this brochure, please contact us at (973) 429-0725 and/or investments@jpappas.net.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Pappas Wealth Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov by searching the firm's CRD No. 299387.

Pappas Wealth Management, LLC's registration as an investment adviser does not imply a certain level of skill or training.

Effective Date: October 24, 2018

Item 2 Material Changes

Last Annual Update: N/A

Summary of Material Changes

Pappas Wealth Management, LLC is a new investment advisory firm, so there are no material changes to report at this time.

Delivery Requirements

We will provide a summary of any material changes to this Brochure to our clients at least annually, within 120 days of our fiscal year end. Furthermore, we will provide our clients with other interim disclosures about material changes as necessary.

A complete copy of our current Form ADV Part 2A and/or 2B may be requested free of charge by contacting us by telephone at Pappas Wealth Management, LLC or by email at investments@jpappas.net.

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Item 4 Advisory Business

FIRM DESCRIPTION

Pappas Wealth Management, LLC, DBA J. Pappas Investments (hereinafter referred to as “J. Pappas Investments”, “we”, “us”, or “our firm”), is a New Jersey limited liability company with its principal office located in Little Falls, New Jersey and has been in business as a registered investment adviser since 2018. The principal owner of the firm is J Pappas, LLC, which is wholly owned by our firms sole manager and investment adviser representative, Ioannis Papatheapontos a/k/a John Pappas (CRD No. 4722750).

As a registered investment adviser, we are a fiduciary to you, our client, meaning we have a fundamental obligation to act and provide investment advice that is in your best interest. Should any material conflicts of interest exist that might affect the impartiality of our investment advice, they will be disclosed to you in this Brochure. We urge you to review this Brochure carefully and consider our qualifications, business practices and the nature of our advisory services before becoming our client.

J. Pappas Investments has no discretionary assets under management. Clients may request more current information at any time by contacting our firm.

ADVISORY PROGRAMS

J. Pappas Investments provides investment management services to our clients. In connection with our investment management services, J. Pappas Investments provides advice with respect to a broad range of asset classes, including, but not limited to, equities (common stocks and equivalents), mutual funds and exchange traded funds, U.S. treasuries, bonds, municipal securities and certificates of deposit. Our advice is generally limited to these types of investments, but we reserve the right to advise or not advise our clients on certain investments should we deem it appropriate based on their particular circumstances.

Our advisory services are offered through John Pappas who is registered with J. Pappas Investments as its investment adviser representative (“advisor”). Clients should refer to such advisor’s Form ADV Part 2B (the “Brochure Supplement”) for more information about their qualifications.

Our advisory services are tailored to the needs of our clients based on their individual investment objectives, risk tolerance, cash or income needs, and any investment restrictions. Although J. Pappas Investments seeks to accommodate any reasonable investment restrictions or guidelines set by our clients, we may decline to accommodate certain investment restrictions that are incompatible with our firms’ investment philosophy or that may have an adverse effect on our ability to manage your account.

J. Pappas Investments enters into formal written agreements with our clients setting forth the terms and conditions under which we will provide our advisory services (the “Engagement Agreement”). The Engagement Agreement sets forth the scope of the services to be provided and the compensation we receive from the client for such services. The Engagement Agreement may be terminated by either party in writing at any time by giving thirty (30) days signed, written notice to the other party.

Our advisors may offer all or any combination of the advisory services described below to our clients:

Investment Management: J. Pappas Investments provides discretionary investment management services where the client grants our firm full power to direct, manage and change the investment and reinvestment of the assets in the account, the proceeds and any additions. Our firm manages the client’s account(s) without client consultation after the initial establishment of the client’s investment objectives and appropriate asset allocation. Our authority over the client’s investments includes discretionary authority to purchase and sell securities for the client’s account, to submit aggregated trade orders for the client and others in order to obtain best execution, and to give instructions concerning these transactions to the qualified custodian with which the client’s account(s) are held. We are not required to first consult with the client before placing any specific order or obtain specific authorization from the client for each specific transaction. Our firm receives discretionary authority from our clients through our Engagement Agreement at the outset of our advisory relationship.

Clients should understand that information related to tax and legal consequences that is provided as part of the financial plan is for informative purposes only and should not be considered tax or legal advice. Clients should contact their tax and/or legal adviser for personalized advice.

Wrap Fee Programs: J. Pappas Investments does not participate in any wrap fee programs.

Important Note: It is the client’s responsibility to ensure that J. Pappas Investments is promptly notified if there are ever any significant changes to their financial situation, goals, objectives or needs so we can review our previous recommendations and make any necessary adjustments.

