

# Item 1: Cover Page

## Capital B Financial Planning, LLC

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### **Form ADV Part 2A – Firm Brochure**

(805) 270-2002

Dated 07 March 2022

This Brochure provides information about the qualifications and business practices of Capital B Financial Planning, LLC, “CBFP”. If you have any questions about the contents of this Brochure, please contact us at (805) 270-2002 or Stacy@CapitalBFinancial.COM. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Capital B Financial Planning, LLC is registered as an Investment Adviser with the State of California. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about CBFP is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), which can be found using the firm’s identification number, 311683.

## Item 2: Material Changes

Since becoming approved on January 21, 2021, there have been no reported changes. In the future, any material changes made during the year will be reported here.

From time to time, we may amend this Brochure to reflect changes in our business practices, changes in regulations, and routine annual updates as required by securities regulators. Either this complete Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Capital B Financial Planning, LLC.

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# Item 4: Advisory Business

## **Description of Advisory Firm**

Capital B Financial Planning, LLC is registered as an Investment Adviser with the State of California. We were founded in September, 2020. Stacy Borek is the principal owner of CBFP. CBFP currently reports \$154,344 discretionary and \$0 non-discretionary Assets Under Management. Assets Under Management were calculated as of December 31, 2021.

## **Types of Advisory Services**

### **Investment Management Services**

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a Client regarding the investment of Client funds based on the individual needs of the Client. Through personal discussions in which goals and objectives based on a Client's particular circumstances are established, we develop a Client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We will also review and discuss a Client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the Client (e.g., maximum capital appreciation, growth, income, or growth, and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

### **Use of Third Party Managers, Outside Managers, or Sub-Advisors (TAMPs)**

We offer the use of Third Party Managers, Outside Managers, or Sub-Advisors (TAMPs) for portfolio management services. We assist Clients in selecting an appropriate allocation model, completing the Outside Manager's investor profile questionnaire, interacting with the Outside Manager and reviewing the Outside Manager. Our review process and analysis of outside managers is further discussed in Item 8 of this Form ADV Part 2A. Additionally, we will meet with the Client on a periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account. Fees pertaining to this service are outlined in Item 5 of this brochure.

### **XY Investment Solutions ("XYIS") as a Sub-Advisor**

XY Investment Solutions ("XYIS") builds investment models through a technology solution and supports financial planners with investment strategies based on research, experience, and sound rationale. XYIS primarily allocates Client assets among various mutual funds, exchange-traded funds ("ETFs"). XYIS may also allocate Client assets in individual debt and equity securities, options, and independent investment managers. XYIS's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. XYIS manages Client investments in model portfolios on a discretionary basis.

### **Project-Based Financial Planning Service**

We provide project-based financial planning services on topics such as retirement planning, risk management, college savings, cash flow, debt management, work benefits, and estate and incapacity planning.

Financial planning involves an evaluation of a Client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as they affect and are affected by the entire financial and life situation of the Client. Clients purchasing this service will receive a written or an electronic report, providing the Client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern. The Client and advisor will work together to select specific areas to cover. These areas may include, but are not limited to, the following:

**Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

**College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).

**Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.

**Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

**Financial Goals:** We will help Clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.

**Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.

**Investment Analysis:** This may involve developing an asset allocation strategy to meet Clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee

stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.

**Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

**Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with the consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

### **Ongoing Comprehensive Financial Planning**

This service involves working one-on-one with a planner over an extended period of time. By paying a fixed monthly fee, Clients get to work with a planner who will work with them to develop and implement their plan. The planner will monitor the plan, recommend any changes and ensure the plan is up to date.

Upon desiring a comprehensive plan, a Client will be taken through establishing their goals and values around money. They will be required to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, credit scores/reports, employee benefit, retirement planning, insurance, investments, college planning, and estate planning. Once the Client's information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the Client. Clients subscribing to this service will receive a written or an electronic report, providing the Client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. If a follow-up meeting is required, we will meet at the Client's convenience. The plan and the Client's financial situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to the Client to confirm that any agreed upon action steps have been carried out. On an annual basis, there will be a full review of this plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time.

## Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our Clients. However, specific Client financial plans and their implementation are dependent upon the Client Investment Policy Statement which outlines each Client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a Client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients are able to specify, within reason, any limitations they would like to place on discretionary authority as it pertains to individual securities and/or sectors that will be traded in their account, by notating these items on the executed advisory agreement.

## Wrap Fee Programs

We do not participate in wrap fee programs.

## CCR Section 260.235.2 Disclosure

For Clients who receive our Financial Planning services, we must state when a conflict exists between the interests of our firm and the interests of our Client. The Client is under no obligation to act upon our recommendation. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through our firm.

