

November 15, 2013

Via E-Mail jjohnston@sagescholars.com and Regular Mail

Dr. Jim Johnston
SAGE Scholars, Inc.
21 S 12th St, 9th Floor
Philadelphia, PA 19107

Re: SAGE Scholars Tuition Scholarship Program

SAGE Scholars, Inc. ("**Sage**") has requested that Stark & Stark provide an opinion as to whether the offer of its Tuition Scholarship program (the "**Program**") by registered investment advisers ("**Adviser**") doing business in the United States conflicts with the provisions of the Investment Advisers Act of 1940 and the rules promulgated thereunder.

Sage has represented the following relative to the Program, which we accept as true in providing this opinion without further review, investigation or verification:

1. The Program is currently offered throughout the United States. The Program awards individuals points that may be used to offset college tuition per the terms and conditions of the Tuition Rewards Member Agreement between Sage and the individual;
2. Per the terms of the Program, points are not transferrable except to students in the member's immediate and/or extended family, and then only prior to August 31st of the year that the student commences 12th grade. Program points are not an investment, and have absolutely no value other than the opportunity to qualify for tuition assistance at participating colleges and universities in accordance with the terms and conditions of the Program;
3. Sage has previously received legal opinions that the Program does not constitute a security under state and federal securities laws, nor violates applicable state or federal securities laws. Stark & Stark has relied upon such previous opinions for the purpose of reaching its opinion below;
4. The offer of the Program by the Adviser would be a "value-added" service that the Adviser could offer to its clients;
5. The Adviser will not charge any fee to its clients or Sage relative to the Program;
6. The Adviser shall not use Program points as any form of currency or other value, including, but not limited to, providing or making available any Program points to any

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- person or entity for introducing any prospective client to the Adviser or in exchange for providing any services to the Adviser;
7. Sage will not provide any compensation to Adviser or any of its affiliated persons or entities, nor any other type of consideration;
 8. The Adviser will not discriminate as to those of its clients to whom it offers the Program. Rather, the Program will be offered to all clients that engage the Adviser to provide investment management services. Points will be earned by the client based upon written objective criteria (i.e., assets under management) equally applicable to all of the Adviser's clients, without deviation. The Adviser shall not permit the award of any Program points based upon subjective factors determined by the Adviser;
 9. Unless a set number of points are awarded to each participating client each quarter/year, regardless of assets under management, the more assets that a client places under the Adviser's management, the greater the number of Program points earned;
 10. The Adviser will provide clear and conspicuous written disclosure to each client (on both its Part 2A of Form ADV and in a separate written disclosure executed by each participating client) as to the conflict of interest presented by its offering of the Program (i.e., if the Adviser bases its fee upon the amount of assets placed under its under management, the more assets that the client places under the Adviser's management, the greater the number of Program points that the client will earn, and correspondingly the greater the fee to be earned by the Adviser). The Adviser can lessen the scope of the conflict if each client receives a set number of points on a annual basis without regard to the amount of assets placed under the Adviser's management. However, since participation in the Program could present an inducement for a prospective or existing client to engage or continue engage the Adviser, a conflict of interest remains. The type of disclosure should be similar to the following (the disclosure would need to be modified if each client receives a set number of points on a annual basis without regard to the amount of assets placed under the Adviser's management):

Please Note: Conflict of Interest. The Adviser offers its clients participation in the SAGE Scholars, Inc. ("Sage") Tuition Rewards program (the "**Program**"). The Program awards individuals points that may be used to offset college tuition per the terms and conditions of the Tuition Rewards Member Agreement between Sage and the client. Per the terms of the Program, points **are not** transferrable **except** to students in the member's immediate and/or extended family, and then only prior to August 31st of the year that the student commences 12th grade. **Program points are not an investment, and have absolutely no value other than the opportunity to qualify for tuition assistance at participating colleges and universities in accordance with the terms and conditions of the Program. Moreover,** per the terms and

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conditions of the **Program**, points will have value toward the cost of tuition only to the extent that the value of the points exceed the amount of any scholarship or other assistance awarded by the participating college or university. The Adviser does not determine the terms and conditions for participation in the Program, nor the number and/or identity of the colleges and universities that participate in the Program. The Adviser does not award Program points, only Sage does. The Adviser does not and cannot guarantee that the participating colleges and universities will continue to participate or honor any commitment made to Sage relative to the college or university's participation in the Program. The terms and conditions of the Program are determined exclusively by Sage. The Adviser is not affiliated with the Program, and will not receive any compensation from the Program or Sage. The Adviser does not charge any fee to you for your participation in the Program. If the client has questions regarding any of the terms and conditions of the Program, the client should consult directly with Sage. **HOWEVER**, a client's participation in the Program does present a conflict of interest for the Adviser. There is a conflict because the amount of points earned is based upon assets that a client may determine to place under the Adviser's management. Thus, the more assets that the client places with the Adviser, the more Program points that will be earned. The more assets placed under the Adviser's management, the greater the fee earned by the Adviser, thereby creating a conflict of interest. In the event that Program points were to be earned by each participating client without regard to the amount of assets placed under the Adviser's management, a conflict will still exist since participation in the Program presents an inducement for a prospective or existing client to engage or continue to engage the Adviser. **No client is under any obligation to participate in the Program.** In the event that the has any any dispute regarding the Program, the client agrees to release and hold the Adviser and its representatives harmless and resolve such dispute exclusively and directly with the Sage. **Please Also Note:** Different types of investments present varying degrees of risk, and there can be no assurance or guarantee that any investment (including those recommended or undertaken by the Adviser) will be profitable. **Other investment professionals offer participation in the Program. THUS, no client or prospective client should consider participation in the Program as a material consideration as to whether to engage or continue to engage the Adviser. ANY QUESTIONS:** The Adviser's Chief Compliance Officer, _____, remains available to address any questions that a client has regarding above conflict of interest.