Item 5 Fees and Compensation

ADVISORY FEES

The following information describes how J. Pappas Investments is compensated for the investment advisory and financial planning services we provide to our clients. The specific manner in which fees are charged and the compensation we receive may differ between clients depending upon the individual Engagement Agreement with each client. J. Pappas Investments reserves the right to negotiate our compensation with clients depending on the scope of our advisory relationship, and we may charge higher or lower fees than are available from other firms

for comparable services. J. Pappas Investments has the general discretion to waive all or a portion of our fees, but typically only exercises this discretion for our employees.

Investment Management Fees: In consideration for providing investment management services and pursuant to the Engagement Agreement with the client, our firm charges an annualized asset-based fee equal to 1.5% based on the client's assets under management ("AUM") as valued by the qualified custodian, Interactive Brokers, LLC ("Interactive Brokers").

Additionally, for certain qualified clients and if agreed upon in writing, our firm charges a performance-based fee of up to 10% of the annual net profits of the eligible client account, but only to the extent that such performance-based fee is subject of a loss carryforward provision, also known as a "high water mark." The performance-based fee is only billed when the client's account value at calendar year end, measured on a cumulative basis and net of any losses, exceeds the highest historical account value as of the end of the prior calendar year. Should the client's profits not exceed the applicable criteria, then we will not receive a performance-based fee.

J. Pappas Investments generally bills our asset-based fees on a quarterly basis in arrears and our performance-based fees on an annual basis in arrears. Clients must authorize the deduction of our fees from their managed accounts by the qualified custodian, Interactive Brokers, and choose the method by which our fees will be calculated. Clients may elect to have our advisory fees calculated by our firm or Interactive Brokers and deducted from their accounts. The client makes this election when applying for their account at Interactive Brokers or at any time, or cancel the existing arrangement. All fees will be supported by an invoice to the client itemizing the fee.

Additional Fees and Expenses: Clients will incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or qualified custodian through which account transactions are executed. For more information on our brokerage practices, please refer to Item 12 (Brokerage Practices) of this Brochure.

The fees that clients pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds (described in each fund's prospectus) to their shareholders. The fees charged directly by mutual funds and exchange traded funds will typically include a management fee and other fund expenses.

To fully understand the total costs associated with their investment portfolio, clients should review all the fees charged by mutual funds, exchange traded funds, our firm and others.

Termination: The Engagement Agreement with our clients may be terminated by either party at any time upon thirty (30) days signed, written notice. Upon termination of our status as the client's investment adviser, J. Pappas Investments will not take any further action with respect to the client's account(s) unless specifically notified by the client in writing. Clients will be

responsible for instructing their custodian and monitoring their account for the final disposition of assets.

Refunds: Upon receipt of a proper notice of termination from the client, as described in the Engagement Agreement, any earned unpaid fees will be billed on a pro-rata basis based on the amount of work performed by us up to the point of termination.

Brokerage Commissions: J. Pappas Investments does not receive brokerage commissions from the sale of securities or other investment products. Our compensation for recommending securities and investment products is limited to the advisory fees described above.

ERISA Accounts: J. Pappas Investments is deemed to be a fiduciary to any advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, our firm may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset our firm's advisory fees.

Any material conflicts of interest between clients and J. Pappas Investments or our employees are disclosed in this Brochure. If at any time, additional material conflicts of interest develop, J. Pappas Investments will provide our clients with written notification of those material conflicts of interest or an updated Brochure.

Item 6 Performance-Based Fees and Side-By-Side Management

PERFORMANCE BASED FEES

J. Pappas Investments may enter into performance-based or incentive fee arrangements subject to 13:47A-2.10 of the New Jersey Administrative Code and Section 205 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and in accordance with the exemption set forth in Rule 205-3 under the Advisers Act, while also taking into consideration the investment objectives of the client, as well as what we deem to be reasonable performance goals.

SIDE-BY-SIDE MANAGEMENT

"Side-by-side management" refers to the simultaneous management of multiple types of client accounts. Our advisors may be responsible for the management of performance-based fee

accounts and the management of accounts with asset-based fee arrangements. This creates a potential conflict of interest since we may have an incentive to favor accounts for which we receive performance based fees over other accounts in the allocation of investment opportunities. Our firm has adopted procedures to ensure that clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 Types of Clients

TYPES OF CLIENTS

J. Pappas Investments offers investment advisory services to a diversified group of clients including individuals, high net worth individuals, small businesses, trusts and estates. Client relationships may vary in scope and length of service.

ACCOUNT REQUIREMENTS

J. Pappas Investments generally requires a minimum account balance of \$5,000 for our investment management services. However, J. Pappas Investments in its sole discretion may waive or lower our minimum account balance requirement based on various criteria (i.e., anticipated future additional assets to be managed, related accounts, account composition, negotiations with the client, etc.).

