UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended May 31, 2009

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _________ to _________

Commission File Number: 000-25335

INTELLIGENT LIVING CORP
(Exact name of small business issuer as specified in its charter)

Nevada	**88-0409024**
(State or other jurisdiction of incorporation)	(IRS Employer Identification No.)

Suite 221, 2323 Quebec Street, Vancouver, B.C., Canada	**V5T 4S7**
(Address of principal executive offices)	(Zip Code)

604-876-7494
Issuer's telephone number, including area code

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:
Common Stock, $.001 par value per share
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ☐ No ☒
Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by checkmark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to the Form 10-K. ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "Accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: $335,488

The number of shares of the Registrant's Common Stock outstanding as of May 31, 2009 was 49,336,477.

Documents incorporated by reference: None.

FORWARD LOOKING STATEMENTS

This annual report on Form 10-K and the exhibits attached hereto contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern the Company’s anticipated results and developments in the Company’s operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- the ability of the Company to earn revenues sufficient to pay its expenses;
- prevailing economic conditions which may significantly deteriorate, thereby reducing the demand for the Company’s products and services;
- regulatory or legal changes affecting the Company’s business; and the Company’s ability to secure necessary capital for general operating or expansion purposes;

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the sections titled “Risk Factors and Uncertainties”, “Description of the Business” and “Management’s Discussion and Analysis” of this annual report. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected. Furthermore, there is no assurance that the Company’s new line of business will be successfully launched or will be profitable since it depends, among other things, on (a) the ability of the Company to raise funds for this business, (b) the successful development of our products, and (c) the success of those opportunities in the marketplace. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events, except as required by law.

We qualify all the forward-looking statements contained in this annual report by the foregoing cautionary statements.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

General

Intelligent Living Corp (“ILC”, the “Company”, “we”, “us”) formerly Elgrande International Inc. was incorporated in the State of Nevada in 1998. Through its wholly owned subsidiary MCM Integrated Technologies, Ltd. (“MCM”) the Company specializes in designing, supplying, installing, upgrading and servicing home automation solutions, energy use monitoring and conservation systems including: structured wiring, security and access control systems, lighting, HVAC and environmental controls, energy use monitoring and reduction systems and distributed audio/video systems. The Company offers both wired and wireless technology for single and multi unit new construction and existing buildings, using both traditional component and Windows Media Center/Vista based systems. Income is derived from both equipment sales and the provision of installation, repair and maintenance services. Customers include technology consumers, residential home owners, developers and builders of single family and multi-unit developments and commercial businesses.

Prior to the acquisition on December 8, 2006 of MCM the Company was engaged in the import and distribution of home décor products for the North American market. In December 2006 the Company discontinued its activity in the home décor sector and began a process to dispose of assets and obligations related to the home décor import and distribution business. This process continued through the year ended May 31, 2009. Liquidation of the Company's home décor inventory has been slower than expected principally as a result of the slowdown of the US economy, dating of the Company's home décor inventory and competition from suppliers of similar product to the home décor wholesale market.

MCM has supplied custom IT solutions since 1994 and home automation and energy management solutions since 2003. The Company has offices and demonstration suites in Phoenix Arizona and Vancouver British Columbia and is active with single family homes and multi-unit town homes and condominium projects in southwest BC and the greater Phoenix area.

On August 29, 2008 the Company became eligible for relisting on the NASD Over the Counter Bulletin Board (OTCBB) exchange through the approval of a Form 15C2-11 application by the Financial Industry Regulating Authority ("FINRA"). The Company completed the Form 15C2-11 application and arranged for submission to FINRA in February 2009. The application was approved by FINRA on March 17, 2009 and the Company was re-listed on the OTCBB under the symbol ILVC on the same day.

Since 2007 and through 2009, the U.S. credit markets began to experience serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market (particularly, subprime and non-prime mortgages) and a decline in the credit quality of mortgage backed securities. These problems led to a slow-down in residential housing market transactions in the U.S.

In response to the downturn in the U.S. housing market the Company has increased its focus on the western Canadian housing market by expanding its marketing and project base and has initiated technology cooperation with a leading security surveillance group in the Republic of Turkey for market development in Turkey and the Middle East. The Company is actively evaluating opportunities to expand its business activities through expansion vertically within the Company's current green building, home automation and energy conservation sectors and horizontally within related sectors.

Employees

As of May 31, 2008, we had a staff of five consisting of four employees: one COO, two technical applications specialists, one part time administrative assistant, and one consultant, the President.

ITEM 1A RISK FACTORS

Readers should carefully consider the risks and uncertainties described below before deciding whether to invest in shares of our common stock.

Our failure to successfully address the risks and uncertainties described below would have a material adverse effect on our business, financial condition and/or results of operations, and the price of our common stock may decline and investors may lose all or part of their investment. There is no assurance that we will successfully address these risks or other unknown risks that may affect our business.

Risks Relating to our Company

Our independent auditor has issued an audit opinion which includes a statement describing our going concern status. Our financial status creates a doubt whether we will continue as a going concern.

As described in Note 2 of our accompanying financial statements, our limited revenues generated and our lack of any guaranteed sources of future capital create substantial doubt as to our ability to continue as a going concern. The Company had a working capital deficit of ($937,746) at May 31, 2009 and a total net loss of $(363,795) for the twelve months then ended. If the Company does not raise a sufficient amount of capital, it may not have the ability to remain in business until such time, if ever, when it becomes profitable.

Although the Company has restructured its operations the Company's operating income is not yet adequate to offset the Company's aggregate overhead expenses. To rectify this shortfall, on an operating basis the Company either needs to reduce overhead expenses and/or increase its operating revenue to offset the Company's overhead expense. There is no assurance that the Company will be able to do so.
Until such time as the Company becomes sustainable profitable it will be necessary to raise additional capital to support operations. There is no assurance that the Company will be able to raise the required capital under terms acceptable to management, or on a schedule and in amounts required to support continued operations if at all. Our failure to achieve or maintain profitability could negatively impact the value of our stock.

We have not operated profitably and have a limited operating history that you can use to evaluate us; therefore, we may not survive if we meet some of the problems, expenses, difficulties, complications and delays frequently encountered by a company in the early stages of shifting its business activities.

We recently completed the acquisition of MCM and have phased out of the home décor business. This substantial shift of activity has required management to adapt to a new business environment and also to assume un-anticipated costs and liabilities associated with the un-planned phase out of the home décor business. We have a limited operating history on which to base an evaluation of our current business and prospects. Any potential investor must consider our business and prospects in light of the risks and difficulties frequently encountered by companies in the early stages of shifting activities to a new area of business. These risks and difficulties include, but are not limited to residual liabilities associated with the old business and lack of sufficient customers, revenue, cash flow and capital for marketing, product development and inventory associated with current business activity. We cannot be certain that our business strategy will be successful or that we will successfully address these risks. Our failure to address any of these risks associated above could harm our ability to operate profitably.

We may change our business plan.

Based on the results of our efforts to develop our current operating concept, we are re-evaluating our business plan and our board of directors may determine that it is in the best interests of the shareholders to change our business plan through vertical diversification within the Company's current business sector and/or horizontal diversification into related sectors. Any such expansion of operations will entail risks, and such actions may involve specific operational activities which may negatively affect the profitability of the Company. Consequently, shareholders must assume the risk that (i) such expansion may ultimately involve expenditures of funds beyond the resources available to the Company at that time, and (ii) management of such expanded operations may divert management's attention and resources away from its existing operations, all of which factors may have a material adverse effect on the Company's present and prospective business activities. In addition, we may need to bring in new investors or raise additional capital, all of which could result in dilution of current shareholders. There is no guarantee that our efforts to diversify will be successful.

We require additional funds to achieve our current business strategy and our inability to obtain additional financing would inhibit our ability to expand or even maintain our business operations.

We need to raise additional funds through public or private debt or sale of equity to achieve our current business strategy. This financing may not be available when needed. Even if this financing is available, it may be on terms that we deem unacceptable or are materially adverse to shareholder interests with respect to dilution of book value, dividend preferences, liquidation preferences, or other terms. Our inability to obtain financing would inhibit our ability to implement our development strategy, and as a result, could require us or diminish or suspend our development strategy and possibly cease our operations. If we are unable to obtain financing on reasonable terms, we could be forced to delay, scale back or eliminate planned expansion and or introduction of new products and services. In addition, such inability to obtain financing on reasonable terms could have a negative effect on our business, operating results, or financial condition to such extent that we are forced to restructure, file for bankruptcy, sell assets or cease operations.

We currently have outstanding debt that is convertible into shares of our common stock at below market pricing resulting in significant dilution to our current stockholders.

At May 31 2009 we had a total of $1,329,469 in debt and accrued interest that is convertible into shares of our common stock at a discount of up to 25% of the market price for our common stock at any given time. The conversion of any or all of this debt could result in significant dilution to our stockholders.

We rely heavily on our management, and the loss of their services could materially and adversely affect our business.

The Company's business is significantly dependent on the Company's management team. The Company's success will be particularly dependent on Michael Holloran, the Company's Chief Executive Officer, and Murat Erbatur the Company's Chief Operating Officer and founder of MCM Integrated Technologies. The loss of these individuals could have a material adverse effect on the Company.

The Company may not be able to develop its customer base and sustain market acceptance of its products and services

Although the Company believes it can continue to develop home automation equipment and technology packages that will attract a customer base sufficient to support the Company's activities, the inability of the Company to develop such a customer base could have a material adverse effect on the Company. There is the possibility that competitors could seize on the Company's ideas and business model and produce competing product matrices and installations. There is the possibility that the competitors could capture significant market share of the Company's intended market. No assurance can be given that the Company's, products and solutions will attain a degree of market acceptance on a sustained basis or that it will generate revenues sufficient to achieve and sustain profitable operations.

As at the end of the fiscal year ended May 31, 2010, we will be required to provide an auditor's attestation on the effectiveness of our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002-- any adverse results from such attestation could result in a loss of investor confidence in our financial reports and have an adverse effect on the price of our shares of common stock.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we have furnished a report by management on our internal control over financial reporting in this Annual Report on Form 10-K. Such report contains, among other matters, an assessment of the effectiveness of our internal control over financial reporting, including a statement as to whether or not our internal control over financial reporting is effective.

For our annual report on Form 10-K for the fiscal year ended May 31, 2010, such report must also contain a statement that our auditors have issued an attestation report on the effectiveness of such internal controls.

We have evaluated our internal control over financial reporting and have concluded that our internal control over financial reporting is effective. Our auditors have not conducted the evaluation necessary to provide an attestation report on the effectiveness of our internal control over financial reporting. During the auditor's evaluation and testing process, they may identify one or more material weaknesses in our internal control over financial reporting, and they will be unable to attest that such internal control is effective. If our auditor's are unable to attest that our internal control over financial reporting is effective as of May 31, 2010, we could lose investor confidence in the accuracy and completeness of our financial reports, which would have a material adverse effect on our stock price.

Failure to comply with the new rules may make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance and the cost of such coverage may be prohibitively high. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on committees of our board of directors, or as executive officers.

Recent market events and conditions, including disruptions in the U.S. and international credit markets and other financial systems and the deterioration of the U.S. and global economic conditions, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on our ability to fund our working capital and other capital requirements.

Since 2007 through 2009, the U.S. credit markets began to experience serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market (particularly, subprime and non-prime mortgages) and a decline in the credit quality of mortgage backed securities. These problems led to a slow-down in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and a general decline in consumer confidence. These conditions continued and worsened in 2008 and 2009, causing a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by the U.S. and foreign governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. In addition, general economic indicators have deteriorated, including declining consumer sentiment, increased unemployment and declining economic growth and uncertainty about corporate earnings. These unprecedented disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult for us to obtain, or increase our cost of obtaining, capital and financing for our operations. Our access to additional capital may not be available on terms acceptable to us or at all.

The Company's operating results may vary and may not support ongoing development of the business

The Company's operating results may fluctuate significantly from period to period as a result of a variety of factors including but not limited to: purchasing patterns of customers, competitive pricing and margins, debt service and principal reduction payments, and general economic conditions. There is no assurance that the Company will be successful in marketing its products and services or that the revenues from the sale of such products and services will be sufficient to offset costs and support ongoing development of the business.

Unanticipated Obstacles to Execution of the Business Plan

The Company's business plans may change significantly. Many of the Company's potential business endeavors are capital intensive and may be subject to statutory or regulatory requirements. Management believes that the Company's goals and strategies are achievable in light of current economic conditions and regulatory environments with the skills, background, and knowledge of the Company's principals and advisors. Management reserves the right to make significant modifications to the Company's stated strategies depending on future events.

Our success in the future may depend on our ability to establish and maintain strategic alliances, and any failure on our part to establish and maintain such relationships would adversely affect our market penetration and revenue growth.

We may be required to establish strategic relationships with third parties in the home automation and energy efficiency industries and service sectors, including in international markets. Our ability to establish strategic relationships will depend on a number of factors, many of which are outside our control, such as the competitive position of our technology and our products relative to our competitors. We can provide no assurance that we will be able to establish other strategic relationships in the future.

In addition, any strategic alliances that we establish, will subject us to a number of risks, including risks associated with sharing proprietary information, loss of control of operations that are material to developed business and profit-sharing arrangements. Moreover, strategic alliances may be expensive to implement and subject us to the risk that the third party will not perform its obligations under the relationship, which may subject us to losses over which we have no control or expensive termination arrangements. As a result, even if our strategic alliances with third parties are successful, our business may be adversely affected by a number of factors that are outside of our control.

No Assurances of Protection for Proprietary Rights; Reliance on Trade Secrets

In certain cases, the Company may rely on trade secrets to protect the Company's technology know-how which the Company has developed or may develop in the future. There can be no assurances that secrecy obligations will be honored or that others will not independently develop similar or superior technology. The protection of trade secret status has been the subject of increasing claims and litigation by various companies both in order to protect proprietary rights as well as for competitive reasons even where proprietary claims are unsubstantiated. The prosecution of proprietary claims or the defense of such claims is costly and uncertain given the uncertainty and rapid development of the principles of law pertaining to this area. The Company, in common with other firms, may also be subject to claims by other parties with regard to the use of technology information and data which may be deemed proprietary to others.

Risks Related to Our Common Shares

Dividend Record

We have no dividend record. We have not paid dividends on our common shares since incorporation and do not anticipate doing so in the foreseeable future.

The trading market for our common stock is limited.

