Smart Employee Benefits Inc.
(formerly Whiteknight Acquisitions Inc.)

Management Discussion and Analysis
For the period ending September 30, 2012

November 22, 2012

Basis of Presentation
This Management Discussion and Analysis ("MD&A") of Smart Employee Benefits Inc. ("Company" or "SEB") dated November 22, 2012 should be read in conjunction with the unaudited interim consolidated financial statements and the accompanying notes for the period ended September 30, 2012.

The Company's unaudited interim consolidated financial statements and accounting policies are in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. All dollar amounts are in Canadian dollars unless otherwise indicated.

Forward looking statements
Certain statements in this MD&A may constitute "forward-looking" statements, which involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of SEB, or the industry, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this MD&A, such statements use words such as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those described elsewhere in this document. The risks and uncertainties include: the ability to achieve profitability and manage growth; reliance on and retention of competent staff; competition; performance obligations and client satisfaction; general state of the economy; possible acquisitions; possible future litigation; insurance limits; legislative and regulatory changes; revenue and cash flow volatility; operating risks; protection of intellectual property; appraisal mandates; restrictions on growth. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this MD&A. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, SEB cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and, except in accordance with applicable law, SEB assumes no obligations to update or revise them to reflect new events or circumstances. Additionally, SEB undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of SEB, its financial or operating results, or its securities.

Introduction

Nature of Business
SEB is a licensed Third Party Administrator ("TPA") and Insurance Broker with a fully integrated technology platform for managing health claims environments. SEB's business model is to provide services directly to Group Benefit clients and put control of group benefit health dollars back in the Clients' hands.

Company Status
The Company is in its early stages of development andit is in the process of developing revenue. It has announced that it has reached agreement for its first acquisition and is moving to close that deal. It is reviewing other potential acquisitions.

The shares of the Company are traded on the Toronto Venture Stock Exchange ("TSXV") using the symbol "SEB".

Company Developments to Date

Incorporation
SEB as a company resulted from an RTO transaction which occurred on July 11, 2012 whereby Whiteknight Acquisitions Inc. ("Whiteknight") acquired 100% of the shares of Smart Employee Solutions Inc. ("SES").

SES was incorporated December 17, 2010 to enter the group health benefit industry as a third party administrator ("TPA"), using its own proprietary claims adjudication software, which in management's opinion, would make the Company unique in the industry. Whiteknight was incorporated December 23, 2010 to operate as a Capital Pool Company.

Whiteknight initial capitalization
January, 2011 $280,000 raised from seed shareholders as initial capital.
April, 2011 - $600,000 gross proceeds raised through an IPO

SES – Whiteknight Letter of Intent
On July 19, 2011, SES executed a Letter of Intent with Whiteknight, whereby Whiteknight would acquire 100% of the issued and outstanding shares of SES, through an exchange of securities following which the shareholders of SES would become the controlling shareholders of Whiteknight. The proposed agreement would result in Whiteknight issuing 30,000,010 common shares in exchange for the 3,000,001 outstanding common shares of SES. The Transaction was intended to constitute the Qualifying Transaction ("QT") of Whiteknight as such term is defined in Policy 2.4 of the Corporate Finance Manual of the TSXV.

SES - Adjudication Software License
In July, 2011, the Company entered into a license agreement ("License") with Bevertec, CST Inc. ("Bevertec") a shareholder of the Company, to acquire from Bevertec the license of a software platform which provides the adjudication of health benefit claims ("Adjudication Software"). The License provides (a) a perpetual, irrevocable, transferable and exclusive right and license to use the

Adjudication Software in Canada; and (b) a perpetual, irrevocable, transferable and non-exclusive right and world-wide license to use the Adjudication Software outside Canada.

The price to be paid under the terms of the License was a payment of $500,000 (made following the completion of the RTO) and then a royalty stream of payments ("Royalty") payable as follows: up to $0.5 million based on 1% of the first $50 million of sales revenue; up to $2 million based on 2% the next $100 million in sales revenue; and up to $5 million based on 3% of the next $167 million of sales revenue.