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

The securities analysis methods employed by J. Pappas Investments may include charting, fundamental analysis, technical analysis and economic analysis. Our main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the SEC, company press release and online securities information resources, such as, but not limited to, Morningstar.com.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings, or when applied to commodities and forex, the economic factors that drive supply and demand for these securities. The fundamental analysis of a business involves analyzing its financial statements and health, management and competitive advantages, and competitors in the market. When applied to commodities and forex, it focuses on the overall state of the economy, interest rates, political environment, and other macroeconomic drivers. Fundamental analysis maintains that markets may misprice a security in the short run, but that the correct price will eventually be reached by the market.

Technical analysis generally tries to predict future price movements based on historical price and volume information.

Our methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

J. Pappas Investments incorporates exchange traded securities and individual securities in a diversified portfolio of both U.S. and foreign stocks. J. Pappas Investments will attempt to maximize a portfolio's expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by selecting the proportions of various asset classes. Additionally, our goal is to ensure that the portfolio offered is suitable for the individual's risk tolerance and, by annual re-balancing and review, we ensure the portfolio meets clients' needs and objectives.

The investment strategy for a specific client is based upon the objectives stated by the client during our initial consultations. The client may change these objectives at any time. Risk management is integrated into our process through the use of appropriate risk levels on each position. The value of securities used in our strategies may go up or down in response to factors not within our control, including but not limited to the status of an individual company underlying a security, or the general economic climate. When investing client portfolios, we seek to maintain discipline and objectivity by focusing on the client's financial goals and objectives and avoiding trading on short term uncertainties such as position specific news events.

RISK OF LOSS

Investing in securities involves certain investment risks. Securities may fluctuate in value both upwards and downwards. As part of its advisory services, J. Pappas Investments will help clients in determining the appropriate level of risk they can tolerate. However, investing in securities involves risk, clients should be prepared to bear potential losses and there are no guarantees that an investment strategy will meet client goals. There is no guarantee that any of the investment strategies that our firm employs will outperform the investment strategies used by other firms. Past performance is no guarantee of future results.

For each client we have we will review the client's investment goals, financial position, investment time horizon, risk tolerance and other factors to develop an investment strategy appropriate for the client's needs. Client participation in this process is essential. This includes full and accurate disclosure by the client of information requested by J. Pappas Investments. J.

Pappas Investments will rely on the financial and other information provided by the client or their designees without duty or obligation to validate the accuracy and completeness of the information provided. It is the responsibility of the client to inform the J. Pappas Investments of any changes in their financial condition, goals or other factors that may affect this analysis.

The investment risks described below may not be all-inclusive but should be considered carefully:

Equities risk: Equity securities can decline in value over short or extended periods as a result of changes in a company's financial condition and in overall market, economic and political conditions.

Market Risk: Security prices may decrease due in response to direct and indirect events and market conditions, usually caused by factors independent of the specific attributes of the investment security.

Inflation Risk: Rising inflation reduces the purchasing power of the underlying currency, which is the dollar for U.S. based investments.

Liquidity Risk: Liquidity is the ability to convert an investment into cash. Investment assets are usually more liquid when established markets exist to trade those securities. For instance, U.S. Treasury bills and most equity securities have highly developed markets, while tangible property, such as real estate and precious stones, are less liquid. In case of extreme market activity, we may be unable to liquidate investments in thinly traded and relatively illiquid securities promptly if necessary. Also, sales of thinly traded securities could depress the market value of those securities and reduce the investments' profitability or increase its losses.

Reinvestment Risk: This is the risk that future gains may be reinvested at less favorable (lower) rates of return than currently available.

Interest-Rate Risk: Changes in interest rates may result in fluctuations in the prices of other investment vehicles. For example, when interest rates rise, fixed income securities prices fall.

Financial Risk: Excessive use of credit (borrowing) to finance a business' operations increases the risk of profitability, because the company must cover its debt obligations in good and bad years.

Risks Specific to Options Trading: Trading options is highly speculative in nature and involves a high degree of risk. Options may involve certain costs and risks such as liquidity, interest rate, market, and the risk that a position could not be closed when most favorable. Option contracts are traded for a specified period of time and have no value after expiration. When trading options, there is a risk that the account may lose the total amount of the premium paid (when long options) or more than the total amount of premium received (when short options). Trading halts in the underlying security or other trading conditions (for example, volatility, liquidity, systems failures) may cause the trading market for an option (or all options) to be unavailable, in which case the holder or writer of an option would not be able to engage in a closing transaction

and an option writer would remain obligated until expiration or assignment. Even if the market is available, there may be situations when options prices will not maintain their customary or anticipated relationships to the prices of the underlying interests and related interests. Disruptions in the markets for the underlying interests could also result in losses for options investors. This is not intended to be an exhaustive presentation of all risks associated with trading options and clients should review the current Options Clearing Corporation (“OCC”) disclosure document “Characteristics and Risks of Standardized Options” and any options risk disclosures provided by the broker-dealer used for client trades.