ADD FOR THE WRITTEN ACKNOWLEDGMENT:

By execution below, the client agrees that the event that he/she should have any current or future dispute regarding the Program, the client agrees to release and hold the Adviser and its representatives harmless and resolve such dispute exclusively and directly with Sage.

_____. Date: _____
_____. Date: _____

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11. The Program is currently approved and offered by SEC registered and FINRA member broker-dealers and an open-end mutual fund registered under the Investment Company Act of 1940;
12. If a client determines to participate in the Program as result of the Adviser's introduction, there is no membership fee payable by the client to either Sage or the Adviser;
13. An Adviser's client's participation in the program will be governed by the terms and conditions of the Member agreement between Sage and the client. The Adviser will not be a party to the agreement. The agreement shall also include the following:

Please Note: If the participant was introduced to the Program by a registered investment adviser, the participant acknowledges that the Adviser's introduction of the Program should not be construed by the client in any manner whatsoever as an endorsement of the Adviser by Sage. To the contrary, Sage has neither performed any due diligence nor made any determination as to the Adviser's abilities or qualifications. It remains the client's exclusive responsibility to perform such due diligence and/or to make such determination. **Please Also Note: Conflict of Interest.** A client's participation in the Program does present a conflict of interest for the Adviser. There is a conflict because the amount of points earned is based upon assets that a client may determine to place under the Adviser's management. Thus, the more assets that the client places with the adviser, the more Program points that will be earned. The more assets placed under the Adviser's management, the greater the fee earned by the Adviser, thereby creating a conflict of interest. In the event that Program points were to be earned by each participating client without regard to the amount of assets placed under the Adviser's management, a conflict will still exist since participation in the Program presents an inducement for a prospective or existing client to engage or continue engage the Adviser. The Adviser does not determine the terms and conditions for participation in the Program, nor the number and/or identity of the colleges and universities that participate in the Program. The Adviser does not award Program points, only Sage does. The Adviser does not and cannot guarantee that the participating colleges and universities will continue to participate or honor any commitment made to Sage relative to the college or university's participation in the Program. The terms and conditions of the Program are determined exclusively by Sage. The Adviser is not affiliated with the Program, and will not receive any compensation from the Program or Sage. The Adviser does not charge any fee to you for your participation in the Program. Per the terms of the Program, points **are not** transferrable **except** to students in the member's immediate and/or extended family, and then only prior to August 31st of the year that the student commences 12th grade. **Program points are not an investment, and have absolutely no value other than the opportunity to qualify for tuition assistance at participating colleges and universities in accordance with the terms and conditions of the Program.** **Moreover,** per the terms and conditions of the Program, points will have value toward the cost of tuition **only to the extent** that the value of the points exceed the amount of any scholarship or other assistance awarded by

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the participating college or university. If the client has questions regarding any of the terms and conditions of the Program, the client should consult directly with Sage. **By execution of this Membership Agreement below, the participant agrees that the event that he/she should have any current or future dispute regarding the Program, the participant agrees to release and hold the Adviser and its representatives harmless and resolve such dispute exclusively and directly with Sage.**

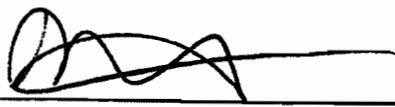
14. Program points are not transferrable and have absolutely no value other than the opportunity to qualify for scholarship assistance at participating colleges and universities in accordance with the terms and conditions of the Program.

Based upon the above, assuming all items (1)-(14) are and continue to remain true, the offer of the Program by registered investment advisers doing business in the United States does not violate the current provisions of the Investment Advisers Act of 1940 and the rules promulgated thereunder. This letter does not render an opinion as to the investment adviser laws or rules of any state. Although state laws and rules are generally similar to those of the Investment Advisers Act of 1940, a review of a specific state's laws, rules and "prohibited practices" must be reviewed to ascertain whether the offer of the Program violates state law, rules or is a "prohibited practice".

Please Note: If Sage determines to present a copy of this letter to registered investment advisers who are interested in the Program, it must do so in its entirety. Otherwise, the opinion will be void.

Sincerely,

STARK & STARK
A Professional Corporation

By: 
Thomas D. Giachetti

TDG/cpc