SES - Convertible Financing

During the period July, 2011 to December, 2011, SES issued $1,305,000 in Convertible Term Notes Financing ("Notes") between July and December, 2011. The Notes were Promissory Notes of the Company, secured by a General Security Agreement against the assets of the Company and by a personal guarantee of the Chief Executive Officer and President of the Company. The Notes were due at the earlier of the closing of the QT or July 25, 2012. The Notes paid 8% interest and awarded certain bonus amounts, payable in shares on closing of the QT, depending on the date the funds were advanced to SES.

RTO Transaction

In May, 2012, the TSXV granted conditional approval for the QT and the QT closed on July 11, 2012, when Whiteknight acquired 100% of the issued and outstanding shares of SES.

To effect the Transaction, Whiteknight issued 30,000,010 common shares in exchange for the 3,000,001 common shares of SES, being 100% of the issued and outstanding capital of SES, resulting in the shareholders of SES becoming the controlling shareholders of Whiteknight.

On July 19, 2012, the TSX Venture Exchange approved the Transaction, resulting in the shares of the Company beginning to trade on the exchange under the symbol "SEB".

Concurrent Financing

Concurrent with the closing of the Transaction, the Company closed a financing whereby 6,491,667 units, each unit consisting of one common share and one common share-purchase warrant, were issued at a price of $0.30 per unit for a total of $1,947,500. The Company incurred transaction costs of $217,325 in fees and commissions and issued 649,167 broker share-purchase warrants.

Conversion of Debt

Also concurrent with the closing of the Transaction, the Company issued 6,093,000 common shares and 1,305,000 common share-purchase warrants to holders of the Notes on conversion and extinguishment of the Notes.

Name change

At a shareholder meeting held on July 30, 2012, the shareholders of Whiteknight voted to change the name of Whiteknight to "Smart Employee Benefits Inc.".

Board of Directors

At the shareholders' meeting July 30, 2012, the following directors were elected to the Board of Directors to serve until the next shareholders' meeting.

Ronald D. Barbaro
Independent Director
Lead Director, Member of the Audit Committee and Compensation Committee
Mr. Barbaro served as President and CEO the Prudential Insurance Company of America Canadian Operations 1985 – 1990, then President of Prudential's Worldwide Ops. 1990-1993 – (launched operations in Italy, Korea and Spain). Currently he is Chairman of Levon Resources Ltd; Board Member of: The Brick Ltd. (former Chairman); Trans Global Life and Trans Global Insurance (former Chairman); and Imvescor Restaurant Group Inc.
He is a former President and CEO of The Ontario Lottery and Gaming Corporation; President Toronto Argonaut Football Club; Chairman Toronto Design Exchange, Campaign Chairman of the United Way and Chairman of the Premier of Ontario's Economic (SARS) Recovery Team, and has served on more than 30 other public boards including Thomson Reuters.
Mr. Barbaro has been recognized with many awards, including induction into the Academy of Achievement of Sales and Marketing Executives in both Canada and the U.S.A.; and featured in numerous print media and appearances for his significant contributions to the business world.

Nancy Myles Elliott, BA, LLB
Independent Director
Chair of the Governance Committee and member of the Compensation Committee
Nancy Elliott is a lawyer and seasoned business woman with extensive experience in the development of Canada-China business and investment strategies. Fluent in Mandarin, Ms. Elliott has built significant relationships in China over the past twenty years, advising clients on corporate and immigration matters. She is well-respected and trusted and has become a conduit for responsible Chinese investment in technology, real estate and resources, both in Canada and around the world.
In addition to her legal practice, Ms. Elliott has experience as a shareholder and director of several companies, including private equity, mortgage brokerage, consulting and advisory. Ms. Elliott has also dedicated her time to volunteer work assisting new immigrants, and is a member of several community-based organizations.