Corporate Securities: Equity and debt securities (stocks and bonds) represent partial ownership interests in companies and partial claims on their assets, respectively. The value of these interests and claims is theoretically dependent upon the performance of the underlying business and the cash flows generated by its operations. However, securities prices may fluctuate independently of these factors due to market factors or for no reason at all. Prices may not change as expected even when the prospects of the business have been correctly assessed.

Omission of Risks: This Brochure does not provide a comprehensive list of every possible source of risk. Every potential outcome of an investment cannot be predicted, and it cannot disclose every potential risk factor for every investment to clients. The value of securities that the Firm invests in may go up or down in response to factors not within our firm’s control, including but not limited to the status of an individual company underlying a security, or the general economic climate. Clients may suffer losses for any reason or no discernible reason.

Business Risks: The companies identified for investment face a wide variety of operational risks, including competitive threats, regulatory changes, execution challenges, and responses to external changes. For businesses listed on US exchanges, the Securities and Exchange Commission requires companies to disclose the most significant risk factors that could impact the business. However, these disclosures could be incomplete or inaccurate. An assessment of the relevant risk factors for any business could be incomplete or inaccurate. Both unforeseen and known risk factors may transpire, resulting in a deterioration of corporate performance.

International Investing: The Firm may invest in securities of U.S. companies operating internationally, as well as international companies on both domestic and foreign exchanges. Businesses operating in other countries are subject to political and economic risks not present in the U.S., as well as currency risk. Stock markets outside of the U.S. may be more volatile. In some international markets, U.S. shareholders may not be able to exercise the same legal rights as foreign shareholders. There may be more limited access to information about international companies.

Fundamental Analysis: Forecasting financial performance is an inexact process of estimation that relies on the accuracy of financial and industry data provided by companies and third parties. This data may contain material errors or omissions. Investing on the basis of fundamental research may also result in errors of judgment or analysis. Investment performance may suffer if

the assessment of a business or its prospects is incorrect, and even a correct analysis could result in a loss of capital.

Interim Underperformance: The long-term and concentrated nature of a strategy means that even if the strategy is “working properly” and the analysis is correct and leads to profitable realized outcomes, clients may experience multi-year periods of significant underperformance relative to market indexes and other investment strategies. This interim underperformance poses a significant risk of permanent capital loss for clients with short time horizons or who require withdrawals from their account.

Systemic Risk: Our firm relies on the stability of the overall financial system to implement its investment strategy. The security of client assets depends on the solvency of a third-party custodian and brokerage firm, upon which the Firm also relies for prime brokerage and trading services. In the event of a disruption to the custodian’s business or the overall functioning of securities markets, the Firm may be unable to implement its investment strategy and clients may experience a significant or complete loss of their capital.

Strategy: The Firm cannot guarantee that its strategy will be implemented at all times, or in full. The Firm has full discretion and a broad mandate, and it may make investments not in keeping with the general description provided in this Brochure. There can be no guarantee that suitable investment opportunities will be available at all times.

Management: The Firm is dependent on the services of its Managing Member. If he were incapacitated or otherwise unable to continue providing services, the Firm would not be able to continue to implement its strategy and clients could experience a significant or total loss of capital.

Frequent Trading: Although many of the Firm’s investments are long-term in nature, any capital gains due to positions held for less than one year may be taxable at a higher rate. Frequent trading could result in lower returns due to these costs.

Investors should be aware their investment is not guaranteed and understand that there is a risk of loss of value in their investment.

Item 9 Disciplinary Information

REQUIRED DISCLOSURES

Our firm and our management persons have not been involved in any legal or disciplinary events that would have a material adverse effect on the integrity of our management or the services we provide to our clients.

Item 10 Other Financial Industry Activities and Affiliations

OUTSIDE BUSINESS ACTIVITIES

At present, Mr. Pappas is a licensed insurance agent. A conflict of interest arises as Mr. Pappas may recommend insurance products to our clients and receive additional compensation from the sale of those products. Our firm's recommendations will always be in the client's best interest, and the client always has the right to accept or reject any recommendations made by our firm and the right to effect their transitions through the professional of their choice.

Neither J. Pappas Investments nor any of its employees are registered, or have an application pending to register, as a broker-dealer or registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

AFFILIATED ENTITIES

J. Pappas Investments has relationships or arrangement with the following affiliated entities that may create a potential conflict of interest:

J.Pappas Insurance Agency is a D/B/A for First Financial Consultants, LLC, and insurance company, that is affiliated with our firm through common ownership by John Pappas and J.Pappas Limited Liability company, the holding company of J. Pappas Investments. Any compensation for insurance services is paid directly to J.Pappas Insurance Agency and J.Pappas Investments does not receive any portion of this compensation. Clients are under no obligation to use the services provided by J.Pappas Insurance Agency and will not be solicited. Mr. Pappas spends approximately 30 hours a month on this activity (1 hour a month during securities trading hours).