# Item 5: Fees and Compensation

Please note, unless a Client has received the firm's Disclosure Brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the Client within five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

## Investment Management Services

Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

Account Value	Annual Advisory Fee
\$0 - \$500,000	0.85%
\$500,001 - \$1,000,000	0.75%
\$1,000,001 and Above	0.65%

The annual fees are negotiable and are prorated and paid in arrears on a quarterly basis. The advisory fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart resulting in a combined weighted fee. For example, an account valued at \$2,000,000 would pay an effective fee of .725% with the annual fee of \$14,500. The quarterly fee is determined by the following calculation:  $((\$500,000 \times 0.85\%) + (\$500,000 \times 0.75\%) + (\$1,000,000 \times 0.65\%)) \div 4 = \$3,625$ . Please note, the above fee schedule does not include XYIS's fee. For further information about XYIS's fee, please see the next section. No increase in the annual fee shall be effective without agreement from the Client by signing a new agreement or amendment to their current advisory agreement.

Advisory fees are directly debited from Client accounts, or the Client may choose to pay by check. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 30 calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the account.

**Use of XY Investment Solutions (“XYIS”)**

The standard advisory fee is based on the market value of the account and is calculated as follows:

<b>Account Value</b>	<b>Annual Advisory Fee</b>
<b>\$0 - \$5,000,000</b>	0.35%
<b>\$5,000,001 - \$25,000,000</b>	0.30%
<b>\$25,000,001 and Above</b>	0.25%

The annual fees are negotiable and are prorated and paid in arrears on a quarterly basis, and are based on the average daily balance over the previous quarter.

When XYIS is used, XYIS will debit the Client’s account for both the XYIS’s fee, and CBFP’s advisory fee, and will remit CBFP’s fee to CBFP. Please note, the above fee schedule does not include the CBFP’s fee. No increase in the annual fee shall be effective without agreement from the Client by signing a new agreement or amendment to their current advisory agreement.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 30 calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the account.

**Fees in Excess of Industry Standard**

Total advisory fees charged by CBFP and Outside Manager will not exceed 3% of assets under management per year.

**Ongoing Comprehensive Financial Planning**

Ongoing Financial Planning consists of an upfront charge of \$1200.00 - \$1800.00 and an ongoing fee that is paid monthly, in arrears, at the rate of \$200.00 - \$400.00 per month, depending on the complexity and needs of the client. The fee may be negotiable in certain cases. Fees for this service may be paid by electronic funds transfer, check, or credit card. This service may be terminated with 30 days’ notice. Since fees are paid in arrears, no refund will be needed upon termination of the account.

The upfront portion of the Comprehensive Financial Planning fee is for Client onboarding, data gathering, and setting the basis for the financial plan. This work will commence immediately after the fee is paid, and will be completed within the first 60 days of the date the fee is paid. Therefore, the upfront portion of the fee will not be paid more than 6 months in advance.

**Financial Planning Hourly Fee**

Hourly Financial Planning engagements are offered at an hourly rate of \$300.00 per hour. The fee may be negotiable in certain cases and is due at the completion of the engagement. In the event of early termination by the Client, any fees for the hours already worked will be due. Fees for this service may be paid by electronic funds transfer or check.

## Other Types of Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for Client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

### CCR Section 260.238(j) Disclosure

Please note, lower fees for comparable services may be available from other sources.

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

We do not offer performance-based fees and do not engage in side-by-side management.

## Item 7: Types of Clients

We provide financial planning and portfolio management services to individuals.

We do not have a minimum account size requirement.

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

Our primary methods of investment analysis are fundamental and technical analysis.

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that the information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Technical analysis** involves using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends

will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may underperform other trading methods when fundamental factors dominate price moves within a given market.

**Use of Outside Managers:** We may refer Clients to third-party investment advisers ("outside managers"). Our analysis of outside managers involves the examination of the experience, expertise, investment philosophies, and past performance of the outside managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due diligence process, we survey the manager's compliance and business enterprise risks. A risk of investing with an outside manager who has been successful in the past is that he or she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in an outside manager's portfolio. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our Clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

### **Passive Investment Management**

We primarily practice passive investment management. Passive investing involves building portfolios that are composed of various distinct asset classes. The asset classes are weighted in a manner to achieve the desired relationship between correlation, risk, and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange-traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark.

### **Material Risks Involved**

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities, and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

### **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on factors such as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which the Clients invest.

**Mutual Funds:** When a Client invests in open-end mutual funds or ETFs, the Client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, many of which may be duplicative. In addition, the Client's overall portfolio may be affected by

losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

## Item 9: Disciplinary Information

### **Criminal or Civil Actions**

CBFP and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

CBFP and its management have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

CBFP and its management have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of CBFP or the integrity of its management.