Keith R. Harris, B. Comm., CA
Independent Director
Member of the Audit Committee and the Governance Committee
Since January 2011 Keith R. Harris has acted as a consultant and corporate director through his financial advisory firm Naiscoot Capital Corporation. He is currently a director of Frontline Technologies Inc., Maudore Minerals Ltd. and Whiteknight Acquisitions II Inc. From January 2008 to December 2010, he was President and Chief Financial Officer of Stifel Nicolaus Canada Inc. (and its predecessor company Thomas Weisel Partners Canada Inc.), the Canadian broker-dealer subsidiary of Stifel Financial Corp., a financial holding company listed on the New York Stock Exchange. In 2002, he was a co-founder and Chief Financial Officer of a boutique Canadian investment bank, Westwind Partners Inc., which was sold to Thomas Weisel Partners Group (TWPG) in 2008. TWPG was subsequently bought by Stifel Nicolaus in 2010.

Mr. Harris received a B. Comm from the University of Toronto in 1975 and received his CA designation in 1977 while employed with Ernst & Young.

Marc Kealey, BA, Cert. Campaign Management
Independent Director
Chair of the Compensation Committee and member of the Governance Committee
Through his start in acute care restructuring while in Durham Region, Marc Kealey is credited with helping to lay the groundwork for the creation of the first integrated hospital system in Ontario forging the template for the integrated hospital operations model throughout Canada. Since that time, he has become a leading voice for transformation in Health care and drug reform in his roles as a qualified health system design consultant and as the CEO of Canada's largest pharmacy organization. In that particular role he helped steer some of the most comprehensive drug reform throughout Canada and the United States.
He is an expert in governance, communications and business management process, and is known for his advocacy efforts for patients, communities and organizations through his role as a principal at K&A Inc. a consultancy serving the healthcare, energy and gaming sectors.
In addition to his contributions in the health care business arena, Marc is an expert in communications and building effective governance structures. He is dedicated to public service and involved in many organizations and causes. He serves on the Board of many organizations including: Care Givers United, Canadian Friends of the Elderly, the Board of Governors at McMaster University, Smart Systems for Health Agency in Ontario, University of Waterloo's Pharmacy School and many federal initiatives.
He was an advisor to the former Prime Minister of Canada John Turner (1984 -1988) and the Premier of Ontario, David Peterson (1988-1990).

Stephen Peacock, BSC, MBA
Independent Director
Chair of the Audit Committee
Stephen is an engineer and a seasoned financial executive. After several years in the international operations of a leading engineering service company, he earned his MBA at the University of Western Ontario and went on to hold senior positions in domestic and international organizations including RBC, Lancaster Financial, Citbank, Levesque Beaubien, Shroders and HSBC. More recently, he was a founder of Mustang Capital Partners in 2002, a Calgary based limited market dealer specializing in mergers and acquisitions. He currently is the President of Bearspaw Capital Corp., a private investment firm. He previously was a director of Avery Resources Inc. when it was a TSX-V listed company.

Walter Simone, CLU, C.H.F.C., CFSB, TEB, CFS, CFP, RHU, RFC, RPA, CSA
Non-independent Director
Chairman
Walter has been in the insurance and financial services industry for 41 years and is considered to be one of the best in his field in Canada. Walter is a Qualifying & Life member of the Million Dollar Round Table, 37 years qualifying with 6 of those years at the Court of the Table and the last 13 years at the Top of the Table.

In addition to his academic and business achievements, Walter has participated in numerous community organizations, including the Business Management Advisory Council at Ryerson University.

John McKimm, BBA, MBA, LLB, FCSI
Non-independent Director
Chief Executive Officer, President, Chief Information Officer
Mr. McKimm has over 35 years of experience providing operations and financial expertise to public and private companies. His experience covers many sectors, including financial services and technology. Mr. McKimm has extensive investment banking and corporate finance expertise, specializing in emerging and growth companies providing specialty services in SR&ED claims, strategic and financial restructurings, mergers and acquisitions, and arranging financing.
He has served as a director and officer of many public and private companies, including extensive experience on board committees as both a Committee Member and Chair. Most recently, Mr. McKimm founded and was Chairman and Chief Executive Officer of Brainhunter Inc., a company that was listed on TSX.