J Pappas, Limited Liability Company. J Pappas, Limited Liability Company, the holding company of J. Pappas Investments, is also the holding company for the following two other entities, held under common ownership, including:

- 1. Pappas Financial Group, LLC.** Pappas Financial Group, LLC, D/B/A JPappas Energy and JPappas Payments, is affiliated with our firm through common ownership by John Pappas and J.Pappas Limited Liability company, the holding company of J. Pappas Investments. Pappas Financial Group, LLC is active in Merchant Services and Energy Brokerage. Merchant services includes Credit Card Processing and sale of Equipment and POS systems, J.Pappas Payments is a registered (ISO) individual sales Organization of Wells Fargo Bank, N.A. Concord CA. Please note that all credit card processing is done through First Data and TSYS. Company is also active in Energy Brokerage primarily for small business owners providing third party supply for Electricity and Gas; and

- 2. J. Pappas Realty, LLC.** J. Pappas Realty, LLC, D/B/A JPappas Realty, is affiliated with our firm through common ownership by John Pappas and J.Pappas Limited Liability company, the holding company of J. Pappas Investments. J.Pappas Realty, LLC is active in real estate and owns the current location that J.Pappas Investments operates.

John Pappas in his capacity as the principal operator of these entities may recommend, on a fully disclosed payment basis, products and services offered by these affiliated entities. A conflict of interests exists to the extent that our firm recommends the purchase of products and services from these affiliated entities. Our clients are not obligated to purchase products or services from these entities.

OTHER INVESTMENT ADVISERS

J. Pappas Investments does not have any business relationships with other investment advisers that create a material conflict of interest for our clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CODE OF ETHICS

J. Pappas Investments has adopted a Code of Ethics (the “Code”) that sets forth a standard of business conduct for our firm and all our associated persons. The purpose of the Code is to set out ideals for integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence for our firm and our associated persons to espouse in the interest of our clients and investor protection. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All employees of J. Pappas Investments are required to handle their personal securities transactions in such a manner as to avoid any actual or potential conflicts of interest or any abuse of position of trust and responsibility. Annually, we require all employees to certify that they have read, understand and will comply with the Code.

Clients and prospective clients may request a full copy of our firm’s Code of Ethics by contacting our firm in writing at Pappas Wealth Management, LLC, 208 Newark Pompton Tpke, Little Falls, New Jersey 7424 or by calling our firm at (973) 429-0725.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

J. Pappas Investments and/or our advisors may invest in the same securities that are recommended to and/or purchased for our clients. J. Pappas Investments and/or our advisors do

not recommend securities to our clients in which J. Pappas Investments and/or our advisors has a material financial interest. J. Pappas Investments has adopted procedures designed to assure that the personal securities transactions, activities and interests of J. Pappas Investments and/or our advisors will not interfere with our ability to make investment decisions in the best interest of our clients.

PERSONAL TRADING

J. Pappas Investments maintains and enforces written policies and procedures reasonably designed to prevent the misuse of material non-public information by our firm or any access persons of our firm with regards to their personal securities transactions. Personal trading activities are continually monitored to reasonably prevent conflicts of interest between our firm and our clients.

Item 12 Brokerage Practices

SELECTION OF BROKER-DEALERS

Securities transactions are generally executed through Interactive Brokers, member FINRA/SIPC/NYSE. Interactive Brokers maintains custody of our clients' assets and effects securities transactions for our investment management clients' accounts. J. Pappas Investments is independently owned and operated and is not affiliated with or a related person of Interactive Brokers.

J. Pappas Investments considers a number of factors prior to recommending a particular broker-dealer to our clients, including but not limited to, their familiarity with the securities to be sold or purchased, their execution skills, order-flow capabilities, their commission rates or other fee schedules, their custodial services, their level of net capital (financial strength) and excess SIPC and other insurance coverage. The commissions charged by Interactive Brokers are competitive with similarly situated retail broker-dealers offering the same variety of securities to clients. Clients are advised, however, that they may be able to effect transactions in securities through other broker-dealers at lower commission rates, particularly with respect to securities listed on a national securities exchange or in the over-the-counter market.

Research and Other Soft Dollar Benefits. Interactive Brokers offers products or services other than execution that assist our firm in managing and administering client accounts. These may include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), facilitate payment of our fees from clients' accounts, and assist with back office functions, record keeping and client reporting. These services may be used to service all or a substantial number of client accounts, including accounts not maintained at Interactive Brokers.