## Item 10: Other Financial Industry Activities and Affiliations

No CBFP employee is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No CBFP employee is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

CBFP does not have any related parties. As a result, we do not have a relationship with any related parties.

CBFP only receives compensation directly from Clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

Stacy Borek is an independently contracted tax accountant. At times, she will refer clients between CBFP and Stacy Borek, Tax Accountant when appropriate, but will not receive any compensation in exchange for the referral. Advisory services provided to clients of CBFP are separate from any services provided to clients of Stacy Borek, Tax Accountant and will not create a conflict of interest. Clients are never obligated to use the services of either party recommended to them. She devotes 19 hours per week during normal market trading hours to this activity.

### **Recommendations or Selections of Other Investment Advisers**

As referenced in Item 4 of this brochure, CBFP recommends Clients to XY Investment Solutions to manage their accounts. In the event that we recommend XYIS, please note that we do not share in their advisory fee. Our fee is separate and in addition to their compensation (as noted in Item 5) and will be described to you prior to engagement. You are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend. Additionally, CBFP will only recommend an Outside Manager who is properly licensed or registered as an investment adviser.

## **Disclosure of Material Conflicts**

All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding CBFP, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

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

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each Client. Our Clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

## **Code of Ethics Description**

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory Clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to Clients.
- Competence - Associated persons shall provide services to Clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to Clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential Client information without the specific consent of the Client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matters shall reflect the credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

## **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its associates or any related person is authorized to recommend to a Client or effect a transaction for a Client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

## **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Our firm and its “related persons” may buy or sell securities similar to, or different from, those we recommend to Clients for their accounts. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates’ transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

## **Trading Securities At/Around the Same Time as Client’s Securities**

From time to time, our firm or its “related persons” may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of CBFP to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, CBFP will never engage in trading that operates to the client’s disadvantage if representatives of CBFP buy or sell securities at or around the same time as clients.

# **Item 12: Brokerage Practices**

## **Factors Used to Select Custodians and/or Broker-Dealers**

Capital B Financial Planning, LLC does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to the Client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

### **1. Research and Other Soft-Dollar Benefits**

We currently receive soft dollar benefits by nature of our relationship with Charles Schwab & Co., Inc. (“Schwab”), a FINRA-registered broker-dealer, member SIPC.

### **2. Brokerage for Client Referrals**

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **3. Clients Directing Which Broker/Dealer/Custodian to Use**

We do recommend Charles Schwab as a specific custodian for Clients to use, however, Clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing Clients to choose a specific custodian, we may be unable to achieve the most favorable execution of Client transactions and this may cost Clients money over using a lower-cost custodian.

## **The Custodian and Brokers We Use (Charles Schwab)**

CBFP does not maintain custody of your assets on which we advise (although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 - Custody, below)). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We require that our clients use Charles Schwab & Co., Inc. (“Schwab”), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. Not all advisors require their clients to use a particular broker-dealer or other

custodian selected by the advisor. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph.

#### *How We Select Brokers/Custodians*

We seek to select a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including these:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- Reputation, financial strength, and stability of the provider
- Their prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us from Schwab”)

#### *Your Custody and Brokerage Costs*

For our clients’ accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions or asset-based fees Schwab charges you a flat dollar amount as a “primer broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executive broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

#### *Products and Services Available to Us From Schwab*

Schwab Advisor Services (formerly Schwab Institutional) is Schwab’s business serving independent investment advisory firms like us. They provide our clients and us with access to its institutional brokerage--trading, custody, reporting, and related services--many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Here is a more detailed description of Schwab’s support services:

##### *Services That Benefit You*

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

##### *Services That May Not Directly Benefit You*

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They

include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

#### *Services That Generally Benefit Only Us*

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefit providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide these services to use. Schwab may also discount or waive its fees for some of these services or pay all or a part of the third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

### **Aggregating (Block) Trading for Multiple Client Accounts**

Investment advisers may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. We do not engage in block trading. It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy to implement all client orders on an individual basis. Therefore, we do not aggregate or "block" client transactions. Considering the types of investments we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

Outside Managers used by CBFP may block Client trades at their discretion. Their specific practices are further discussed in their ADV Part 2A, Item 12.

## **Item 13: Review of Accounts**

Stacy Borek, Owner and CCO of CBFP, will work with Clients to obtain current information regarding their assets and investment holdings and will review this information as part of our financial planning services. CBFP does not provide specific reports to financial planning Clients, other than financial plans.

Client accounts with the investment management service will be reviewed regularly on a quarterly basis by Stacy Borek, Owner and CCO. The account is reviewed with regards to the Client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of Client imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per Client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

CBFP will not provide written reports to Investment Advisory Clients.