Barry Walsh, BA
Non-independent Director
Mr. Walsh has over forty years of experience as an entrepreneur in the technology field. Mr. Walsh is the founder of Bevertec CST Inc., a company specializing in both IT professional services and banking software solutions. Mr. Walsh has extensive global experience in both selling and building technology solutions. He has a Bachelor of Arts in Computer Science.

Company Objectives and Strategy

Company Objectives
SEB's strategy is focused on becoming the technology provider of choice in managing health claims processing environments.

SEB management estimates that the size of the Canadian market is $56.0 billion in total premiums with $33.0 billion in Group Benefits premiums and $23.0 billion in direct health claims premiums. SEB management further estimates that of the total premiums, the portion allotted to claims processing and plan administration and reporting is between 10% and 20% of the premium dollars, depending on variables such as size of client, range of activities, etc.

The Company's primary Focus is Group Employee Benefits. The secondary focus is Other Direct Health Claims Processing environments. The technology platform and expertise utilized in servicing the Group Benefits environment is easily transferable to other health claims processing and in the provision of complementary technology and human resource solutions and services to the same client base.

SEB intends to obtain this business through acquisition and referral and retain it through the provision of superior service through the use of technology.

Business Strategy
SEB intends to operate in Two Complementary Businesses:
1. Group Benefits and Health Claims Processing – operating as a licensed TPA and Broker, SEB manages (automates) the complete group benefits supply chain (i.e. business processes) between Insurers, clients, brokers, consultants, technology service providers and healthcare service providers.
2. Software and Systems Integration – the group benefits technology and expertise allows SEB to provide other related supply chain solutions, systems integration services and human resource solutions and services to the same clients.

Business Model
SEB intends to grow its Group Benefits and Health Claims Processing business through the following steps:
1. Acquire Client Relationships: acquire/invest in TPAs, Insurance Brokerage, Consultants and Technology providers.
2. Transition Client Relationship to SEB's Fully Integrated Technology Platform. This will allow SEB to retain up to 13% more of the premium dollars currently flowing out to other service providers, enhancing the profitability of the entity acquired.
3. Share Enhanced Profitability with all Constituents: profit sharing provides financial incentive to all parties, including clients.

SEB intends to grow its technology business by acquiring existing entities with operations and products in fields and activities related to and complementary to its existing Group Benefits and Health Claims Processing business.

Acquisition strategy dynamics
All areas where SEB targets acquisition/investment (including: TPAs, Brokers, Consultants and Technology Providers) is fragmented (except for adjudication) with hundreds and thousands of parties, many looking for succession and exit strategies.

Acquisition of Logitek Technology Limited ("Qlogitek")
In a news release dated September 18, 2012 the Company announced that it had reached an agreement to acquire Logitek Technology Ltd ("Qlogitek"). Qlogitek is in the supply-chain software business. It supplies and hosts, on a software-as-a-service model, various software products which help to manage the supply chains of many large well-known entities in Canada such as the LCBO, Sears, Rogers, Best Buy, The Bargain Shop, etc.

SEB views this acquisition as an important first step as SEB views the provision of health care benefits as a type of supply chain with many characteristics similar to that of supply chains in other industries. Qlogitek brings proven technology to manage such supply chains, which will be applicable to the SEB health-care solution.

Supply-chain Technology
Supply Chain Processes permeate the infrastructure of every business operation in every organization of any significant size. SEB management views Health Claims Processing as a specialized supply chain environment.

The SEB proprietary Adjudication software, surrounded with Administration – Claims Paying – Reporting modules creates a health claims processing supply chain, supported by the supply-chain technological expertise of SEB's intended first acquisition, Logitek Technology Ltd. ("Qlogitek").

Other Potential Acquisitions
As part of its growth strategy as discussed above, SEB has had preliminary discussions with:

- several Third Party Administrators ("TPA's"), Broker/Consultants; and
- several technology providers with operations and/or products which are complementary to Health Care processing.