J. Pappas Investments may also receive services from Interactive Brokers or its affiliates that are intended to help our firm manage and further develop our business. These services may include registration support through Greenwich Compliance, website design and technology support. Interactive Brokers also has arrangements with various product vendors, which enable our firm to purchase their products at a discount. These products may include such items as: client reporting and consolidated statement software; client communication software; client relationship management software; compliance assistance; and investment research.

J. Pappas Investments does not participate in any commission-sharing arrangements or receive soft dollar credits. While the benefits we receive from Interactive Brokers do not depend on the amount of brokerage transactions directed to Interactive Brokers, as a fiduciary we are required to disclose that there is an inherent conflict of interest when our firm recommends that clients maintain their assets at Interactive Brokers. These recommendations may be based in part on the benefits we receive from Interactive Brokers, such as the availability of the abovementioned products and services, and not solely on our clients' interest in receiving most favorable execution. Nonetheless, we seek to ensure that the securities transactions effected for our clients represent the best qualitative execution, not just the lowest possible cost.

Our firm routinely compares order execution disclosure information at Interactive Brokers to other broker-dealers to ensure that Interactive Brokers remains competitive in providing best execution for our clients' securities transactions. Although the brokerage commissions and/or transaction fees charged by Interactive Brokers may be higher or lower than those charged by other broker-dealers, in seeking best execution for our clients our firm strives to ensure that our clients pay brokerage commissions and/or transactions fees which we have determined, in good faith, to be reasonable in relation to the value of the brokerage and other services provided by Interactive Brokers.

Brokerage for Client Referrals. J. Pappas Investments does not consider broker-dealer or third-party referrals in selecting or recommending broker-dealers to our clients as this would create a conflict of interest.

Directed Brokerage. While J. Pappas Investments generally recommends that clients direct transactions through certain broker-dealers, we do not have discretionary authority to determine the broker-dealer to be used for the purchase or sale of securities for client accounts or the commission rates paid to a broker-dealer for client securities transactions.

In rare cases, J. Pappas Investments may utilize other broker-dealers when requested by the client. Clients of J. Pappas Investments must be aware that if they direct us to use a particular broker-dealer that it may limit our ability to achieve best execution or limit their participation in block trading. As a result, clients may pay higher commissions, have higher transaction costs, or receive less favorable prices. In situations where the client directs us to effect their transactions through a particular broker-dealer, we require such directions to be in writing.

TRADE AGGREGATION

Investment decisions deemed appropriate for one client may also be deemed appropriate for other clients so that the same security may be purchased or sold at or about the same time for more than one client. When this is the case our firm may, but is not obligated to, aggregate similar trades for multiple clients and execute the trade as a single block.

When transactions are so aggregated, the securities purchased or sold will be allocated in a fair and equitable manner. Our trade allocation procedures seek to allocate investment opportunities among our clients in the fairest possible way taking into account their best interests. These procedures ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Transactions are usually aggregated to seek a more advantageous net price and/or to obtain better execution for all clients. Nevertheless, there is no assurance that the aggregation of transactions will benefit all clients equally, and in some instances combined orders could adversely affect the price or volume of a security. Also, it is possible that we may not aggregate trades in circumstances where it would be beneficial to do so.

TRADE ERRORS

From time to time, our firm may make a trade error when servicing a client's account. When this occurs, we will correct the trade as soon as we discover the error. Trading errors will be corrected at no cost to clients. If there is a cost associated with this correction, such cost is borne by J. Pappas Investments and not the client. Note that we do not credit accounts for market losses unrelated to our error.

Item 13 Review of Accounts

ACCOUNT REVIEWS

J. Pappas Investments conducts account reviews on a quarterly basis for investment management clients. The frequency of the review depends upon a variety of factors such as: the client's risk profile, activity in the account, economic and market conditions, and the client's preferences, if any. Additional reviews may be triggered by changes in the investment objectives or guidelines for a particular client or specific arrangements with the client.

Formal client review meetings are generally conducted on a regular basis at intervals mutually agreed upon by the adviser and the client, but no less than annually. During these reviews, any changes in the client's investment objectives are discussed so we can review our previous recommendations and make any necessary adjustments.

ACCOUNT REPORTS

Those clients to whom J. Pappas Investments provides investment management services receive at least quarterly reports from our firm summarizing their account(s) and investment results. Reports may be furnished in writing or electronically as requested by the client. Clients are urged to compare the account statements they receive from their custodian to any written reports received from our firm.

Clients have direct and continuous access to their account information and related documents via the password-protected website of the qualified custodian with which their accounts are held.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

J. Pappas Investments does not compensate third-parties (or “solicitors”) to promote the investment advisory services offered by our firm, because the solicitor would have to satisfy requirements under Rule 206(4)-3 of the Advisers Act or similar state rules regarding solicitation arrangements before a cash referral fee could be paid to them.