We are quoted on the Financial Industry Regulatory Authority's Over-the-Counter Bulletin Board under the trading symbol "ILVC". Prior to March 17, 2009 and for the preceding 18 months trading of our common stock was conducted on the Pink OTC Markets Inc. "Pink Sheets" pursuant to category "Current SEC Filers". The shift in trading venues has improved the liquidity of our securities; however, the OTCBB is regarded as a junior trading venue. This may result in limited shareholder interest and hence lower prices for our common stock than might otherwise be obtained.

The market price of our common stock may fluctuate significantly.

The market price of our common shares may fluctuate significantly in response to factors, some of which are beyond our control, such as:

- the announcement of new products or product enhancements by us or our competitors;
- developments concerning intellectual property rights and regulatory approvals;
- quarterly variations in our and our competitors' results of operations;
- changes in earnings estimates or recommendations by securities analysts;
- developments in our industry; and
- general market conditions and other factors, including factors unrelated to our own operating performance.

Further, the stock market in general has recently experienced extreme price and volume fluctuations. Continued market fluctuations could result in extreme volatility in the price of our common shares, which could cause a decline in the value of our common shares. You should also be aware that price volatility might be worse if the trading volume of our common shares is low.

Our stock is a penny stock. Trading of our stock may be restricted by the SEC's penny stock regulations, which may limit a stockholder's ability to buy and sell our stock.

Our stock is a penny stock. Broker-dealer practices in connection with transactions in "penny stocks" are regulated by certain penny stock rules adopted by the Securities and Exchange Commission. Penny stocks generally are equity securities with a price of less than $5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system), in companies continuously in existence for at least three years with net tangible assets of less than $2,000,000. Penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The broker-dealer must also make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These requirements may have the effect of reducing the level of trading activity, if any, in the secondary market for a security that becomes subject to the penny stock rules. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from effecting transactions in our securities, which could severely limit their market price and liquidity of our securities.

These requirements may restrict the ability of broker-dealers to sell our common stock and may affect your ability to resell our common stock.

FINRA sales practice requirements may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules promulgated by the Securities and Exchange Commission (see above for discussions of penny stock rules), the FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

ITEM 1B UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

We maintain our statutory registered agent's office in Reno, Nevada and our principal executive offices are located at Suite 221, 2323 Quebec Street Vancouver, B.C. We are currently occupying approximately 2,000 square feet of office and technology demonstration space. In addition we are renting storage and warehouse space for discontinued inventory and equipment. We do not have a lease and are renting space on a month-to-month basis. The total monthly rent obligation is approximately $3,300.

ITEM 3. LEGAL PROCEEDINGS

We are not currently involved in any litigation, nor do we know of any threatened litigation against us that would have a material effect on our financial condition.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of our security holders during the year ended May 31, 2009.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Common Stock traded on the OTC Bulletin Board ("OTCBB") from October 5, 1999 to September 2007, on the Pink Sheets from September 2007 to March 2009, and from March 2009 to present on the OTCBB. Over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not represent actual transactions. Prior to August 15, 2007 the name of the Company was Elgrande International Inc. and our trading symbol was "EGDI". On July 19, 2007 the name of the Company was changed to Intelligent Living Corp and effective August 15, 2007, the trading symbol changed to ILVG. On March 17, 2009, commensurate with re-listing on the OTCBB, the trading symbol changed to ILVC. The following sets forth the range of high and low bid information for the quarterly periods indicated of our last two fiscal years as reported by the National Quotation Bureau:

	CLOSING PRICE ($/SHARE)	
	LOW	HIGH
2008		
First Quarter	1.00	2.50
Second Quarter	0.50	1.50
Third Quarter	0.10	0.25
Fourth Quarter	0.05	0.10
2009		
First Quarter	0.05	0.10
Second Quarter	0.01	0.10
Third Quarter	0.01	0.31
Fourth Quarter	0.01	0.02

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information with respect to our common stock issued and available to be issued under outstanding options, warrants and rights.

	A Number of securities to be issued upon exercise of outstanding options, warrants and rights	B Weighted-average exercise price of outstanding options, warrants and rights	C Number of securities remaining available for future issuance under equity compensation plans
Plan category			
Equity compensation plans approved by security holders	NA	NA	NA
Equity compensation plans not approved by security holders	NA	NA	1,907
Total	NA	NA	1,907

HOLDERS

As of August 28, 2008, the number of holders of record of shares of common stock, excluding the number of beneficial owners, whose securities are held in street name, was approximately 1,600.

DIVIDEND POLICY

We do not anticipate paying any cash dividends on our common stock in the foreseeable future because we intend to retain any positive earnings to finance the expansion of our business. Thereafter, declaration of dividends will be determined by the Board of Directors in light of conditions then existing, including without limitation our financial condition, capital requirements and business condition.

RECENT SALES OF UNREGISTERED SECURITIES

The following table sets for the information with respect to all securities of the Company sold in its fiscal years ended May 31, 2007, 2008 and 2009, without registration of the securities under the Securities Act of 1933. The securities so sold are believed by the Company to be exempt from registration under either Regulation S or Rule 506 under the Securities Act of 1933.

If we indicate in the following table that we relied on Section 4(2) of the Securities Act, we relied on the following factors in determining the availability of the exemption: (a) the issuance was an isolated private transaction by us which did not involve a public offering; (b) there were only a very limited number of offerees; (c) there were no subsequent or contemporaneous public offerings of the stock; (d) the stock was not broken down into smaller denominations; and (e) the negotiations for the sale of the stock took place directly between the offerees and us.

If we indicate in the following table that we relied on Regulation S, (a) the subscriber was neither a U.S. person nor acquiring the shares for the account or benefit of any U.S. person, (b) the subscriber agreed not to offer or sell the shares (including any pre-arrangement for a purchase by a U.S. person or other person in the U.S.) directly or indirectly, in the United States or to any natural person who is a resident of the United States or to any other U.S. person as defined in Regulation S unless registered under the Securities Act and all applicable state laws or an exemption from the registration requirements of the Securities Act and similar state laws is available, (c) the subscriber made his, her or its subscription from the subscriber's residence or offices at an address outside of the U.S. and (d) the subscriber or the subscriber's advisor has such knowledge and experience in financial and business matters that the subscriber is capable of evaluating the merits and risks of, and protecting his interests in connection with an investment in the Company.

If we indicate in the following table that we relied on Regulation D, we relied upon Rule 506 and (a) the subscriber was an Accredited Investor (as defined in Regulation D), (b) the subscriber invested in the Company for his own account for investment and not for the account of any other person and not with a view to or for distribution, assignment or resale in connection with any distribution within the meaning of the Securities Act, (c) the subscriber agreed not to sell or otherwise transfer the purchased shares unless they are registered under the Securities Act and any applicable state securities laws, or an exemption or exemptions from such registration are available, (d) the subscriber represented that he had knowledge and experience in financial and business matters such that he is capable of evaluating the merits and risks of an investment in the Company, (e) the subscriber had access to all documents, records, and books of the Company pertaining to the investment and was provided the opportunity ask questions and receive answers regarding the terms and conditions of the offering and to obtain any additional information which the Company possessed or was able to acquire without unreasonable effort and expense, and (f) the subscriber had no need for the liquidity in his investment in the Company and could afford the complete loss of the investment.

Name	Date of Issue	Type of Security[1]	Purchase or Exercise Price (USD Per Share)	Number of Shares Purchased or Purchasable Upon Exercise or Conversion[2]	Expiration Date (WTS) or Due date (DEB)	Exemption
Private Investors	7/07	CS	0.75	8,800		506
Private Investors	8/07	CS	0.75	4,867		506
Private Investors	8/07	CS	0.56	8,889		506
Private Investors	12/07	CS	0.28	40,000		506
Private Investors	1/08	CS	0.18	48,000		506
Private Investors	2/08	CS	0.07	96,000		506
Private Investors	2/08	CS	0.08	96,000		506
Related Parties	2/08	CS	0.13	412,000		S
Related Parties	10/08	CS	0.04	32,188,275		S
Private Investors	10/08-11/08	CS	0.024	11,450,000		S
Private Investors	1/09-5/09	CS	0.021	4,722,218		506
Private Investor	2/02	DEB		$35,000	2/08	S
Private Investors	11/05-2/06	DEB		$555,000	2/11	506
Private Investors	5/06	DEB		$50,000	6/09	506
Private Investor	2/08	DEB		$460,000	6/10	S
Private Investor	6/08	DEB		$326,773	6/10	S

(1) CS – Common Stock, WAR – Warrant, DEB – Debenture; (2) dollar amount convertible

ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

ITEM 7 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statement Regarding Forward-Looking Statements

This annual report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. Some discussions in this report may contain forward-looking statements that involve risk and uncertainty. A number of important factors could cause our actual results to differ materially from those expressed in any forward-looking statements made by us in this report. Forward-looking statements are often identified by words like: "believe", "expect", "estimate", "anticipate", "intend", "project" and similar expressions or words which, by their nature, refer to future events.

In some cases, you can also identify forward-looking statements by terminology such as "may", "will", "should", "plans", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

RESULTS OF OPERATIONS

Overview

Intelligent Living Corp ("ILC", the "Company", "we", "us") formerly Elgrande International Inc. was incorporated in the State of Nevada in 1998. Through its wholly owned subsidiary MCM Integrated Technologies, Ltd. ("MCM") the Company specializes in designing, supplying, installing, upgrading and servicing home automation solutions, energy use monitoring and conservation systems including: structured wiring, security and access control systems, lighting, HVAC and environmental controls, energy use monitoring and reduction systems and distributed audio/video systems. The Company offers both wired and wireless technology for single and multi unit new construction and existing buildings, using both traditional component and Windows Media Center/Vista based systems. Income is derived from both equipment sales and the provision of installation, repair and maintenance services. Customers include technology consumers, residential home owners, developers and builders of single family and multi-unit developments and commercial businesses.

On August 24, 2006, we entered into a preliminary non-binding Letter of Intent ("Letter of Intent") with MCM Integrated Technologies Ltd. ("MCM"), a Vancouver based company wholly owned by Murat Erbatur, one of our directors. The Letter of Intent provided for the acquisition of all of the assets and ongoing contracts of MCM for a price based on an independent third party evaluation of the fair market value of the acquired assets including current assets, liabilities and future value based on the pro forma three year business plan of MCM. On December 8, 2006 ILC acquired all of the outstanding capital stock of MCM for $280,695, which included 10,000,000 shares of common stock of ILC valued at $150,000 and $130,695 in the form of a note payable. With this acquisition, ILC became a leading home automation provider in southwestern BC and the greater Phoenix area.

Prior to the acquisition of MCM the Company was engaged in the import and distribution of home décor products for the North American market. This activity was pursued through its wholly owned subsidiary Cardinal Points Trading Corp. In July 2006, as a result of a breach of the Company's exclusivity agreement with its principal supplier by its principal supplier and other production related issues the board of directors began an evaluation of alternative business models and opportunities. In December 2006 the Company discontinued its activity in the home décor sector and began a process to dispose of assets and obligations related to the home décor import and distribution business. This process continued through the year ended May 31, 2009. Liquidation of the Company's home décor inventory has been slower than expected principally as a result of the slowdown of the US economy, dating of the Company's home décor inventory and competition from suppliers of similar product to the home décor wholesale market.

MCM has supplied custom IT solutions since 1994 and home automation and energy management solutions since 2003. The Company has offices and demonstration suites in Phoenix Arizona and Vancouver British Columbia and is active with single family homes and multi-unit town homes and condominium projects in southwest BC, the greater Phoenix area and is pursuing market opportunities in Istanbul Turkey.

Following the acquisition of MCM in December 2006, the Company has expanded its service offerings to include home comfort and energy efficiency solutions integrated with and controlled by home automation applications. In response to the downturn in the US housing market the Company has increased its focus on the western Canadian housing market by expanding its marketing and project base and initiated technology cooperation with a leading security surveillance group in the Republic of Turkey for market development in Turkey and the Middle East.

Results from ongoing operations reported for the year ending May 31, 2008 and 2009 relate to sales of home automation and energy efficiency products and services including system design, equipment supply, installation and support. Results from discontinued operations relate to the Company's phase out activities in the home décor sector and include the costs of liquidating inventory, renting temporary warehouse space for remaining home décor inventory and office equipment, legal, professional and staff time related to eliminating and reducing liabilities associated with discontinued operations and pursuing legal recourse against the Company's home décor supplier, accretion of beneficial conversion and financing fee discount and interest charges associated with historical financings related to home décor inventory support.

Foreign currency translation

MCM Integrated Technologies, Ltd. and Cardinal Points Trading, Corp. use the Canadian Dollar as their functional currency. Transactions denominated in currencies other than the entity's functional currency are translated into the entity's functional currency at the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling on the balance sheet date. Currency translation differences are recognized in the statement of income for the period.

On consolidation, the results of operations and cash flows whose functional currency is other than the US dollar are translated into US dollars at the average exchange rate for the period and their assets and liabilities are translated into US dollars at the exchange rate ruling on the balance sheet date. Currency translation differences are recognized within other comprehensive income as a separate component of shareholders' equity. In the event that such an operation is sold, the cumulative currency translation differences that are attributable to the operation are reclassified to income.

During the 12 month period June 1, 2008 through May 31, 2009, the US dollar to Canadian Dollar exchange rate has varied from a low of 0.7739 on October 29, 2008 to a high of 1.0072 on June 1, 2008. The closing exchange rate was 0.9163 and the average exchange rate over the year ended May 31, 2009 was 0.9717 resulting in a comprehensive income of $7,342 for the year ended May 31, 2009.

Transactions with related parties

In Q3 2007, the Company purchased MCM Integrated Technologies, Ltd. a company owned by a Director of Intelligent Living Corp for an aggregate amount of less than $0.3 million. Prior to the acquisition, the board commissioned an independent fairness opinion on the transaction and the transaction was authorized by the board of directors, with the director involved in the transaction abstaining from voting on the approval resolution. It is believed that these transactions represent fair value for the assets and liabilities purchased.

Comparison of the Years Ended May 31, 2009 and May 31, 2008.

For the year ended May 31, 2009, revenues from continuing operations were $233,961compared to $269,062 in the same period ending last year. These revenues are a result of the sale of smart home products and services.

For the year ended May 31, 2009, gross profit from continuing operations was $127,178 compared to $117,745 in the same period in the prior year. Gross margin (gross profit as a percent of revenue) was 54% for the year ended May 31, 2009, 14% above the forecast value of 40% and 10% higher than the prior year. The increased gross margin reflects more efficient operations and higher margins on equipment sales.