Operations

Quarterly Income statement

	July 1, 2012 to September 30, 2012	*April 1, 2012 to June 30, 2012*	*January 1, 2012 to March 31, 2012*	*October 1, 2011 to December 31, 2011*	*December 17, 2010 to September 30, 2011*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	
Revenue	**$ 57,937**	**$ 57,520**	**$ 54,342**	**$ 57,944**	**$ 50,681**
Cost of revenues					
Claims	37,679	29,725	29,351	32,142	28,337
Premiums	12,534	12,018	11,499	11,796	7,589
	50,213	41,743	40,850	43,938	35,926
Gross Margin	**7,724**	**15,777**	**13,492**	**14,006**	**14,755**
Operating Costs					
Salaries and other compensation	263,360	320,037	259,415	219,998	550,852
Share-based compensation	274,250	-	-	-	-
Professional fees	142,785	208,375	55,649	140,560	10,339
Office and general	93,946	60,211	79,972	74,680	18,327
Interest	5,775	30,978	26,028	23,383	4,500
Amortization of software licence	12,500	12,500	12,500	12,500	12,500
Depreciation of equipment	1,749	1,749	1,749	1,750	1,750
Accretion of bonus	-	-	159,752	32,772	7,656
Accretion of interest	-	20,113	107,911	112,977	40,973
	794,365	**653,963**	**702,976**	**618,620**	**646,897**
Income before undernoted	**(786,641)**	**(638,186)**	**(689,484)**	**(604,614)**	**(632,142)**
Fair value adjustment on related party loan	-	-	-	-	122,533
Share adjustment on RTO	(856,238)	-	-	-	-
Net loss and comprehensive loss	**$ (1,642,879)**	**$ (638,186)**	**$ (689,484)**	**$ (604,614)**	**$ (509,609)**

Revenues

The Company records approximately $50,000 per quarter in premium revenue for processing the group benefits for a small number of test clients, of which approximately $40,000 is derived from Bevertec CST Inc., a shareholder of the Company (discussed later under “Transactions with Related Parties”). Variations in revenue from quarter to quarter result from changing numbers of employees (through additions, terminations, etc.), changing benefit levels, etc.

Costs

Primary costs, as shown above, relate to compensation, and costs related to raising capital (professional fees, and interest and other debt-related costs).

Summary of salaries and compensation costs for the 12 months ending September 30, 2012

Systems development and IT infrastructure	$ 403,042
Operations and administration	269,768
Senior management	390,000
Total	**$ 1,062,810**

Staff

The Company has 12 individuals employed or under management contracts. Of these, 8 are directly involved in the development of the Health Benefits Solution software and 4 are administration and executive management, whose role is to raise necessary capital and grow the business through acquisitions and other business development.

SEB intends to marginally increase its core staff over the next twelve months; any significant growth in compensation costs will be as a result of acquisitions completed.

Summary of Professional fees for the twelve month period ending September 30, 2012

Legal	$ 338,594
Audit and accounting	124,470
Other	84,305
Total	**$ 547,369**

A significant portion of the Legal and Audit and accounting costs were incurred in the process of preparation of the filing statement for the QT, discussed earlier. Significant costs were incurred related to the convertible financing. This type of cost will occur in the future in relation to acquisitions and financings and are therefore difficult to project.

Summary of Office and general for the twelve month period ending September 30, 2012

Rent for office premises	$ 104,179
Marketing	66,608
Insurance	54,266
Filing fees	30,200
Other	57,086
Total	**$ 312,339**

The Company's existing office lease expires March 31, 2013; the Company is currently negotiating new office space.