It is our firm’s policy not to compensate clients for referring potential clients to our firm, because the client would be considered a solicitor and would have to satisfy requirements under Rule 206(4)-3 of the Advisers Act or similar state rules regarding solicitation arrangements before a cash referral fee could be paid to them.

OTHER COMPENSATION

J. Pappas Investments does not receive an economic benefit from anyone who is not a client in exchange for our provision of investment advice or other advisory services.

Item 15 Custody

CUSTODY OF CLIENT FUNDS AND SECURITIES

Interactive Brokers is the qualified custodian and maintains custody of client funds in separate brokerage account(s) for each client under the client’s name. J. Pappas Investments personnel may assist the client in preparing paperwork to open a new brokerage account at Interactive Brokers, but only the client is permitted to authorize, by their signature, the opening of the account. Interactive Brokers sends an account-opening letter to each client at their physical mailing address after the account is approved.

Clients can access daily, monthly and annual account statements as well as daily trade confirmations through a password protected portion of Interactive Brokers’ website,

www.interactivebrokers.com. Clients should also expect to receive quarterly account summaries from the qualified custodian by first-class mail. Clients should carefully review the account statements and summaries received from the qualified custodian(s) and compare such official custodial statements to any account reports provided by J. Pappas Investments. Any client that does not receive an account statement or summary from the qualified custodian should call our firm immediately so that we can arrange to have another statement sent by the custodian.

Clients can also access information concerning their account(s) and access (and generally change) the settings for their brokerage account online on the Interactive Brokers website at www.interactivebrokers.com.

Item 16 Investment Discretion

AUTHORITY

J. Pappas Investments manages client securities portfolios on a discretionary basis. J. Pappas Investments is granted limited discretionary authority in writing by the client at the outset of the advisory relationship. This limited discretionary authorization gives J. Pappas Investments the authority to manage the client's investment assets at our firm's sole discretion and without consulting with the client in advance, subject to the investment objectives, guidelines and restrictions set by the client. This authorization will remain in full force and effect until we receive a written termination notice of the Engagement Agreement from the client.

J. Pappas Investments does not have discretionary authority to determine what broker-dealer to use or the amount of commissions that are charged by the broker-dealer or custodian.

Item 17 Voting Client Securities

AUTHORITY TO VOTE CLIENT PROXIES

J. Pappas Investments does not accept authority from clients with respect to voting of proxies solicited by, or with respect to, the issuers of any securities held in client portfolios. The qualified custodian holding clients' assets will send all such proxy documents it receives to the client so that the client may take whatever action the client deems appropriate. Our firm does not offer clients any consulting assistance regarding proxy issues.

Item 18 Financial Information

REQUIRED DISCLOSURES

As previously discussed in this brochure, J. Pappas Investments may accept limited discretionary authority when providing investment management services if agreed upon in writing with the client. J. Pappas Investments does not require clients to prepay more than \$500 in fees six months or more in advance.

J. Pappas Investments does not require or solicit prepayment of fees from our clients.

J. Pappas Investments has no financial commitments that would impair our firm's ability to meet our contractual and fiduciary commitments to our clients and has not been the subject of a bankruptcy proceeding.

Item 19 Requirements for State-Registered Advisers

EXECUTIVE OFFICERS AND MANAGEMENT PERSONS

John Pappas

OUTSIDE BUSINESS ACTIVITIES

Please refer to Item 10 (Other Financial Industry Activities and Affiliations) of this Brochure for more information.

PERFORMANCE-BASED FEES

Please refer to Item 6 (Performance-Based Fees and Side-By-Side Management) of this Brochure for more information. Performance-based fees may create an incentive for an adviser to recommend investments that carry a higher degree of risk to the client.

LEGAL OR DISCIPLINARY EVENTS

Neither J. Pappas Investments nor our management persons have been involved or been found liable in any arbitration claims alleging damages in excess of \$2,500 or been involved or been found liable in any civil, self-regulatory organization, or administration proceeding.

ISSUERS OF SECURITIES

Neither J. Pappas Investments nor our management persons have any relationships or arrangements with any issuers of securities.

Form ADV Part 2B: Brochure Supplement



**Pappas Wealth Management, LLC
208 Newark Pompton Tpke
Little Falls, New Jersey 07424
CRD No. 299387**

This brochure supplement provides information about our supervised persons that supplements the Pappas Wealth Management, LLC brochure. You should have received a copy of that brochure. Please contact our firm if you did not receive Pappas Wealth Management, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about the supervised persons mentioned in this brochure supplement is available on the SEC's website at www.adviserinfo.sec.gov.