Operating expenses associated with ongoing operations for the year ended May 31, 2009, were $231,609 versus $189,944 for the same period in the prior year. The 22% increase in operating expenses reflects a 33% increase in salary costs required to stay compensation competitive and a 20% increase in Office and Administrative expenses related to staff training, audit and legal fees and the creation of a doubtful account reserve of $26,413, a decrease of 17% in selling expenses and a small increase in depreciation expense. Increased expenses were partially offset by the Company's increased gross margin.

The Company recorded an operating loss from continuing operations of ($104,431) for the year ended May 31, 2009 compared to an operating loss of ($72,199) for the same period in the prior year.

Total other expenses for the year ended May 31, 2009 were $19,750 compared to $32,555 for the comparable period in the prior year. This reduction reflects decreased interest expenses as a result of more favorable operating loan terms.

The net loss from continuing operations for the year ended May 31, 2009 was ($124,181) compared to a net loss of ($104,754) for the comparable period in the prior year.

During the year ended May 31, 2009 the Company recognized revenues of $396 on the sale of discontinued inventory and incurred expenses associated with its discontinued operations. Expenses include the costs of liquidating inventory, renting temporary warehouse space for remaining home décor inventory and office equipment, legal, professional and staff time related to eliminating and reducing liabilities associated with discontinued operations, accretion of beneficial conversion and financing fee discount and interest charges associated with historical financings related to home décor inventory support. The net loss from discontinued operations was $239,614 compared to a net loss of $974,083 for the comparable period in the prior year. The decrease was due to reductions in interest expenses, amount of accretion expenses, staff, legal and professional expenses, interest charges and rental of temporary space.

The consolidated net loss for the year ended May 31, 2009 was $363,795 compared to $1,078,837 for the comparable period in the prior year. A gain of $$7,342 was realized due as a result of foreign currency translation compared to a loss of $40,317 in the comparable period of the prior year. The resulting comprehensive loss for the period ending May 31, 2009 was $356, 435 compared to $1,119,154 for the corresponding period in the prior year.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As of May 31, 2009, our principal sources of liquidity included cash and cash equivalents, cash flow from our operating subsidiaries, and loans from related parties. At May 31, 2009, cash and cash equivalents totaled $3,022 compared to $9,369 at May 31, 2008.

Our business is in transition and our liquidity must be considered in light of the risks, expenses and difficulties frequently encountered by companies in our stage of re-development. The decisions to discontinue operations in the wholesale home décor sector and acquire the assets and ongoing business of MCM have directly impacted sales and liquidity. Discontinuation of the home décor business has resulted in a substantial loss of revenue, a parallel increase in the cost of sales and significant un-anticipated costs associated with the shutdown of the home décor operation. These events resulted in a substantial negative impact on cash flow.

The transition to the home automation sector through the acquisition of MCM Integrated Technologies created a new revenue and cost structure and occurred at the same time that the U.S. housing market entered the current period of substantially reduced activity, declining home prices and contraction in the availability of consumer credit. The Company operates in both the U.S. and Canadian home automation markets. The impact on the Canadian market as a result of the U.S. led recession was delayed and did not appear in strength until the beginning of calendar year 2008. The impaired U.S. and Canadian economies and financial markets have and will continue to impact the Company's sales and liquidity in the present and near term. Risk factors relevant to these events and decisions include, but are not limited to: the Company's ability to secure ongoing product supply, foreign exchange fluctuations, continued acceptance of the Company's products and services, changes in technology and consumer adoption of technology, the strength of the North American housing market and consumer economy in general, and cannot be credibly quantified by the Company at this time.

Internal and External Sources of Capital

For the year ending May 31, 2009 the Company realized a loss on operations of $104,431 and a net loss of $363,795. As of May 31, 2009 the Company had a working capital deficit of $937,746 and limited assets to sell in order to create short or long term liquidity. Therefore, we are dependent on external sources for funding until such time as the Company develops positive net cash flow to maintain liquidity. Until such time as we have positive cash flow on a sustained basis, the dependence on external capital will remain. There are no guarantees that we will be able to raise external capital in sufficient amounts or on terms acceptable to us.

Investing Activities
Investing activities for the period from inception through May 31, 2009 consisted primarily of the purchase of inventory for sale, equipment and soft costs associated with development of our areas of business activities and supporting infrastructure.

Financing Activities
Since inception, we financed operations through proceeds from the issuance of equity and debt securities and loans from shareholders and others. To date, we raised approximately $12.5 million from the sale of common stock and as at May 31, 2009 we have borrowings of approximately $1.5 million from investors and shareholders. Funds from these sources were used as working capital to fund the development of the Company.

The Company executed a securities purchase agreement dated as of December 7, 2005 (the "Purchase Agreement") with certain accredited investors under which we agreed to sell to these investors our convertible Debentures due three years from the final Closing Date under the Purchase Agreement in the aggregate principal amount of up to $600,000 bearing interest at the rate of 6% per annum and convertible into restricted shares of our Common Stock at a conversion price for each share of Common Stock equal to 75% of the lowest closing bid price per share (as reported by Bloomberg, LP) of our Common Stock for the fifteen trading days immediately preceding the date of conversion. At the close of the offering the company the company completed the sale of an aggregate of $555,000 in Debentures under the Purchase Agreement which resulted in net proceeds of $424,850. In February 2008 the debenture holders extended the maturity date of the debentures to February 28, 2011.

The Company secured additional debenture financing from an accredited investor in the amount of $50,000 under terms similar to the December 7, 2005 purchase agreement. In February 2008 the debenture holder extended the maturity date of this debenture to May 2009

Year to date loans and repayments to related parties netted to approximately $121,307. The net total of financing activities for the year ended May 31, 2009 was approximately $135,968.

FUTURE PLAN OF OPERATIONS

On December 8, 2006 the Company acquired all of the outstanding capital stock of, and entered into an Agreement and Plan of Reorganization with MCM Integrated Technologies, Ltd. (“MCM”). At the time of the acquisition MCM had ongoing projects, prospects and outstanding proposals for work in the greater Phoenix area, the Okanagan area of south central British Columbia and the greater Vancouver area. As of December 8, 2006, the Company reorganized and focused primarily in the areas of smart home technology.

Following the acquisition of MCM in December 2006, the Company has expanded its service offerings to include home comfort and energy efficiency solutions integrated with and controlled by home automation applications.

Since 2007 and through 2009, the U.S. credit markets began to experience serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market (particularly, subprime and non-prime mortgages) and a decline in the credit quality of mortgage backed securities. These problems led to a dramatic and prolonged slow-down in residential housing market transactions in the U.S.

In response to the downturn in the U.S. housing market the Company has increased its focus on the western Canadian housing market by expanding its marketing and project base and has initiated technology cooperation with a leading security surveillance group in the Republic of Turkey for market development in Turkey and the middle East. This effort will continue through the fiscal year ending May 31, 2010.

The Company is actively evaluating opportunities to expand its business activities through both vertical expansion within the Company’s current green building, home automation and energy conservation sectors and horizontally within related sectors. The western Canadian housing market, and in particular, the southwestern British Columbia housing market has been significantly less impacted than the U.S. market and the opportunities for the Company’s products and services have been less negatively affected.

The far eastern European and west Asian areas of Turkey are experiencing a housing boom, supported by Middle Eastern oil revenues, that has remained buoyant through the ongoing global credit crisis. The Company has historical ties to this area and plans to continue to pursuing technology cooperation and marketing activities within Turkey and the Middle East.

On December 8, 2006 the Company discontinued its activity in the home décor sector and began a process to liquidate its residual inventory of home décor products and to fully wind down its home décor business. This process continued through the year ending May 31, 2009 and will continue into the future until such time as this inventory is liquidated and liabilities associated with the discontinued operation are eliminated or mitigated to the maximum extent possible.

Cash flow from ongoing MCM business activities, the sale of residual home décor inventory combined with loans from related parties are estimated to be sufficient to sustain the current level of operations and planned activities through to the end of December 2009.

OFF BALANCE-SHEET ARRANGEMENTS

During the year ended May 31, 2009 the Company did not engage in any off-balance sheet arrangements as defined in Item 303(a) of the SEC's Regulation S-K.

ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our bank credit facility because borrowings under the facility are variable rate borrowings. At the current time all of the borrowings under our credit agreements accrue interest at the Prime Rate plus applicable margins. Assuming that the balance on our line of credit as of May 31, 2009, was the same throughout the entire year, each 1.0% increase in the prime interest rate on our variable rate borrowings would result in an increase in annual interest expense and a decrease in our cash flows and income before taxes of approximately $3,275 per year.

Foreign Currency Exchange Risks

Our home automation subsidiary (MCM) and discontinued home décor subsidiary (Cardinal Points) have operations in Canada, both have assets and liabilities in Canadian dollars and both use the Canadian Dollar as a functional currency. Each financial period, all assets, including goodwill, and liabilities of MCM and Cardinal Points are translated into U.S. Dollars, our reporting currency, using the closing rate method. In addition, we occasionally purchase goods in Canadian dollars for resale in US dollars and routinely purchase goods in US dollars for resale in Canadian dollars. Recently, we have purchased goods in both US dollars and Canadian dollars for resale in Euros.

There are principally two types of foreign exchange risk: transaction risks and translation risks. Transaction risks may impact the results of operations and translation risks may impact comprehensive income. These are discussed more fully below.

Transaction risks

Transactions in currencies other than the functional currency are translated at either an average exchange rate used for the reporting period in which the transaction took place (to approximate to the exchange rate at the date of transactions for that period) or in some cases the rate in effect at the date of the transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is settled or translated, are recognized in the consolidated statements of operations as foreign exchange transaction gains and losses.

MCM's and Cardinal Points' cash balances consist of Canadian Dollars and U.S. Dollars. This exposes us to foreign currency exchange rate risk in the Statement of Operations. The change in exposure from period to period is related to the change in the balance of the bank accounts based on timing of event receipts and payments. For the period ended May 31, 2009, the Company purchased goods and services of approximately $85,000 for sale in Canadian dollars. During the 12 month period June 1, 2008 through May 31, 2009, the US dollar to Canadian Dollar exchange rate has varied from a low of 0.7739 on October 29, 2008 to a high of 1.0072 on June 1, 2008. Assuming that the majority of the goods and services were priced in U.S. dollars at their point of origin and that the goods and services were purchased at the extremes of the observed swing in the U.S. Dollar exchange rate against the Canadian Dollar, with all other variables held constant in shift of approximately CAD 25,400 in the cost of goods and services would be realized.

Translation risks

The financial statements of MCM and Cardinal Points, with a functional currency of Canadian dollars, are translated into U.S. dollars using the current rate method. Accordingly, assets and liabilities are translated at period-end exchange rates while revenue, expenses and cash flows are translated at reporting period weighted average exchange rates. Adjustments resulting from these translations are accumulated and reported as the principal component of other comprehensive loss in stockholders' equity. The magnitude of the adjustment resulting from application of the current rate method is directly related to the difference between the average exchange rate and closing exchange rate for the period.

The fluctuation in the exchange rates resulted in foreign currency translation gains reflected in comprehensive gain in stockholders' equity of $7,342 at May 31, 2009. Future changes in the value of the U.S. dollar to Canadian dollar could have a material impact on our financial position.

ITEM 8. FINANCIAL STATEMENTS

Chisholm Bierwolf & Nilson, LLC Certified Public Accountants

Todd D. Chisholm, Audit Partner
Nephi J. Bierwolf, Tax Partner
Troy F. Nilson, Audit Partner

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Intelligent Living Corp and Subsidiaries
Vancouver, BC Canada

We have audited the accompanying balance sheets of Intelligent Living Corp as of May 31, 2009 and 2008, and the related statements of operations, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, audits of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Intelligent Living Corp as of May 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has a working capital deficit, is dependent on financing to continue operations, and has suffered recurring losses to date, which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

/S/ Chisholm Bierwolf & Nilson, LLC

Chisholm Bierwolf & Nilson, LLC
Bountiful, Utah
September 10, 2009

INTELLIGENT LIVING CORP.
(Formerly known as Elgrande International, Inc.)
CONSOLIDATED BALANCE SHEETS

	May 31	
	2009	**2008**
ASSETS		
CURRENT ASSETS		
Cash	$ 3,022	$ 9,369
Accounts Receivable	39,715	41,321
Prepaid expenses	5,760	4,166
Inventory	65,317	54,166
Investment	36,635	40,309
Employee expense advances	2,626	2,652
GST/PST tax refundable (payable)	-	83
TOTAL CURRENT ASSETS	**$ 153,075**	**$ 152,066**
PROPERTY & EQUIPMENT, NET	**85,450**	**148,001**
OTHER ASSETS		
Deposits	820	902
Goodwill MCM	241,329	243,361
Other assets	13,974	15,375
TOTAL OTHER ASSETS	**256,123**	**259,638**
TOTAL ASSETS	**$ 494,648**	**$ 559,705**
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
CURRENT LIABILITIES		
Bank Overdraft	46,974	50,684
Accounts payable	381,977	389,895
Accrued liabilities	22,701	225,633
Accrued interest	192,092	270,176
Subscription Deposit	-	289,245
Short Term Note	101,275	85,828
Short Term Note - Related Parties	345,802	1,005,881
TOTAL CURRENT LIABILITIES	**$ 1,090,821**	**$ 2,317,342**
LONG-TERM LIABILITIES		
Debentures and Loans	1,010,007	801,746
Debentures and Loans - Related Parties	-	339,999
TOTAL LONG TERM LIABILITIES	**1,010,007**	**1,141,745**
TOTAL LIABILITIES	**2,100,828**	**3,459,087**
STOCKHOLDERS' (DEFICIT)		
Common stock, 800,000,000 shares authorized, $0.001 par value; 49,336,477 and 975,998 issued and outstanding respectively	49,336	976
Additional paid in capital	12,539,355	10,938,061
(Accum deficit)	(14,140,456)	(13,776,661)
Accum other comp income/(loss)	(54,415)	(61,758)
TOTAL STOCKHOLDERS' (DEFICIT)	**$ (1,606,180)**	**$ (2,899,382)**
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	**$ 494,648**	**$ 559,705**

The accompanying notes are an integral part of these financial statements.

INTELLIGENT LIVING CORP.

(Formerly known as Elgrande International Inc.)