Quarterly Balance sheet

As at	*September 30, 2012 (unaudited)*	*June 30, 2012 (unaudited)*	*March 31, 2012 (unaudited)*	*December 31, 2011 (unaudited)*	*September 30, 2011*
Assets					
Cash	$ 234,016	$ 40,775	$ 90,361	$ 366,008	$ 362,557
Funds in trust	-	-	-	135,510	400,000
Sundry receivables	226,648	91,452	73,484	39,578	36,782
Prepaids and deposits	16,667	16,667	16,667	16,667	-
Total Current Assets	477,331	148,894	180,512	557,763	799,339
Developed software	371,255	113,850	-	-	-
Equipment, net of depreciation	30,501	25,089	26,838	27,904	23,250
Intangible asset, net of amortization	437,500	450,000	462,500	475,000	487,500
Total Assets	**$ 1,316,587**	**$ 737,833**	**$ 669,850**	**$ 1,060,667**	**$ 1,310,089**
Liabilities					
Accounts payable and accrued liabilities	$ 528,493	$ 808,935	$ 347,879	$ 157,122	$ 156,908
Obligation to related party	-	750,000	750,000	698,627	657,397
Convertible debt	-	1,305,000	1,284,887	1,228,350	919,891
Due to shareholders	5,100	5,100	5,100	5,100	4,100
Total Current Liabilities	533,593	3,094,035	2,387,866	2,089,199	1,738,296
Shareholders' Deficiency					
Share capital	4,242,317	36,500	36,500	36,500	36,500
Share issue costs	(516,762)	-	-	-	-
Contributed surplus	49,191	49,191	49,191	49,191	44,902
Warrants	1,073,020	-	-	-	-
Options	20,000	-	-	-	-
Deficit	(4,084,772)	(2,441,893)	(1,803,707)	(1,114,223)	(509,609)
Total Shareholders' Equity (Deficiency)	782,994	(2,356,202)	(1,718,016)	(1,028,532)	(428,207)
Total Liabilities and Shareholders' Equity (Deficiency)	**$ 1,316,587**	**$ 737,833**	**$ 669,850**	**$ 1,060,667**	**$ 1,310,089**

Software Development

The Company is in the process of finalizing development of Health Care Systems software, including its claims adjudication software as well as administration modules.

The development work performed on the adjudication software is performed by SEB employees and is expensed as part of Salaries and other compensation costs (see above). The work is expensed as opposed to being capitalized as the system is fully operational and is currently being used to process health benefit claims (see discussion elsewhere).

The administration modules which will support and wrap around the adjudication software is being developed by third party developers under the supervision of SEB management. Insofar as the modules are not operational, costs to date have been capitalized under Developed software.

Quarterly cash flows

For the Period:	*July 1, 2012 to September 30, 2012 (unaudited)*	*April 1, 2012 to June 30, 2012 (unaudited)*	*January 1, 2012 to March 31, 2012 (unaudited)*	*October 1, 2011 to December 31, 2011 (unaudited)*
Net loss for the period	**$ (1,642,879)**	**$ (638,186)**	**$ (689,484)**	**$ (604,614)**
Add items not involving cash:				
amortization of software licence	12,500	12,500	12,500	12,500
depreciation	1,749	1,749	1,749	1,750
accreted interest	-	20,113	107,911	112,977
accreted bonus	-	-	159,752	32,772
share-based compensation	274,250	-	-	-
fair value adjustment	-	-	-	-
share adjustment for RTO	856,238	-	-	-
non-cash working capital	(242,824)	443,088	(2,902)	(520)
Total adjustments	**901,913**	**477,450**	**279,010**	159,479
Cash used in operating activities	**(740,966)**	**(160,736)**	**(410,474)**	**(445,135)**
Cash flows from investing activities				
Purchase of developed software	(257,405)	(113,850)	-	-
Purchase of equipment	(7,161)	-	(683)	(6,404)
Cash flows from investing activities	**(264,566)**	**(113,850)**	**(683)**	**(6,404)**
Cash flows from financing activities				
Proceeds from share issue	1,730,175	-	-	-
Cash acquired on RTO	443,598	-	-	-
Related party obligation	(750,000)	-	-	-
Advances from shareholders	-	-	-	1,000
Debt issuance costs	-	-	-	(65,500)
Short term loans	(225,000)	225,000	-	-
Proceeds from issue of debt	-	-	-	255,000
Release of funds in trust	-	-	135,510	264,490
Cash provided by financing activities	**1,198,773**	**225,000**	**135,510**	**454,990**
Net change in cash for the period	193,241	(49,586)	(275,647)	3,451
Cash, beginning of period	40,775	90,361	366,008	362,557
Cash, end of period	**$ 234,016**	**$ 40,775**	**$ 90,361**	**$ 366,008**

Liquidity

The Company is targeting being cash-positive from operations upon the anticipated acquisition of businesses with positive cash flows and the subsequent improvement of those cash flows by migrating currently out-sourced transaction costs to the SEB transaction processing operations.