## Item 14: Client Referrals and Other Compensation

We do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our Clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for Client referrals.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12--Brokerage Practices). The availability of Schwab's products and services to us is not based on giving particular investment advice, such as buying particular securities for our clients.

## Item 15: Custody

CBFP does not accept custody of Client funds except in the instance of withdrawing Client fees.

For Client accounts in which CBFP directly debits their advisory fee:

- i. CBFP will send a copy of its invoice to the custodian at the same time that it sends the Client a copy.
- ii. The custodian will send at least quarterly statements to the Client showing all disbursements for the account, including the amount of the advisory fee.
- iii. The Client will provide written authorization to CBFP, permitting them to be paid directly for their accounts held by the custodian.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains Client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16: Investment Discretion

For those Client accounts where we provide Investment Management Services, we maintain discretion over Client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to Clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the Client will execute a Limited Power of Attorney, which will grant our firm

discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the Client.

## Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the Client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

## Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of Client funds or securities or require or solicit prepayment of more than \$500 in fees per Client six months in advance.

## Item 19: Requirements for State-Registered Advisers

### **Stacy Borek**

Born: 1966

### **Educational Background**

- 1986 – A.S., Liberal Arts, Taft College
- 1988 – B.S., Dietetics, San Jose State University
- 2005 – Certificate in Financial Planning, University of California, Santa Barbara

### **Business Experience**

- 02/2021 – Present, Ridgeway & Warner, Tax Accountant
- 09/2020 – Present, Capital B Financial Planning, LLC, Owner and CCO
- 02/2019 – 02/2021, Stacy Borek, Independent Contractor, Tax Accountant
- 04/2015 – 02/2019, Ameriprise, Financial Advisor

- 05/2012 – 04/2015, Ameriprise, Paraplanner
- 11/2007 – 04/2014, Stacy Borek, Independent Contractor, Tax Accountant

## Professional Designations, Licensing & Exams

**CFP (Certified Financial Planner)®:** The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with Clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and Client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real-world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their Clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## **Other Business Activities**

Stacy Borek is currently employed as a tax accountant for Ridgeway & Warner. This activity accounts for approximately 20 hours of her time per week.

## **Performance-Based Fees**

CBFP is not compensated by performance-based fees.

## **Material Disciplinary Disclosures**

No management person at Capital B Financial Planning, LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## **Material Relationships That Management Persons Have With Issuers of Securities**

Capital B Financial Planning, LLC, nor Stacy Borek, have any relationship or arrangement with issuers of securities, in addition to what is described in Item 10.

## **Additional Compensation**

Stacy Borek does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through CBFP.

## **Supervision**

Stacy Borek, as Owner and Chief Compliance Officer of CBFP, is responsible for supervision. She may be contacted at the phone number on this brochure supplement.

## **Requirements for State Registered Advisers**

Stacy Borek has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.

## **Conflicts of Interest**

Pursuant to California Code of Regulations Section 260.238 (k) any material conflicts of interest regarding the investment adviser, its representatives or any of its employees are disclosed to the Client prior to entering into any Advisory or Financial Planning Agreement.

## **Business Continuity Plan**

CBFP Financial maintains a written Business Continuity Plan that identifies procedures related to an emergency or significant business disruptions, including the death of the investment adviser or any of its representatives.

# Capital B Financial Planning, LLC

Mailing Address:  
5662 Calle Real  
Suite 366  
Goleta, CA 93117

Dated 07 March 2022

## Form ADV Part 2B – Brochure Supplement

*For*

**Stacy Borek 4700708**

Owner, and Chief Compliance Officer

This brochure supplement provides information about Stacy Borek that supplements the Capital B Financial Planning, LLC (“CBFP”) brochure. A copy of that brochure precedes this supplement. Please contact Stacy Borek if the CBFP brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Stacy Borek is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 4700708.

# Item 2: Educational Background and Business Experience

## Stacy Borek

Born: 1966

### Educational Background

- 1986 – A.S., Liberal Arts, Taft College
- 1988 – B.S., Dietetics, San Jose State University
- 2005 – Certificate in Financial Planning, University of California, Santa Barbara

### Business Experience

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- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and Client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real-world circumstances;

- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.  
Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:
  - Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
  - Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*.  
The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their Clients.  
CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## Item 3: Disciplinary Information

No management person at Capital B Financial Planning, LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## Item 4: Other Business Activities

Stacy Borek is currently employed as a tax accountant for Ridgeway & Warner. This activity accounts for approximately 20 hours of her time per week.

## Item 5: Additional Compensation

Stacy Borek does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through CBFP.

## Item 6: Supervision

Stacy Borek, as Owner and Chief Compliance Officer of CBFP, is responsible for supervision. She may be contacted at the phone number on this brochure supplement.

# Item 7: Requirements for State Registered Advisers

Stacy Borek has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.