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

		Year Ending May 31	
		2009	**2008**
Revenues			
Smart-Home products and services	$	233,931	269,062
Cost of revenues			
Intelligent Home: Equipment & Services		106,753	151,317
Gross profit		127,178	117,745
Expenses			
Selling expense		2,264	2,715
Salaries		93,178	69,885
Depreciation		27,546	26,556
Office & Admin		108,621	90,788
TOTAL OPERATING EXPENSES		231,609	189,944
GAIN (Loss) from operations		(104,431)	(72,201)
Other income (expense)			
Interest expense		(19,750)	(32,107)
TOTAL OTHER INCOME (EXPENSE)		(19,750)	(32,107)
GAIN (LOSS) FROM CONTINUING OPERATIONS	$	(124,181)	(104,308)
GAIN (LOSS) FROM DISCONTINUED OPERATIONS		(239,614)	(974,082)
NET LOSS BEFORE INCOME TAX		**(363,795)**	**(1,078,390)**
INCOME TAX EXPENSE		-	-
NET LOSS		**(363,795)**	**(1,078,390)**
EARNINGS PER SHARE BASIC AND DILUTED			
(Loss) income per share from continuing operations		(0.00)	(0.20)
(Loss) per share from discontinued operations		(0.01)	(1.96)
Net (Loss) per share		(0.01)	(2.16)
Weighted average number of common stock shares outstanding, basic and diluted		29,461,195	498,138
OTHER COMPREHENSIVE INCOME			
Foreign currency translation gain (loss)		7,342	(40,317)
Comprehensive gain (loss)	$	**(356,453)**	**(1,118,707)**

The accompanying notes are an integral part of these financial statements.

INTELLIGENT LIVING CORP.
(Formerly known as Elgrande International, Inc.)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

	Common Stock			Accumulated Other	Total
	Number of Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Comprehensive Income (Loss)	Stockholders' Deficit
Balance, May 31, 2006	79,024	$ 79	$ 10,080,398	$ (11,747,517)	$ (10,520)	$ (1,677,561)
Stock issued for services at an average of $5.00 per share	66,400	66	331,934			332,000
Stock issued for purchase MCM Integrated Tech	20,000	20	149,980			150,000
Stock issued for conversion of debentures (1)	34,000	34	59,816			59,850
Recording of beneficial conversion feature (1)			50,000			50,000
Imputed interest on Shareholder Loan			63,505			63,505
Net loss for the year ended May 31, 2007				(950,307)		(950,307)
Foreign currency translation gain (loss)					(10,920)	(10,920)
Balance, May 31, 2007	199,424	$ 199	$ 10,735,633	$ (12,697,824)	$ (21,440)	$ (1,983,432)
Stock issued for services at an average of $0.76 per share	114,000 -	114	86,286			86,400
Stock issued for conversion of debentures (1) at an average of $0.16 per share	302,556 -	303	48,367			48,670
Stock issued for debt interest at an average price of $0.125 per share	360,000	360	44,640			45,000
Imputed interest on Shareholder Loan			23,135			23,135
Net loss for the year ended May 31, 2008				(1,078,837)		(1,078,837)
Foreign currency translation gain (loss)					(40,317)	(40,317)
Balance, May 31, 2008	975,980	$ 976	$ 10,938,061	$ (13,776,661)	$ (61,757)	$ (2,899,381)
stock issued for conversion of debt at an average of $0.035 per share	43,638,275	43,638	1,500,303			1,543,941
stock issued for conversion of debt at an average of $0.021 per share	4,722,218	4,722	93,278			98,000
Imputed interest on shareholder loan			7,713			7,713
Net loss for the year ended May 31, 2009				(363,795)		(363,795)
Foreign currency translation gain (loss)					7,342	7,342
Balance, May 31, 2009	49,336,473	$ 49,336	$ 12,539,355	$ (14,140,456)	$ (54,415)	$ (1,606,180)

The accompanying notes are an integral part of these financial statements.

INTELLIGENT LIVING CORP.

(Formerly known as Elgrande Internationalk, Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOW

	Year Ended May 31	
	2009	**2008**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (363,795)	$ (1,078,837)
Adjustments to reconcile net loss		
to net cash used by operating activities:		
Amortization of debt discount	60,735	156,172
Services paid by issuance of common stock	-	53,900
Depreciation	52,122	50,616
Imputed Interest	7,716	23,135
Decrease (increase), net of acquisition, in:		
Accounts receivable	(1,644)	64,988
Prepaid expenses	(1,594)	(874)
Inventory	(11,151)	101,301
Increase (decrease), net of acquisition, in:		
Accrued liabilities and accrued interest	101,862	514,754
Employee advance receivable	-	(22)
Accounts payable	8,575	59,838
GST tax refundable	83	2,218
Bank overdraft	(3,710)	14,706
Net cash used in operating activities	(150,801)	(38,105)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash used for purchases of fixed assets	-	(20,173)
Deposits	-	4,932
Net cash used in investing activities	-	(15,241)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans, related party	121,879	58,484
Repayment of loans, related party	572	(8,041)
Proceeds from loans	14,661	19,917
Net cash provided by financing activities	137,112	70,360
Net increase (decrease) in cash	(13,689)	17,014
Foreign currency translation gain (loss)	7,342	(24,720)
Cash, beginning of period	9,369	17,075
Cash, end of period	$ **3,022**	$ **9,369**
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest and income taxes:		
Interest	$ 19,750	$ 37,009
Income taxes	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Common stock issued for services	$ -	$ 53,900
Accrued liabilities paid in common stock	$ 200,000	$ 32,500
Common stock issued for debt and interest	$ 1,441,941	$ 93,670
Accrued liabilities converted to common stock	$ 36,027	$ -

The accompanying notes are an integral part of these financial statements

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Intelligent Living Corp ("ILC", the "Company", "we", "us") formerly Elgrande International Inc., through its wholly owned subsidiary MCM Integrated Technologies, Ltd. ("MCM"), specializes in designing, supplying, installing, upgrading and servicing home automation and commercial presentation center solutions including: structured wiring, security and access control systems, internet access, lighting, HVAC and environmental controls, and distributed audio/video systems. The Company offers both wired and wireless technology for single and multi unit new construction and existing buildings, using both traditional component and Windows Media Center/Vista based systems. The Company is expanding its service offerings to include home comfort and energy efficiency solutions integrated with and controlled by home automation applications.

MCM has been supplying custom IT solutions since 1994 and home automation solutions since 2003. The Company has offices and demonstration suites in Phoenix AZ and Vancouver BC and is active with single family homes and multi-unit town homes and condominium projects in southwest BC and the greater Phoenix area.

On August 24, 2006, we entered into a preliminary non-binding Letter of Intent ("Letter of Intent") with MCM Integrated Technologies Ltd. ("MCM"), a Vancouver based company wholly owned by Murat Erbatur, one of our directors. The Letter of Intent provided for the acquisition of all of the assets and ongoing contracts of MCM for a price based on an independent third party evaluation of the fair market value of the acquired assets including current assets, liabilities and future value based on the pro forma three year business plan of MCM. On December 8, 2006 ILC acquired all of the outstanding capital stock of MCM for $280,695, which included 10,000,000 shares of common stock of ILC valued at $150,000 and $130,695 in the form of a note payable. With this acquisition, ILC became a leading home automation provider in southwestern BC and the greater Phoenix area.

Prior to the acquisition of MCM the Company was engaged in the import and distribution of home décor products for the North American market. This activity was pursued through its wholly owned subsidiary Cardinal Points Trading Corp. In July 2006, as a result of a breach of the Company's exclusivity agreement with its principal supplier by its principal supplier and other production related issues the board of directors began an evaluation of alternative business models and opportunities. In December 2006 the Company discontinued its activity in the home décor sector and began a process to dispose of assets and obligations related to the home décor import and distribution business. This process continued through the year ended May 31, 2009. Liquidation of the Company's home décor inventory has been slower than expected principally as a result of the slowdown of the US economy, dating of the Company's home décor inventory and competition from suppliers of similar product to the home décor wholesale market.

MCM has supplied custom IT solutions since 1994 and home automation and energy management solutions since 2003. The Company has offices and demonstration suites in Phoenix Arizona and Vancouver British Columbia and is active with single family homes and multi-unit town homes and condominium projects in southwest BC, the greater Phoenix area and is pursuing market opportunities in Istanbul Turkey.

Following the acquisition of MCM in December 2006, the Company has expanded its service offerings to include home comfort and energy efficiency solutions integrated with and controlled by home automation applications. In response to the downturn in the US housing market the Company has increased its focus on the western Canadian housing market by expanding its marketing and project base and initiated technology cooperation with a leading security surveillance group in the Republic of Turkey for market development in Turkey and the Middle East.

Results from ongoing operations reported for the year ending May 31, 2008 and 2009 relate to sales of home automation and energy efficiency products and services including system design, equipment supply, installation and support. Results from discontinued operations relate to the Company's phase out activities in the home décor sector and include the costs of liquidating inventory, renting temporary warehouse space for remaining home décor inventory and office equipment, legal, professional and staff time related to eliminating and reducing liabilities associated with discontinued operations and pursuing legal recourse against the Company's home décor supplier, accretion of beneficial conversion and financing fee discount and interest charges associated with historical financings related to home décor inventory support.

The Company's year-end is May 31.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Intelligent Living Corp. is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Accounting for Stock Options and Warrants Granted to Employees and Non-employees
We account for stock-based compensation in accordance with the provisions of SFAS No. 123 (Revised 2004), "*Share-Based Payment.*" Under the fair value recognition provisions of SFAS No. 123R, stock-based compensation cost is estimated at the grant date based on the fair value of the award and is recognized as expense ratably over the requisite service period of the award. Determining the appropriate fair value model and calculating the value of stock-based awards, which includes estimates of stock price volatility, forfeiture rates and expected lives, requires judgment that could materially impact our operating results.

Accounting Method
The Company's financial statements are prepared using the accrual method of accounting.

Advertising and Marketing Expenses
Advertising expenses consist primarily of costs incurred in the design, development, and printing of Company literature and marketing materials. It also includes expenses related to trade shows and display racks supplied to customers. The Company expenses all advertising expenditures as incurred. The Company incurred advertising and marketing expenses of $2,264 and $2,715 for the years ending May 31, 2009 and 2008 respectively.

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. At May 31, 2009 and 2008, the Company did not have cash equivalents.

Comprehensive Income
In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (hereinafter "SFAS No. 130"). SFAS No. 130 established standards for reporting and displaying comprehensive income, its components and accumulated balances. SFAS No. 130 is effective for periods beginning after December 15, 1997. The Company has adopted this accounting standard and for the year ending May 31, 2009 reported a comprehensive gain of $7,342 resulting from the conversion of Canadian dollar subsidiaries into US dollars. For the year ending May 31, 2009 the

accumulated comprehensive loss due to the conversion of Canadian dollar subsidiaries into US dollars was $54,415.

<u>Costs Associated with Exit or Disposal Activities</u>
In June 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" (hereinafter "SFAS No. 146"). SFAS No. 146 addresses significant issues regarding the recognition, measurement, and reporting of costs associated with exit and disposal activities, including restructuring activities. SFAS No. 146 also addresses recognition of certain costs related to terminating a contract that is not a capital lease, costs to consolidate facilities or relocate employees, and termination benefits provided to employees that are involuntarily terminated under the terms of a one-time benefit arrangement that is not an ongoing benefit arrangement or an individual deferred-compensation contract. SFAS No. 146 was issued in June 2002 and is effective for activities after December 31, 2002. There has been no impact on the Company's financial position or results of operations from adopting SFAS No. 146.

<u>Derivative Instruments</u>
The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (hereinafter "SFAS No. 133"), as amended by SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities – Deferral of the Effective Date of FASB No. 133", and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities", and SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities". These statements establish accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. They require that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value.

If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of gain or loss recognition on the hedging derivative with the recognition of (i) the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change.

Historically, the Company has not entered into derivatives contracts to hedge existing risks or for speculative purposes.

Conversion of the principal and accrued interest of outstanding debentures and notes payable would require the issuance of more shares than are currently authorized and as such would require a net cash settlement of the shares, creating a derivative liability. However, the cost to settle the net cost of the debt at fair market value of the stock is less than the recorded debt and therefore no derivative liability is recorded on the Company's balance sheet. At May 31, 2009, the Company has not engaged in any transactions that would be considered derivative instruments or hedging activities.

<u>Earnings per Share</u>
The Company has adopted Statement of Financial Accounting Standards Statement No. 128, "Earnings Per Share". Basic loss per share is computed using the weighted average number of common shares outstanding. Diluted net loss per share is the same as basic net loss per share, as the inclusion of common stock equivalents would be antidilutive.

	For the Year Ended May 31,	
(in thousands)	**2009**	**2008**
Gain (Loss) from continuing operations	$ (124.2)	$ (104.3)
Gain (Loss) from discontinued operations	(239.6)	(974.1)
Net gain (loss) income	$ (363.8)	$ (1,078.4)
Weighted average shares outstanding:		
basic and dilutive	29,461,195	498,138
Effect of dilutive securities:		
stock options and warrants	—	—
Convertible notes	—	—
diluted	29,461,195	498,138
Gain (Loss) per share from continuing operations: basic and diluted	$ (0.00)	$ (0.20)
Gain (Loss) per share from discontinued operations: basic and diluted	$ (0.01)	$ (1.96)
Net (loss) income per share: basic and diluted	$ (0.01)	$ (2.16)

The following potential common shares have been excluded from the computation of diluted net income per share for the year ended May 31, 2009 because their inclusion would have been antidilutive:

	For the Year Ended May 31, 2009
Outstanding common stock options and warrants	Nil
Convertible notes	177,813,670

Fair Value of Financial Instruments

SFAS No. 157 *"Fair Value Measurements"* requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. SFAS No. 157 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. SFAS No. 157 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Our financial instruments consist principally of cash, deposits, accounts payable, and amounts owed to related parties. Pursuant to SFAS No. 157, the fair value of our cash equivalents is determined based on “Level 1” inputs, which consist of quoted prices in active markets for identical assets. We believe that the recorded values of all of our other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

The Company’s operations are in Canada and the United States, which results in exposure to market risks from changes in foreign currency rates. The financial risk is the risk to the Company’s operations that arise from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Foreign Currency Translation

The Company has adopted Financial Accounting Standard No. 52. Monetary assets and liabilities denominated in foreign currencies are translated into United States dollars at rates of exchange in effect at the balance sheet date. Gains or losses are included in income for the year, except gains or losses relating to long-term debt, which are deferred and amortized over the remaining term of the debt. Non-monetary assets, liabilities and items recorded in income arising from transactions denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction.