At this date, the Company is in its early development stage and is in the process of developing sustainable revenue for generation of cash flow. During this period, it relies on raising necessary cash to fund operations and software development through issues of equity capital or debt which is convertible to equity capital.

On October 24, 2012, the Company announced that it intended to raise up to $1.5 million through the issue of convertible notes, which pay 10% per annum interest and are convertible to shares of the Company at $0.45 for the duration of the two year term of the notes.

Financial Obligations

As of date of issue of this MDA, the Company's only firm financial obligation is an operating lease for its office premises which ends March 31, 2012. The gross rent is $8,333.00 per month. The Company is in the process of obtaining premise space for the period subsequent to that date.

Transactions with Related Parties

Bevertec CST Inc.

Bevertec CST Inc. ("Bevertec") is a related party to the Company by virtue of holding approximately 21% of the common shares of the Company as of this date. An officer and director of Bevertec is also a Director of the Company. There are two types of transactions between Bevertec and the Company:

(1) The Company processes group benefit health claims for Bevertec

As discussed elsewhere, the Company is in development and has a few select clients for which it processes group benefit health claims. The largest client is Bevertec. Of the $57,937 in revenue recorded by the Company for the quarter ended September 30, 2012, $43,170 was derived from transactions with Bevertec ($170,003 of the $227,743 in revenue for the YTD period ended September 30, 2012).

(2) Software Licencing Agreement

Effective July 1, 2011, the Company entered into a licence agreement ("Licence") with Bevertec to acquire from Bevertec the licence of a software platform which provides the adjudication of health benefit claims ("Adjudication Software"). The Licence provides (a) a perpetual, irrevocable, transferable and exclusive right and license to use the Adjudication Software in Canada; and (b) a perpetual, irrevocable, transferable and non-exclusive right and world-wide license to use the Adjudication Software outside Canada.

The price to be paid under the terms of the Licence was a payment of $500,000 (paid following the completion of the QT) and then a royalty stream of payments ("Royalty") payable as follows: up to $0.5 million based on 1% of the first $50 million of sales revenue; up to $2 million based on 2% the next $100 million in sales revenue; and up to $5 million based on 3% of the next $167 million of sales revenue.

The timing and amount of royalty stream payments is not determinable due to ongoing enhancement of the software functionality and its sale is dependent on successful acquisitions, no amount has been accrued for fair value of royalty payments.

Disclosure Controls and Internal Control Risks

The President and Chief Executive Officer and the Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with International Financial Reporting Standards.

The Design of the Company's internal control over financial reporting was assessed as of the date of the Management Discussion and Analysis. Based on this assessment, it was determined that the lack of segregation of duties among the Company's staff created the potential for a weakness in internal control over financial reporting. The lack of segregation is a result of the limited number of staff at this time, which is consistent with the business needs.

As business develops, staff will be added such that proper segregation of duties will be instituted. In the meantime, management exerts control over activities by signing all contracts and all cheques and carefully reviewing financial reports.

Risk factors

The Company's growth and performance are subject to a number of risks such as consumer demand, client acceptance of the Company's products and services, industry competition, technological obsolescence, obtaining and retaining competent staff and failure to obtain sufficient capital to build the required infrastructure.

Going Concern

The Company has incurred significant operating losses during the period and has negative working capital at the balance sheet date. Based on these events and conditions there is material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and, therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

To remain a going concern, the Company will require additional capital to enable it to further develop its acquired software and to obtain the revenue-generating business it believes it can achieve. It cannot be determined at this time whether these objectives will be realized.

Additional Information

Additional information relating to the Company is available on the Company's website at www.SEB-inc.com and on SEDAR at www.sedar.com.