Effective Date: October 19, 2018

SUPERVISED PERSONS: Ioannis Papatherapontos a/k/a John Pappas (CRD No. 4722750)

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name: Ioannis Papatherapontos a/k/a John Pappas

Year of Birth: 1969

Education: Masters of Business Administration, Finance
City University of New York, 2004
New York, NY

Business Administration, Accounting
Rutgers University, 2001
New Brunswick, NJ

Experience: Chief Executive Officer
Pappas Wealth Management, LLC
Little Falls, NJ
January 2009 - Present

Chief Executive Officer
J.Pappas Realty, LLC
Little Falls, NJ
January 2015 – Present

Chief Executive Officer
J Pappas, LLC
Little Falls, NJ
January 2013 - Present

Chief Executive Officer
Pappas Financial Group, LLC DBA J. Pappas Energy and J. Pappas Payments
Little Falls, NJ
July 2011 - Present

Chief Executive Officer
First Financial Consultants DBA J. Pappas Insurance
Little Falls, NJ
January 2009 - Present

Financial Advisor
LPL Financial
Little Falls, NJ
January 2009 – January 2018

Financial Advisor
Morgan Stanley
Fairfield, NJ
April 2007 – January 2009

DISCIPLINARY INFORMATION

John Pappas has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the integrity of our management.

OTHER BUSINESS ACTIVITIES

J.Pappas Insurance Agency.

Mr. Pappas is the CEO of J.Pappas Insurance Agency a D/B/A for First Financial Consultants, LLC, an affiliated insurance company. Any compensation for insurance services is paid directly to J.Pappas Insurance Agency and J.Pappas Investments does not receive any portion of this compensation. Clients are under no obligation to use the services provided by J.Pappas Insurance Agency and will not be solicited. Mr. Pappas spends approximately 30 hours a month on this activity (1 hour a month during securities trading hours).

Mr. Pappas is a licensed insurance agent and may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest arises as Mr. Pappas may recommend insurance products to clients and may receive additional compensation from the sale of those products. Mr. Pappas's recommendations will always be in the client's best interest, and the client always has the right to accept or reject any recommendations made by Mr. Pappas and the right to effect their transactions through the professional of their choice. Mr. Pappas spends approximately 30 hours a month on this activity (1 hour a month during securities trading hours).

J Pappas, Limited Liability Company.

Mr. Pappas is the owner of J Pappas, Limited Liability Company, the holding company of J. Pappas Investments, is also the holding company for the following two other entities, held under common ownership, including:

- 1. Pappas Financial Group, LLC.** Mr. Pappas is the owner of Pappas Financial Group, LLC, D/B/A JPappas Energy and JPappas Payments. Pappas Financial Group, LLC is affiliated with J.Pappas Investments through common ownership by John Pappas and J.Pappas Limited Liability company, the holding company of J. Pappas Investments. Pappas Financial Group, LLC is active in Merchant Services and Energy Brokerage. Merchant services includes Credit Card Processing and sale of Equipment and POS systems, J.Pappas Payments is a registered (ISO) individual sales Organization of Wells Fargo Bank, N.A. Concord CA. Please note that all credit card processing is done through First Data and TSYS. Company is also active in Energy Brokerage primarily for small business owners providing third party supply for Electricity and Gas. Any compensation for these services

is paid directly to Pappas Financial Group, LLC and J.Pappas Investments does not receive any portion of this compensation. Clients are under no obligation to use the services provided by Pappas Financial Group, LLC and will not be solicited.; and

- 2. J. Pappas Realty, LLC.** Mr. Pappas is the owner of J. Pappas Realty, LLC, D/B/A JPappas Realty. J. Pappas Realty, LLC is affiliated with our firm through common ownership by John Pappas and J.Pappas Limited Liability company, the holding company of J. Pappas Investments. J.Pappas Realty, LLC is active in real estate and owns the current location that J.Pappas Investments operates. Any compensation for these services is paid directly to J. Pappas Realty, LLC and J.Pappas Investments does not receive any portion of this compensation. Clients are under no obligation to use the services provided by J. Pappas Realty, LLC and will not be solicited.

John Pappas in his capacity as the principal operator of these entities may recommend, on a fully disclosed payment basis, products and services offered by these affiliated entities. A conflict of interests exists to the extent that our firm recommends the purchase of products and services from these affiliated entities. Our clients are not obligated to purchase products or services from these entities.

ADDITIONAL COMPENSATION

John Pappas may receive compensation from his role as principal operator of **First Financial Consultants, LLC, J.Pappas Realty, LLC and Pappas Financial Group, LLC**

SUPERVISION

John Pappas is the sole principal and Chief Compliance Officer (“CCO”) of our firm and as such has no internal supervision placed over him. He is, however, bound by our firm’s Code of Ethics. The CCO may be contacted at (973) 429-0725 or by email at investments@jpappas.net.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

John Pappas has not been involved or been found liable in any arbitration claims alleging damages in excess of \$2,500, in any civil, self-regulatory organization, or administration proceeding, or been subject of any bankruptcy petition.