MCM Integrated Technologies, Ltd. and Cardinal Points Trading, Corp. both use the Canadian Dollar as their functional currency. Transactions denominated in currencies other than the entity’s functional currency are translated into the entity’s functional currency at the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling on the balance sheet date. Currency translation differences are recognized in the statement of income for the period.

On consolidation, the results of operations and cash flows whose functional currency is other than the US dollar are translated into US dollars at the average exchange rate for the period and their assets and liabilities are translated into US dollars at the exchange rate ruling on the balance sheet date. Currency translation differences are recognized within other comprehensive income as a separate component of shareholders’ equity. In the event that such an operation is sold, the cumulative currency translation differences that are attributable to the operation are reclassified to income.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern.

As shown in the accompanying financial statements, at May 31, 2009 the Company has an accumulated deficit of $14,140,456, and current liabilities in excess of current assets by $937,746. These circumstances raise substantial doubt about the Company’s ability to continue as a going concern. Other than a reserve for the full book value of home décor assets ($96,550) and an accounts receivable reserve ($27,764), the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Commencing in July 2006 and continuing through the year ended May 31, 2009 management has systematically continued to phase out of the home décor sector. Commencing in Q3 2007 the Company began reporting all home décor activity under the category of discontinued operations. In December 2006 the Company re-structured into the home automation sector with the acquisition the ongoing business, assets and liabilities of MCM Integrated Technologies. The transition has substantially reduced the Company's financial obligations with respect to overheads, cost of inventory, cost of sales and need for support services. As a result of this acquisition, the Company has reported positive operating income due to ongoing activities for the year ended May 31, 2007 and a loss on ongoing activities for the years ended May 31, 2008 and 2009.

Management expects to continue the Company's transition, solidifying its market position as a leading supplier of home automation and green energy efficient products, services and systems.

Inventory

In November 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 151, "Inventory Costs— an amendment of ARB No. 43, Chapter 4". This statement amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Paragraph 5 of ARB 43, Chapter 4, previously stated that ". . . under some circumstances, items such as idle facility expense, excessive spoilage, double freight, and re-handling costs may be so abnormal as to require treatment as current period charges. . . ." This statement requires that those items be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal." In addition, this statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. This statement is effective for inventory costs incurred during fiscal years beginning after June 15, 2005.

Inventory at May 31, 2009 and May 31, 2008 consisted of a variety of home-décor products and home automation equipment. Home décor inventories are recorded using the specific identification method and valued at the lower of recorded cost or market value. Home automation inventory consisting of manufactured products is recorded using the first in first out method and valued at the lower of recorded cost or market value. On May 31, 2008 the Company recognized a reserve for potential inventory obsolescence. The recorded cost of inventory was $161,867 at May 31, 2009 and $160,697 at May 31, 2008. A reserve was created on May 31, 2008 to cover the full recorded cost of home décor product. The value of the reserve was of $96,550 on May 31, 2009. There were no reserves recorded for home automation inventory for the year ended May 31, 2009.

	2008	2007
Inventory	Recorded Cost	
Home automation equipment	$65,317	$54,166
Home décor products	$96,550	$106,531
Total Recorded Cost	$161,867	$160,697
	Reserve	
Home automation equipment	-	-
Home décor products	$96,550	$106,531
Total Inventory net of reserve	$65,317	$54,166

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant inter-company transactions and balances have been eliminated in consolidation. References herein to the Company include the Company and its subsidiaries, unless the context otherwise requires.

Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets, which range from four to seven years (see note 3).

Provision for Taxes

Income taxes are provided based upon the liability method of accounting pursuant to Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (hereinafter "SFAS No. 109"). Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the "more likely than not" standard imposed by SFAS No. 109 to allow recognition of such an asset.

At May 31, 2009, the Company had net deferred tax assets calculated at an expected rate of 34% of approximately $3,200,000 principally arising from net operating loss carryforwards for income tax purposes. As management of the Company cannot determine that it is more likely than not that the Company will realize the benefit of the net deferred tax asset, a valuation allowance equal to the net deferred tax asset has been established at May 31, 2009. The significant components of the deferred tax asset at May 31, 2009 and May 31, 2008 were as follows:

	May 31, 2009	May 31, 2008
Net operating loss carry forward	$ 11,507,000	$ 11,143,000
Deferred tax asset -NOL	$ 3,912,000	$ 3,788,000
Deferred tax asset valuation allowance	$ (3,912,000)	$ (3,788,000)
Net deferred tax asset	$ -	$ -

At May 31, 2009, the Company had net operating loss carryforwards of approximately $11,143,000 which expire in the years 2020 through 2027. The change in the allowance account from May 31, 2008 to May 31, 2009 was $123,700.

The components of current income tax expense as of May 31, 2009 and 2008 respectively are as follows:

	As of May 31, 2009	2008
Current federal tax expense	$ -	$ -
Current state tax expense	$ -	$ -
Change in NOL benefits	$ 123,700	$ 348,000
Change in valuation allowance	$ (123,700)	$ (348,000)
Income tax expense	$ -	$ -

Revenue and Cost Recognition

The Company recognizes revenues in accordance with the SEC's Staff Accounting Bulletin ("SAB") No. 104, Revenue Recognition in Financial Statements ("SAB 104"), which provides guidance on the recognition, presentation and disclosure of revenue in financial statements filed with the SEC. Revenue is recognized when (1) the price is fixed or determinable; (2) persuasive evidence of an arrangement exists; (3) delivery has occurred or services rendered; and (4) collectability of the resulting receivable is reasonably assured. At the inception of a customer order, we make an assessment as to that customer's ability to pay for the products and services provided. If we subsequently determine that collection from the customer is not reasonably assured, we record an allowance for doubtful accounts and bad debt expense for that customer's unpaid invoices. Payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as advances from customers.

In November 2001, the Emerging Issues Task Force reached a consensus on Issue 01-9, "Accounting for Consideration Given by a Vendor to a Customer". EITF 01-9 addresses the recognition, measurement and income statement classification for sales incentives offered to customers. Sales incentives include discounts, coupons, free products and generally any other offers that entitle a customer to receive a reduction in the price of a product. Under EITF 01-9, the reduction in the selling price of the product resulting from any sales incentives should be classified as a reduction of revenue. The Company adopted EITF 01-9 in fiscal 2002. The Company does not offer sales incentives to its customers.

Accounts Receivable
The Company carries its accounts receivable at net realizable value. A receivable is considered past due if the Company does not receive payment within 30 days. Management closely monitors outstanding accounts receivable and charges off to expense any balances that are determined to be uncollectible or establishes an allowance for doubtful accounts. The Company estimates bad debts utilizing the allowance method, based upon past experience and current market conditions. At May 31, 2009 and 2009, there were accounts receivable allowances of $27,764 and $nil respectively.

Goodwill
Goodwill is calculated as the excess of the fair value of consideration paid over the fair value of tangible and intangible assets acquired and liabilities assumed. Goodwill will be tested for impairment annually according to FAS 142. An impairment test would also be performed in any period in which events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment would be recognized at that time, to the extent that the carrying amount exceeds the undiscounted future net cash flows expected from its use. The Company recorded goodwill in the amount of $241,676 related to the acquisition of MCM Integrated Technologies, Ltd. Management reviewed Goodwill and found that there was no impairment for the period ended May 31, 2009 and no expense has been recognized (see Note 11).

Impairment of long-lived assets
We assess the impairment of goodwill and indefinite life intangibles on an annual basis. The potential impairment of finite life intangibles is assessed whenever events or a change in circumstances indicate the carrying value may not be recoverable. Factors we consider important which could trigger an impairment review include the following:

- significant underperformance relative to historical or expected projected future operating results;
- significant changes in the manner of our use of the acquired assets or the strategy for our overall business;
- significant negative industry or economic trends;
- significant decline in our stock price for a sustained period of time; and
- our market capitalization relative to net book value.

When we determine that the carrying value of goodwill and indefinite life intangibles may not be recoverable based upon the existence of one or more of the above indicators of impairment, we measure any potential impairment based on a projected discounted cash flow method using a discount rate determined by our management to be commensurate with the risk inherent in our current business model.

Segment Reporting
SFAS No. 131, Disclosure about Segments of an Enterprise and Related Information, establishes standards for the reporting by business enterprises of information about operating segments, products and services, geographic areas and major customers. The method for determining what information to report is based on the

way that management organizes the operating segments within ILC for making operational decisions and assessments of financial performance.

ILC's chief executive officer (CEO) is considered to be the chief operating decision-maker. The CEO reviews financial information presented on a consolidated basis for purposes of making operating decisions and assessing financial performance. ILC has determined that it operates in a single operating segment, specifically, marketing home automation products, technology and services.

Commitments and Contingencies
We record estimated commitments for future obligations and estimate contingencies when information is available that indicates that it is probable that an asset has been impaired or a liability has been incurred and the amount can be reasonably estimated. When no accrual is made for a loss contingency because one or both of these conditions are not met, or if an exposure to loss exists in excess of the amount accrued, we disclose such contingencies when there is at least a reasonable possibility that a loss or an additional loss may have been incurred. Determining the likelihood of incurring a liability and estimating the amount of the liability involves significant judgment. If the outcome of the liability is more adverse to us than management currently expects, then we may have to record additional charges in the future. See Note 8 for details on commitments and contingencies.

Use of Estimates
The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The useful lives of property and equipment for purposes of computing depreciation are three to seven years. The following is a summary of property, equipment, and accumulated depreciation:

Property and Equipment		May 31, 2009		May 31, 2008
Computer hardware and software	$	820,065	$	824,519
Furniture and fixtures, vehicles, leaseholds		313,708		345,857
Book Value of Property and equipment		1,133,773		1,170,376
Less accumulated depreciation		(1,048,323)		(1,022,375)
Property and equipment - net	$	85,450	$	148,001

Depreciation expenses for the year ended May 31, 2008 and 2007 were $52,122 and, $50,616 respectively. The Company evaluates the recoverability of property and equipment when events and circumstances indicate that such assets might be impaired. The Company determines impairment by comparing the undiscounted future cash flows estimated to be generated by these assets to their respective carrying amounts. Maintenance and repairs are expensed as incurred. Replacements and betterments are capitalized. The cost and related reserves of assets sold or retired are removed from the accounts, and any resulting gain or loss is reflected in results of operations.

NOTE 4 – INTANGIBLE ASSETS

The Company adopted SOP 98-1 as amplified by EITF 00-2, “Accounting for Web Site Development Costs.” In accordance with the adoption, the Company capitalized $545,645 in web site development costs, which is the contractual cost of data base software purchased from an independent software supplier. No portion of this software was internally developed and, accordingly, there are no internal costs associated with this software which were charged to research and development. Consistent with SOP 98-1, the costs of this software, which was purchased solely for internal use and will not be marketed externally, have been capitalized. Capitalized costs are amortized on the straight line basis over five years. At May 31, 2006, this software was fully amortized.

NOTE 5 – COMMON STOCK

During the year ended May 31, 2009 the Company issued 7,450,000 shares of common stock for services valued at $200,000, 36,188,275 shares of common stock for debt and accrued interest valued at $1,343,941 and 4,722,218 shares of common stock for conversion of debenture debt valued at $98,000.

During the year ended May 31, 2008, the Company issued 114,000 shares of common stock for services and accrued liabilities valued at $86,400, 360,000 shares of common stock for accrued interest of $45,000 and 302,555 shares of common stock for conversion of debentures.

All stock issued was valued at the fair market value.

NOTE 6 – COMMON STOCK OPTIONS

Effective July 1, 2005, we adopted the provisions of Statement of Financials Accounting Standards (“SFAS”) No. 123 (Revised 2004), “*Shared-Based Payments*” (“SFAS No. 123(R)”). Prior to adoption of SFAS No. 123(R), we provided the disclosures required under SFAS No. 123, “*Accounting for Stock-Based Compensation*,” as amended by SFAS No. 148, “*Accounting for Stock-Based Compensation — Transition and Disclosures*.” Under this method, compensation expense was recorded only if the market price of the underlying stock on the date of grant exceeded the exercise price.

Since 1998 the Company has registered 6 stock option plans the most recent being the Intelligent Living Corp 2007 Stock Option Plan. Their purpose is to advance the business and development of the Company and its shareholders by enabling employees, officers, directors and independent contractors or consultants of the Company the opportunity to acquire a proprietary interest in the Company from the grant of options to such persons under the Plans' terms. The Plans provide that the Company’s board of directors may exercise its discretion in awarding options under the Plans. The Board determines the per share option price for the stock subject to each option.

During the years ended May 31, 2008 and 2009 the Company did not issue any new common stock options. Additionally, no options were exercised, and all options previously granted expired. The following is a summary of the Company’s common stock option plans:

	Number of shares		Weighted Average Exercise Price
Options outstanding and exercisable at May 31, 2007	-	$	-
Options expired	-	$	-
Options granted	-		-
Options outstanding and exercisable at May 31, 2008	-	$	-
Options expired	-		-
Options granted	-		-
Options outstanding and exercisable at May 31, 2009	-	$	-

During the years ended May 31, 2008 and 2009 the Company did not issue any new common stock warrants. Additionally, no warrants were exercised, and all warrants previously granted expired in June 2008. The following is a summary of the Company's common stock warrants:

	Number of shares Outstanding	Weighted average remaining contractual life		Weighted Average Exercise Price
Warrants outstanding and exercisable at May 31, 2007	5,333,333	2	$	0.03
Warrants expired	-			-
Warrants granted	-			-
Warrants outstanding and exercisable at May 31, 2008	5,333,333	1	$	0.03
Warrants expired	-			-
Warrants granted	-			-
Warrants outstanding and exercisable at May 31, 2009	-	0	$	-

NOTE 7 – RELATED PARTIES (NOTES PAYABLE RELATED PARTY)

On August 24, 2006, we entered into a preliminary non-binding Letter of Intent ("Letter of Intent") with MCM Integrated Technologies Ltd. ("MCM"), a Vancouver based company wholly owned by Murat Erbatur, one of our directors. The Letter of Intent provided for the acquisition of all of the assets and ongoing contracts of MCM for a price based on an independent third party evaluation of the fair market value of the acquired assets including current assets, liabilities and future value based on the pro forma three year business plan of MCM. On December 8, 2006 ILC acquired all of the outstanding capital stock of MCM for $280,695, which included 20,000 restricted common shares of ILC valued at $150,000 and $130,695 in the form of a note payable.

During the year ended May 31, 2007, one of the Company's officers loaned the Company $210,697 which was uncollateralized, due on demand and did not bear interest. The Company repaid $47,931 to its officer in cash during the year ended May 31, 2007.

During the year ended May 31, 2008, the Company's officers loaned the Company $58,484 which was uncollateralized and due on demand. The Company repaid $8,041 to its officers in cash and $4,093 of accrued interest in cash during the year ended May 31, 2008. The Company paid $45,000 of accrued interest in restricted common shares to related parties during the year ended May 31, 2008.

During the year ended May 31, 2009, the Company's officers loaned the Company $121,879 which is uncollateralized and due on demand. The Company repaid $572 in principal and $19,750 in interest to its officers in cash, accrued $9,385 of interest on related party loans and recorded an expense to Paid in Capital of

$7,716 on subscription deposit imputed interest. The Company converted $1,119,883 in loans, subscription deposit and debenture principal, and paid $144,058 of accrued interest in restricted common shares to related parties and transferred $300,000 of principal and $26,773 of accrued interest to a third party debenture during the year ended May 31, 2009. All share issuances were at fair market value on the date of issuance. Total outstanding related party debt [principal plus accrued interest] for the years ended May 31, 2008 and 2009 was $1,881,016 and $348,678 respectively.

The Company had non-convertible short-term loans outstanding to corporate officers at May 31, 2009. These are unsecured, bear interest at rates of 0% to 12% per annum and are due on demand. Accrued interest to May 31, 2009 was $2,876

The following table summarizes the position of notes, debentures and amounts due to related parties at May 31, 2009:

Related Parties		Principal Outstanding on May31, 2009	Interest Accrued to May 31, 2009
Non-convertible short-term note		345,802	2,876-
Total	$	345,802	2,876-

NOTE 8 – COMMITMENTS AND CONTINGENCIES

<u>Lease Commitments</u>
For the year ending May 31, 2009 the Company did not have any lease or other long term commitments and management was not aware of any contingencies not already provided for. The Company currently rents office, warehouse, storage and demonstration space in Vancouver and demonstration space in Phoenix on a month-to-month basis. This arrangement is expected to continue for the foreseeable future.

NOTE 9 – CONCENTRATION OF CREDIT RISK

<u>Cash</u>
The Company maintains cash balances at two banks. Accounts at each institution are insured by the Canadian Depository Insurance up to $60,000 in Canadian funds. At May 31, 2008 and 2009, no account exceeded this limit.

NOTE 10 – NOTES AND DEBENTURES PAYABLE

<u>Short-term Notes</u>
During the twelve months ended May 31, 2007, the Company's officers loaned the Company $210,697 in the form of an unsecured non-interest bearing short-term note to fund continuing operations and to facilitate the acquisition of MCM Integrated Technologies Ltd. During the twelve months ended May 31, 2008 and 2009, the Company's officers loaned the Company $58,484 and $121,879 in the form of an unsecured short-term notes to fund continuing operations (see note 7).

As at May 31, 2009 the following notes were due on demand or within the coming 12 months:

Notes		Principal Amount at May 31, 2009	Weighted Average Interest Rate		Accrued Interest at May 31, 2009
Related Party short term	$	345,802	11%	$	2,876
Third Party short term		101,275	8%		36,092
Total	$	447,078	10%	$	38,968

<u>Loans and Debentures</u>
During the year ended May 31, 2005, a related party funded the Company in the aggregate amount of $846,658. This funding was in the form of equity ($289,245) and loans payable ($557,413).There are two loans 1) a two year note for $455,862 with an interest rate of 8% per annum collateralized by the Company's inventory and accounts receivable and convertible into 9,641,500 shares of common stock, and 2) a two year note for $101,551 with an interest rate of 6% per annum. Accrued interest to May 31, 2007 totaled $100,551. The $289,245 equity funding is to be converted into the Company's common stock at an average price of $0.03 per share. The funds have accrued an imputed interest of $86,640 at a rate of 8% per annum. Repayment of loans 1 and 2 noted above was in default at the year ended May 31, 2008.

On December 7, 2005, the Company executed a securities purchase agreement with certain accredited investors. Under the agreement, the Company agreed to sell its convertible debentures due three years from the final closing date. The debenture closing date was extended to February 2011 in February 2008. The principal amount of up to $600,000 bearing interest at the rate of 6% per annum and is convertible into shares of the Company's common stock at a conversion price for each share of common stock equal to 75% of the lowest closing bid price per share of the common stock for the fifteen trading days immediately preceding the date of conversion. The company completed the sale of an aggregate of $555,000 in Debentures under the Purchase Agreement which resulted in net proceeds of $424,850. The face value of the Debenture was recorded as a note payable. The difference between the Debenture face value and the proceeds received was for preferred financing fees in the amount of $130,150. These fees have been recorded as debt discount and are being accreted over a 5 year period. The Company also recorded as paid in capital a beneficial conversion feature on the debentures as a discount on the debt in the amount of $424,850. This discount is being accreted over the extended 5 year term of the debenture.

During the year ended May 31, 2006 an existing related party debenture in the amount of $161,000 was amalgamated with short term debt into a new debenture in the amount $320,000 bearing an interest rate of 8% and the Company executed a purchase agreement with an accredited investor for a $50,000 debenture under terms similar to the $555,000 debentures noted above with the exception of a 10% interest rate and a two year term. In February 2008 the term of this debenture was extended to May 2009. This debenture did not bear any fees and the Company has recorded a beneficial conversion feature on the face value of the debenture discounted over the extended 3 year term.

In February 2008 the Company negotiated payment of accrued liabilities totaling $460,000 in the form of a debenture bearing an interest rate of 6% maturing on June 1, 2010. The debenture is convertible into shares of common stock at a conversion price for each share of common stock equal to the lowest closing bid price per share of the common stock for the 20 trading days immediately preceding the date of conversion.

In June 2008 the Company amalgamated existing related party debentures in the amount of $320,000 and $20,000 with short term notes totaling $223,973 and accrued interest of $36,027, and issued a new related party debenture in the amount $273,225 and a third party debenture in the amount $326,773. These debentures bear an interest rate of 6% maturing on June 1, 2010. The debentures are convertible into shares of common stock at a conversion price for each share of common stock equal to the lowest closing bid price per share of the common stock for the 20 trading days immediately preceding the date of conversion. The Company determined that there was no beneficial conversion associated with the new debentures.

The Company is in compliance with its notes and debentures payable covenants.

Future principal payments on notes and debentures payable in the years ending May 31, 2010 through 2014 are as follows:

Fiscal Year	Principal	Discount as applicable to debenture portion of principal	Balance Sheet
2010	$447,078	-	$447,078
2011	1,065,253	55,247	$1,010,006
2012	-	-	-
2013	-		
2014	-		
Total	$1,512,331	55,247	$1,457,084

The following table summarizes the outstanding principal, debt discount and accretion of preferred financing fees associated with the $555,000 and $50,000 debentures at May 31, 2009

Note Payable	Due	Conversions at May 31, 2009	Balance at end of period	Remaining debt discount	Remaining deferred financing	Discounted Value	Accrued interest
$555,000	FY 2011	196,520	358,480	42,291	12,956	$303,233	$99,518
$50,000	FY 2009	10,000	43,000	-	-	$43,000	$13,342

NOTE 11 – ACQUISITION OF MCM INTEGRATED TECHNOLOGIES, LTD

As discussed in Note 1, on December 8, 2006 the Company acquired 100% of the outstanding shares of MCM Integrated Technologies, Ltd. (“MCM”).The acquisition was accounted for as a purchase, and, accordingly, the results of operations of MCM have been included in the consolidated financial statements commencing on the date of acquisition. In connection with the acquisition, the estimated fair values of the assets acquired and the liabilities assumed at the date of acquisition were as follows:

Description		December 8, 2006
Assets:		
-Cash and Deposits	$	50,962
-Trade receivables		55,630
-Inventory		11,625
-Property and equipment		138,962
-Other Assets		16,365
-Goodwill		241,676
-Total assets acquired		515,223
Liabilities:		
-Accounts payable and accrued expenses		59,800
-Revolving credit lines		174,725
-Total liabilities		234,525
Net assets acquired	$	280,695
Represented by:		
-Common Stock issued at closing	$	150,000
-Note payable		130,695
	$	280,695

NOTE 12 – DISCONTINUED OPERATIONS

At May 31, 2009, assets and liabilities from discontinued operations consisted of:

Description		May 31, 2009
Inventory net of reserve	$	-
Accounts receivable remaining from discontinued operations		4,366
Total assets related to discontinued operations		4,366
Accounts Payable Trade		349,392
Total liabilities related to discontinued operations	$	349,392

At May 31, 2009 the Company continued to retain a reserve against the full recorded cost of residual inventory. The value of the reserve on May 31, 2009 was $96,550. The Company continues to believe that partial recovery of the inventory reserve can be realized on disposal and that outstanding accounts receivable are collectable. The noted accounts payable are substantially in dispute and the Company believes they will not be paid in full. However, the Company has reserved these payables at their full value. As the inventory is disposed, receivables collected, and payables reduced the Company will record a gain (loss) in the period of activity.

During the year ended May 31, 2009, the Company sold inventory with a book value of $156 for $396 and recognized other income of $2,385. The loss from discontinued operations, recorded for the year ended May 31, 2009, include the costs of liquidating inventory, renting temporary warehouse space for remaining home décor inventory and office equipment, legal, professional and staff time related to eliminating and reducing liabilities associated with discontinued operations, accretion of beneficial conversion and financing fee discount and interest charges associated with historical financings related to home décor inventory support.

NOTE 13 - NEW ACCOUNTING PRONOUNCEMENTS

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards (SFAS) No. 157, *"Fair Value Measurements,"* ("SFAS No. 157"). This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Management has determined that SFAS No. 157 had no impact to us in the fiscal year ended May 31, 2009.

In July 2002, *"The Public Company Accounting Reform and Investor Protection Act of 2002"* (the "Sarbanes-Oxley Act") was enacted. Section 404 of the Sarbanes-Oxley Act stipulates that public companies must take responsibility for maintaining an effective system of internal control. The Sarbanes-Oxley Act requires public companies to report on the effectiveness of their control over financial reporting and obtain an attestation report from their independent registered public accounting firm about management's report. The Sarbanes-Oxley Act requires most public companies (large accelerated and accelerated filers) to report on their internal control over financial reporting for years ending on or after November 15, 2004. Other public companies (non-accelerated filers) must begin to comply with the new requirements related to internal control over financial reporting for their first year ending on or after July 15, 2007 under the latest extension granted by the SEC. The SEC recently extended the compliance date for non-accelerated filers to include a report on effectiveness of controls

over financial reporting to the year ending on or after December 15, 2007, and has extended the date by which non-accelerated filers must file an auditor's attestation report on internal controls over financial reporting in their annual reports until the first annual report for a fiscal year ending on or after December 15, 2008. We are a non-accelerated filer and we expect to be able to comply with these filing requirements.

In June 2006, the FASB issued Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement 109*," ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement of Financial Accounting Standards (SFAS) 109, "*Accounting for Income Taxes*." This Interpretation defines the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements.

FIN 48 is effective for fiscal years beginning after December 15, 2006. We have determined that the adoption of FIN 48 did not have an impact on our financial position and results of operations.

In September 2006, the SEC issued Staff Accounting Bulletin No. 108, Section N to Topic 1, titled "*Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*" ("SAB 108"). SAB 108 requires the evaluation of prior-year misstatements using both the balance sheet approach and the income statement approach. In the initial year of adoption should either approach result in quantifying an error that is material in light of quantitative and qualitative factors, SAB 108 guidance allows for a one-time cumulative-effect adjustment to beginning retained earnings. In years subsequent to adoption, previously undetected misstatements deemed material shall result in the restatement of previously issued financial statements in accordance with FAS 154. SAB 108 is effective for us on May 31, 2007 with earlier adoption encouraged. Management has determined that SAB 108 had no impact to us in the fiscal year ended May 31, 2009.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "*The Fair Value Option for Financial Assets & Financial Liabilities — Including an Amendment of SFAS No. 115,*" ("SFAS 159"). SFAS 159 permits companies to choose to measure certain financial instruments and other items at fair value. The standard requires that unrealized gains and losses are reported in earnings for items measured using the fair value option. SFAS 159 will become effective for fiscal years beginning after November 15, 2007. Management has determined that the adoption of SFAS 159 had no impact to us in the fiscal year ended May 31, 2009.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS No. 141R"). SFAS No. 141R is a revision to SFAS No. 141 and includes substantial changes to the acquisition method used to account for business combinations (formerly the "purchase accounting" method), including broadening the definition of a business, as well as revisions to accounting methods for contingent consideration and other contingencies related to the acquired business, accounting for transaction costs, and accounting for adjustments to provisional amounts recorded in connection with acquisitions. SFAS No.141R retains the fundamental requirement of SFAS No. 141 that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. SFAS No. 141R is effective for periods beginning on or after December 15, 2008, and will apply to all business combinations occurring after the effective date. SFAS No. 141R is not expected to have an impact on the Company's results of operations, financial condition or liquidity.

The FASB also issued SFAS No. 160, "Non-controlling Interests in Consolidated Financial Statements – an amendment of Accounting Research Bulletin No. 51, Consolidated Financial Statements" in December 2007. This statement amends ARB No. 51 to establish new standards that will govern the (1) accounting for and reporting of non-controlling interests in partially owned consolidated subsidiaries and (2) the loss of control of subsidiaries. Non-controlling interest will be reported as part of equity in the consolidated financial statements. Losses will be allocated to the non-controlling interest, and, if control is maintained, changes in ownership interests will be treated as equity transactions. Upon a loss of control, any gain or loss on the interest sold will be recognized in earnings. SFAS No. 160 is effective for periods beginning after December 15, 2008. SFAS No. 160 is not expected to have an impact on the Company's results of operations, financial condition or liquidity.

In March 2008 the FASB also issued SFAS No. 161 "Disclosures About Derivatives Instruments and Hedging Activities". This statement requires enhanced disclosures about an entity's derivative and hedging activities and thereby improves the transparency of financial reporting. This statement is effective for financial statements for fiscal years and interim periods beginning after November 15, 2008, with earlier application encouraged. SFAS No. 161 is not expected to have an impact on the Company's results of operations, financial condition or liquidity.

In April 2008, the FASB issued FSP FAS No. 142-3, which amends the factors that must be considered in developing renewal or extension assumptions used to determine the useful life over which to amortize the cost of a recognized intangible asset under FAS No. 142, "Goodwill and Other Intangible Assets." The FSP requires an entity to consider its own assumptions about renewal or extension of the term of the arrangement, consistent with its expected use of the asset, and is an attempt to improve consistency between the useful life of a recognized intangible asset under FAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under FAS No. 141, "Business Combinations." The FSP is effective for fiscal years beginning after December 15, 2008, and the guidance for determining the useful life of a recognized intangible asset must be applied prospectively to intangible assets acquired after the effective date. FAS No. 142-3 is not expected to have an impact on the Company's results of operations, financial condition or liquidity.

In May 2008, the FASB issued Financial Accounting Standard (FAS) No. 162, "The Hierarchy of Generally Accepted Accounting Principles." The statement is intended to improve financial reporting by identifying a consistent hierarchy for selecting accounting principles to be used in preparing financial statements that are prepared in conformance with generally accepted accounting principles. Unlike Statement on Auditing Standards (SAS)No. 69, "The Meaning of Present in Conformity With GAAP," FAS No. 162 is directed to the entity rather than the auditor. The statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board (PCAOB) amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with GAAP," and is not expected to have any impact on the Company's results of operations, financial condition or liquidity.

In May 2008, the FASB issued Financial Accounting Standard (FAS) No. 163, Accounting for Financial Guarantee Insurance Contracts. The new standard clarifies how FASB Statement No. 60, Accounting and Reporting by Insurance Enterprises, applies to financial guarantee insurance contracts issued by insurance enterprises, including the recognition and measurement of premium revenue and claim liabilities. It also requires expanded disclosures about financial guarantee insurance contracts. The Statement is effective for financial statements issued for fiscal years beginning after December 15, 2008, and all interim periods within those fiscal years, except for disclosures about the insurance enterprise’s risk-management activities. Disclosures about the insurance enterprise’s risk-management activities are effective the first period beginning after issuance of the Statement. FAS No. 163 is not expected to have an impact on the Company's results of operations, financial condition or liquidity.

In June 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) Emerging Issues Task Force (EITF) No. 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment

Transactions Are Participating Securities." Under the FSP, unvested share-based payment awards that contain rights to receive nonforfeitable dividends (whether paid or unpaid) are participating securities, and should be included in the two-class method of computing EPS. The FSP is effective for fiscal years beginning after December 15, 2008, and interim periods within those years, and is not expected to have a significant impact on the Company's results of operations, financial condition or liquidity.

In April 2009, the FASB issued SFAS 164 "Not for Profit Entities; Mergers and Acquisitions-Including an amendment of FASB Statement No. 142". SFAS 164 establishes principles and requirements for when a not-for-profit agency entity combines with one or more other not-for profit entities, businesses, or nonprofit activities. This Statement improves the relevance, representational faithfulness, and comparability of the information a not-for-profit entity provides about goodwill and other intangible assets after an acquisition. This Statement is effective for mergers for which the merger date is on or after the beginning of an initial reporting period beginning on or after December 15, 2009, and acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period on or after December 15, 2009. The Company does not expect SFAS 164 to have a material effect on its consolidated financial statements.

In May 2009, the FASB issued SFAS 165 "Subsequent Events". SFAS 165 requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date, that is, whether that date represents the date the financial statements were issued or available to be issued. In accordance with this Statement, an entity should apply the requirements to interim or annual financial periods ending after June 15, 2009. The Company does not expect SFAS 165 to have a material effect on its consolidated financial statements.

In June 2009, the FASB issued SFAS 166 "Accounting for Transfers of Financial Assets-an amendment of FASB Statement No. 140". SFAS 166 requires that a transferor recognize and initially measure at fair value all assets obtained (including a transferor's beneficial interest) and liabilities incurred as a result of a transfer of financial assets accounted for as a sale. SFAS 166 must be applied as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. Earlier application is prohibited. This Statement must be applied to transfers occurring on or after the effective date. The Company does not expect SFAS 166 to have a material effect on its consolidated financial statements.

In June 2009, the FASB issued SFAS 167 "Amendments to FASB Interpretation No. 46(R)". SFAS 167 requires an additional reconsideration event when determining whether an entity is a variable interest entity when any changes in facts and circumstances occur such that the holders of the equity investment at risk, as a group, lose the power from voting rights or similar rights of those investments to direct the activities of the entity that most significantly impact the entity's economic performance. It also requires ongoing assessments of whether an enterprise is the primary beneficiary of a variable interest entity. SFS 167 shall be effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. Earlier application is prohibited. The Company does not expect SFAS 167 to have a material effect on its consolidated financial statements.

In June 2009, the FASB issued SFAS 168 "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles-a replacement of FASB Statement No. 162". The FASB Accounting Standards Codification will become the source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. Following SFAS 168, the Board will not issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates. This Statement is effective for financial statements issued for interim and annual periods ending after September 15, 2009. On the effective date of this Statement, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other nongrandfathered non-SEC accounting literature no included in the Codification will become nonauthoritative. The Company does not expect SFAS 168 to have a material effect on its consolidated financial statements.

NOTE 14 – INVESTMENTS

The Company has recorded an investment in a private company under long term assets. This investment is recorded at cost, was reviewed by the Company’s management and found to be un-impaired.

ITEM 9. CHANGES IN AND DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A(T). CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this annual report on Form 10-K, an evaluation was carried out by our management, with the participation of the Chief Executive and Principal Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act")) as of May 31, 2009. Based on that evaluation the Chief Executive and Principal Financial Officer has concluded that as of the end of the period covered by this report, the Company’s disclosure controls and procedures were adequately designed and effective in ensuring that: (i) information required to be disclosed by the Company in reports that it files or submits to the Securities and Exchange Commission under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our Chief Executive and Principal Financial Officer, to allow for accurate and timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

The Company’s management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the design and operation of the Company’s internal control over financial reporting as of May 31, 2009 based on the criteria in a framework developed by the Company’s management pursuant to and in compliance with the SEC’s *Guidance Regarding Management’s Report on Internal Control Over Financial Reporting Under Section 13(a) or 15(d) of the Securities Exchange Act of 1934* , Release No. 33-8810. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management has concluded that the Company’s internal control over financial reporting was effective as of May 31, 2009 and no material weaknesses were discovered.

This annual report does not include an attestation report of the Company’s registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by the Company’s registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management’s report in this annual report.

Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13(a)-15(f) or 15(d)-15(f)) that occurred during the period covered by this yearly report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our executive officers and directors and their ages as of September 11, 2009 are as follows:

NAME	AGE	POSITION
Michael F. Holloran	61	President, CEO and Director
Murat Erbatur	59	Director

MICHAEL F. HOLLORAN, PRESIDENT AND CEO

Michael Holloran was elected a director effective August of 2000 and accepted the position of President & CEO of ILC on August 4, 2000. He brings to ILC a wealth of senior management experience spanning 34 years, including 22 years with the Beak International Group and long-term involvement spearheading strategic corporate expansion into key international markets, primarily within Southeast Asia. He has served as a technical advisor to the Asian Development Bank, the governments of Indonesia, Malaysia and the Philippines. He has held outside Directorships, Advisory Board and committee memberships at several prominent North American institutions. He has a Masters degree in Chemical and Environmental Engineering from McMaster University, a Bachelor of Science (Honors) degree in Applied Mathematics and Chemistry from the University of Waterloo and a Management Studies diploma from Sheridan College.

MURAT ERBATUR, DIRECTOR

Murat F. Erbatur was elected a director in February 2004 and accepted the position of COO in December 2006. Mr. Erbatur founded and is currently President and CEO of MCM Integrated Technologies Ltd and ScanTech Imaging Corp. MCM is one of the leading providers of information technology products and services. ScanTech Imaging Corp. is the market leader in fillable and linkable forms for the mutual fund industry. Mr. Erbatur has held these positions for the past 12 years and 10 years respectively. Mr. Erbatur has spent most of his 35-year professional career in computers and their applications in technical and business environments. His career includes 11 years with Swan Wooster Engineering, three years as Vice President of Engineering Software Development Corp, two years as Director of Marketing with REBIS Industrial Work Group Software and six years with Simons International as Manager, Computer Applications. Mr. Erbatur received a B.Sc. degree in Civil Engineering from Robert College (Istanbul, Turkey) in 1972 and a Masters degree in Engineering from University of British Columbia in 1973.

Our directors are elected by the stockholders and our officers are appointed by our board of directors. Our directors hold office until their successors are elected by the stockholders or appointed by our board of directors. Our officers hold office until their successors are elected and qualified. Vacancies in our board are filled by the board itself. There are currently two vacancies on our board of directors.

Except as disclosed under Item 12, the Registrant knows of no transactions involving the Registrant during the last two years in which our directors had a direct or indirect interest.

None of our executive officers or key employees is related by blood, marriage or adoption to any other director or executive officer.

To our knowledge, there is no arrangement or understanding between any of our officers and any other person pursuant to which the officer was selected to serve as an officer.

Nominating Committee

We do not have a separate Nominating Committee. Our full Board of Directors performs the functions usually designated to a Nominating Committee.

There have been no changes to the procedures by which security holders may recommend nominees to the board of directors.

Audit Committee

We do not have a separate Audit Committee. Our full Board of Directors performs the functions usually designated to an Audit Committee. We do not have an Audit Committee financial expert.

Corporate Code of Conduct

In June 2007 we adopted a Code of Ethics for senior financial management to promote honest and ethical conduct and to deter wrongdoing. This Code applies to our President, Chief Executive Officer and Principal Financial Officer, Directors, controller, and other employees performing similar functions. The obligations of the Code of Ethics supplement, but do not replace, any other code of conduct or ethics policy applicable to our employees generally.

Under the Code of Ethics, all members of the senior financial management shall:

- Act honestly and ethically in the performance of their duties at our company,
- Avoid actual or apparent conflicts of interest between personal and professional relationships,
- Provide full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submits to, the SEC and in other public communications by our company,
- Comply with rules and regulations of federal, state and local governments and other private and public regulatory agencies that affect the conduct of our business and our financial reporting,
- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing the member's independent judgment to be subordinated,
- Respect the confidentiality of information acquired in the course of work, except when authorized or legally obtained to disclosure such information,
- Share knowledge and maintain skills relevant to carrying out the member's duties within our company,
- Proactively promote ethical behavior as a responsible partner among peers and colleagues in the work environment and community,
- Achieve responsible use of and control over all assets and resources of our company entrusted to the member, and Promptly bring to the attention of the Chief Executive Officer any information concerning:
  I. significant deficiencies in the design or operating of internal controls which could adversely to record, process, summarize and report financial date or
  II. any fraud, whether or not material, that involves management or other employees who have a significant role in our financial reporting or internal controls.

We will provide a copy of the Code of to any person without charge, upon request. Requests can be sent to Intelligent Living Corp. Suite 221, 2323 Quebec Street, Vancouver BC V5T4S7.

There are no family relationships between any of our executive officers and/or directors.

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

We believe that during the fiscal year ended May 31, 2009, Section 16(a) filing requirements applicable to our officers, directors and greater than 10% beneficial owners were satisfied.

Name and principal position	Number Of late Reports	Transactions Not Timely Reported	Known Failures To File a Required Form
Michael F. Holloran, President & CEO	0	0	0
Thomas A. Simons	0	0	0
Murat Erbatur	0	0	0

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth certain information regarding the annual compensation for services in all capacities to us for the years ended May 31, 2009 and May 31, 2008:

SUMMARY COMPENSATION TABLE

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards [issued and pending] ($) (e)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation ($) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (h)	All Other Compen-Sation (i)	Total ($) (j)
M Holloran	2009	$0	$0	$0	$0	$0	$0	$0	$0
	2008	$120,000	$0	$0	$0	$0	$0	$0	$120,000
M Erbatur	2009	$0	$0	$0	$0	$0	$0	$0	$0
	2008	$0	$0	$0	$0	$0	$0	$0	$0

Mr. Holloran's contract salary can be paid in combination of cash and restricted stock. The amount of stock due is calculated monthly based on the amount of unpaid compensation and the lowest closing price of the Company’s shares within the month.

OPTION/SAR GRANTS IN LAST FISCAL YEAR

No options/SARs were granted in the fiscal year ended May 31, 2009.

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR AND FY-END OPTION/SAR VALUES

No officer or Director hold or exercised any options in the fiscal year ended May 31, 2009.

LONG TERM INCENTIVE PLANS - AWARDS IN LAST FISCAL YEAR

We have not awarded any stock options, stock appreciation rights or other form of derivative security or common stock or cash bonuses to our executive officers and directors.

COMPENSATION OF DIRECTORS

The members of our Board of Directors are reimbursed for actual expenses incurred in attending Board meetings.

EMPLOYMENT CONTRACTS

Our CEO and President, Michael F. Holloran, is party to a consulting contract, which expires in June 2009.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of September 11, 2009, information concerning the beneficial ownership of the our Common Stock by (i) each person who is known by us to own beneficially more than 5% of our Common Stock, (ii) each of our directors and officers, and (iii) all of our directors and executive officers as a group.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership		% of Class(1)
Common Stock	Michael F. Holloran c/o Suite 221, 2323 Quebec St. Vancouver, B.C. V5T 4S7	7,875,570	Direct	16%
	Thomas A. Simons c/o Suite 221, 2323 Quebec St. Vancouver, B.C. V5T 4S7	24,726,947	Direct	50%
	Murat Erbatur c/o Suite 221, 2323 Quebec St. Vancouver, B.C. V5T 4S7	60,000	Direct	<1%
	All officers and directors as a Group (2 persons)	32,662,517 shares		66%

(1) Percentage ownership based on 49,336,477 shares issued and outstanding.

Changes in Control

There are no arrangements that may result in a change in control of the Registrant.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Our By-Laws include a provision regarding related party transactions which requires that each participant to such transaction identify all direct and indirect interests to be derived as a result of the Company's entering into the related transaction. A majority of the disinterested members of the board of directors must approve any related party transaction.

Except for the transactions described below, none of our directors, senior officers or principal shareholders, nor any associate or affiliate of the foregoing have any interest, direct or indirect, in any transaction, since the beginning of the fiscal year ended May 31, 2009, or in any proposed transactions, in which such person had or is to have a direct or indirect material interest.

On August 24, 2006, we entered into a preliminary non-binding Letter of Intent (“Letter of Intent”) with MCM Integrated Technologies Ltd. (“MCM”), a Vancouver based company wholly owned by Murat Erbatur, one of our directors. The Letter of Intent provided for the acquisition of all of the assets and ongoing contracts of MCM for a price based on an independent third party evaluation of the fair market value of the acquired assets including current assets, liabilities and future value based on the pro forma three year business plan of MCM. On December 8, 2006 ILC acquired all of the outstanding capital stock of MCM for $280,695, which included 10,000,000 shares of ILC valued at $150,000 and $130,695 in the form of a note payable.

During the year ended May 31, 2007, one of the Company's officers loaned the Company $210,697 which was uncollateralized, due on demand and did not bear interest. The Company repaid $47,931 to its officer in cash during the year ended May 31, 2007.

During the year ended May 31, 2008, the Company's officers loaned the Company $58,484 which was uncollateralized and due on demand. The Company repaid $8,041 to its officers in cash and $4,093 of accrued interest in cash during the year ended May 31, 2008. The Company paid $45,000 of accrued interest in restricted common shares to related parties during the year ended May 31, 2008.

During the year ended May 31, 2009, the Company's officers loaned the Company $121,879 which is uncollateralized and due on demand. The Company repaid $572 in principal and $19,750 in interest to its officers in cash, accrued $9,385 of interest on related party loans and recorded an expense to Paid in Capital of $7,716 on subscription deposit imputed interest. The Company converted $1,119,883 in loans, subscription deposit and debenture principal to restricted common shares, paid $144,058 of accrued interest in restricted common shares to related parties and transferred $300,000 of principal and $26,773 of accrued interest to a third party debenture during the year ended May 31, 2009. All share issuances were at fair market value on the date of issuance.

Total outstanding related party debt (principal plus accrued interest) for the year ended May 31, 2009 was $348,678.

An employment contract with Michael F. Holloran, our CEO and President, providing for annual compensation of $120,000, expires on June 13, 2009.

Director Independence

The Company's Board of Directors has determined that none of its directors are independent based on the standards for director independence for the NYSE Amex Equities.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

(1) Audit related fees for audit Year ended May 31, 2009: $18,000
(2) Audit related fees for audit Year ended May 31, 2008: $18,000
(3) All other fees: N/A
(4) Audit committee pre-approval processes, percentages of services approved by audit committee, percentage of hours spent on audit engagement by persons other than principal accountant's full time employees: N/A.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following financial statements have been filed with this Annual Report on Form 10-K and are presented in Item 8, herein.

1. Report of Independent Registered Public Accounting Firm

2. Consolidated Balance Sheets

3. Consolidated Statements of Operations and Other Comprehensive Loss

4. Consolidated Statements of Cash Flows

5. Condensed Notes to the Consolidated Financial Statements

(b) The following Exhibits are filed by attachment to this Annual Report on Form 10-K:

EXHIBIT NUMBER	DESCRIPTION
10.19	Form of 6% Convertible Debenture
23	Consent of Chisholm Bierwolf & Nilson, LLC
31	Certification of Michael F. Holloran Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32	Certification of Michael F. Holloran Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

In addition to those Exhibits shown above, the Company incorporates the following Exhibits by reference to the filings set forth below:

EXHIBIT NUMBER	DESCRIPTION	
3.1	Articles of Incorporation	3.1 in Form 10-SB dated Feb 2, 1999
3.11	By-Laws	3.11 in Form 10-SB dated Feb 2, 1999
4.2	Form of 12% Convertible debenture	4.2 in Form 10-KSB dated Aug 21, 2001
4.3	Form of Stock Purchase Warrant	4.3 in Form 10-KSB dated Aug 21, 2001
4.4	Stock Purchase Agreement, between Company and IFG Private Equity LLC	4.4 in Form SB-2 dated May 17, 2002
4.5	Commitment Warrant to IFG Private Equity LLC	4.5 in Form SB-2 dated May 17, 2002
4.6	Registration Rights Agreement, between Company and IFG Private Equity LLC	4.6 in Form SB-2 dated May 17, 2002
4.7	1998 Directors' & Officers' Stock Option Plan	99.1 in Form S-8 dated Feb 29, 1999
4.8	1999 Stock Option Plan	99.2 in Form S-8 dated Feb 29, 1999
4.9	2001 Stock Option Plan	4.7 in Form S-8 filed November 27, 2001
4.10	2003 Stock Option Plan	4.8 in Form S-8 filed October 25, 2002
4.11	2005 Stock Option Plan	4.8 in Form S-8 filed July 28, 2005
4.12	2006 Stock Option Plan	4.8 in Form S-8 filed April 28, 2006
4.13	2007 Stock Option Plan	4.8 in Form S-8 filed April 13, 2007
10.3	M. Page-Consulting Agreement	10.3 in Form 10-SB dated Feb 2, 1999
10.4	C. Parfitt-Consulting Agreement	10.4 in Form 10-SB dated Feb 2, 1999
10.6	Office lease dated Aug 27, 1998	10.6 in Form 10-SB dated Apr 21, 1999
10.7	Office lease dated Dec 22, 1998	10.7 in Form 10-SB dated Apr 21, 1999
10.8	Wolnosc International-Consulting Agreement	10.8 in Form 10-SB dated Aug 29, 2000
10.9	Office lease dated Jan 1, 2000	10.9 in Form 10-SB dated Aug 29, 2000
10.10	Capital Lease Agreement	10.10 in Form 10-SB dated Aug 29, 2000
10.11	Michael F. Holloran - Consulting Agreement	10.11 in Form 10-KSB dated Aug 21, 2001
10.12	Sublease Agreement of Company's offices dated August 7, 2001	10.12 in Form 10-QSB dated Oct 15, 2001
10.13	Addendum to the Sublease dated August 22, 2001	10.13 in Form 10-QSB dated Oct 15, 2001
10.14	Paul Morford Consulting Agreement	10.14 in Form 10-QSB dated Oct 15, 2001
10.15	8% Secured Convertible Promissory Note due December 31, 2006	4.7 in Form 8-K dated January 4, 2005
10.16	Securities Purchase Agreement, dated December 7, 2005, by and among the Company and the holders of the Company’s 6% Convertible Debentures, with the form of Debenture attached	10.15 in Form 8-K dated January 13, 2006
10.17	Registration Rights Agreement, dated December 7, 2005, by and among the Company and the Holders of the 6% Convertible Debentures	10.16 in Form 8-K dated January 13, 2006
10.18	Walther-Glas Investment Agreement	10.16 Form 10-KSB/A2 dated July 18, 2008
21	List of Subsidiaries	21 in Form 10-SB dated Aug 29, 2000

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf the undersigned, thereto duly authorized.

Dated: September 14, 2009

Intelligent Living Corp

By: /s/ Michael F. Holloran

Michael F. Holloran,
President, Chief Executive Officer, Principal Financial Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on September 14, 2009.

SIGNATURE	CAPACITY
/s/ Michael F. Holloran Michael F. Holloran	President, Chief Executive Officer, Principal Financial Officer and Director
/s/ Murat Erbatur Murat Erbatur	Chief Operating Officer and Director

EXHIBIT 10.19

___________, 200_ **US $___________**

INTELLIGENT LIVING CORP.

6% SUBORDINATED CONVERTIBLE DEBENTURE

SCD-______

Intelligent Living Corp., a Nevada corporation (the "Company"), for value received, promises to pay to____________________ (the "Purchaser"), or registered assigns, the principal sum of ______________________Thousand Dollars ($_____________), on _____________, 20__, and to accrue simple interest monthly on the principal sum hereof, subject to the provisions of Section 6 hereof, at the rate of six percent (6%) per annum. The principal hereof, and the accrued interest hereon, shall be payable by mail to the registered address of the owner hereof.

The following is a statement of the rights of the holder of this Debenture and the terms and conditions to which this Debenture is subject, to which the holder hereof, by the acceptance of this Debenture, assents:

1. Definitions. As used in this Debenture, the following terms, unless the context otherwise requires, have the following meanings:

1.1 "Company" includes any corporation which shall succeed to or assume the obligations of the Company under this Debenture.

1.2 "Common Stock" when used with reference to shares of the Company means all shares, now or hereafter authorized, of the class of the Common Stock of the Company presently authorized and shares of any other class into which those shares may hereafter be changed.

1.3 "Debentureholder", "holder of this Debenture", "holder", or similar terms, when the context refers to a holder of this Debenture, shall mean any person who shall at the time be the registered holder of this Debenture.

1.4 "Subsidiary" shall mean a corporation of which at least 50% of the voting securities having ordinary voting power to elect a majority of the directors not dependent upon a default is owned directly or indirectly by the Company or by one or more of its other subsidiaries or by the Company in conjunction with one or more of its other subsidiaries.

2. Transferability Restrictions. This Debenture and each certificate representing the Common Stock issued on the conversion of this Debenture are subject to the following restrictions. The holder of this Debenture may transfer this Debenture and any shares of Common Stock issued upon the conversion hereof to any person or entity provided such transfer will not violate the Securities Act of 1933, as amended (the "Act"), and such transfer is permissible under the terms of this Agreement. Any transfer permitted by the preceding sentence shall not be effected until the transferor has first given written notice to the Company describing briefly the manner of any such proposed transfer and until: (a) the Company has received from the transferor's counsel an opinion, satisfactory to counsel for the Company, that such transfer can be made without compliance with the registration provisions of the Act

or applicable state securities laws; or (b) the Company and the transferor shall have complied with Rule 144 promulgated under the Act; or (c) a registration statement with respect to the securities being transferred is filed by the Company and declared effective by the Securities and Exchange Commission or steps necessary to perfect an exemption from registration are completed.

3. Conversion. Subject to the requirement that no conversion hereof may be made if it would result in the violation of any applicable law or the Company being in violation of any applicable law:

(a) The Holder of this Debenture is entitled, at its option, at any time immediately following execution of this Agreement and delivery of the Debenture hereof, to convert all or any amount over $1,000 of the principal face amount of this Debenture then outstanding into shares of common stock of the Company ("Common Stock"), at a conversion price ("Conversion Price") for each share of Common Stock equal to the lowest closing price of the Common Stock as reported on the NASD Over the Counter Bulletin Board or any other recognized exchange on which the Company's shares are traded ("Exchange") for any trading day on which a Notice of Conversion is received by the Company, provided such Notice of Conversion is delivered by fax to the Company between the hours of 4 P.M. Eastern Standard or Daylight Savings Time and 7 P.M. Eastern Standard or Daylight Savings Time, or for any of the 20 consecutive trading days immediately preceding the date of receipt by the Company of each Notice of Conversion ("Conversion Shares"). If the number of resultant Conversion Shares would as a matter of law or pursuant to regulatory authority require the Company to seek shareholder approval of such issuance, the Company shall, as soon as practicable, take the necessary steps to seek such approval. Such conversion shall be effectuated, by the Company delivering the Conversion Shares to the Holder within 5 business days of receipt by the Company of the Notice of Conversion. Once the Holder has received such Conversion Shares, the Holder shall surrender the Debentures to be converted to the Company, executed by the Holder of this Debenture evidencing such Holder's intention to convert this Debenture or a specified portion hereof, and accompanied by proper assignment hereof in blank. Accrued but unpaid interest shall be subject to conversion. No fractional shares or scrip representing fractions of shares will be issued on conversion, but the number of shares issuable shall be rounded up to the nearest whole share.

(b) Interest at the rate of 6% per annum shall be paid by issuing Common Stock of the Company. The Company shall issue to the Holder shares of Common Stock in an amount equal to the total monthly interest accrued and due divided by the Market Price ("Interest Shares"). Market Price shall mean the per share price of Common Stock based on the lowest closing price of the Common Stock as reported on the Exchange on the date calculations are made for Interest Shares or for any of the 20 consecutive trading days immediately preceding this date.

4. Issuance of Shares of Common Stock on Conversion. As soon as practicable after full or partial conversion of this Debenture, the Company at its expense will cause to be issued in the name of and delivered to the holder of this Debenture (a) a certificate or certificates for the number of shares of Common Stock to which that holder shall be entitled on such conversion, together with any other securities and property to which the holder is entitled on such conversion under the terms of this Debenture, and (b) if any principal amount of this Debenture remains unpaid after such conversion, a new Debenture, substantially in the form of this Debenture, dated the date to which interest has been paid on the Debenture surrendered for conversion, in an aggregate principal amount equal to such unpaid principal amount, and specifying the portion of such unpaid principal amount, if any, which may be converted into shares of Common Stock. Such conversion shall be deemed to have been made immediately prior to the close of business on the date that this Debenture shall have been surrendered for conversion, accompanied by written notice of conversion, so that the rights of the holder of this Debenture as a Debentureholder with respect to the principal amount of the Debenture so converted

shall cease at such time and the person or persons entitled to receive the shares of Common Stock upon conversion of this Debenture shall be treated for all purposes as having become the record holder or holders of such shares of Common Stock at such time and such conversion shall be at the Conversion Price in effect at such time; provided, however, that no such surrender on any date when the stock transfer books of the Company shall be closed shall be effective to constitute the person or persons entitled to receive the shares of Common Stock upon such conversion as the record holder or holders of such shares of Common Stock on such date, but such surrender shall be effective to constitute the person or persons entitled to receive such shares of Common Stock the record holder or holders thereof for all purposes at the close of business on the next succeeding day on which such stock transfer books are open and such conversion shall be at the Conversion Price in effect on the date that this Debenture shall have been surrendered for conversion. If the last day for the exercise of the conversion rights shall be a Sunday or shall be in Vancouver, British Columbia, a legal holiday or a day on which banking institutions are authorized by law to close, then such conversion right may be exercised on the next succeeding day not in Vancouver, British Columbia, a legal holiday or a day on which banking institutions are authorized by law to close. The Company shall pay all interest on this Debenture or portion thereof surrendered for conversion accrued to the date of surrender and any and all taxes in respect of the certificates for the shares of Common Stock issued upon any conversion of this Debenture. No fractional shares will be issued on conversion of this Debenture. If on any conversion of this Debenture a fraction of a share of Common Stock results, the Company will pay the cash value of that fractional share of Common Stock, calculated on the basis of the market price of the Common Stock (or book value, if the Common Stock is not publicly traded) as of the close of business on the date that this Debenture shall have been surrendered for conversion.

5. Adjustments to Conversion Price.

5.1 Stock Dividends, Subdivisions and Distributions.

If at any time prior to the maturity, or earlier prepayment or conversion, hereof the Company shall declare any dividend, or make any other distribution, on or in respect of any stock of the Company of any class, which dividend is payable or paid in Common Stock or other securities of the Company, or if the Company shall at any time prior to the maturity, or earlier prepayment or conversion, hereof subdivide its outstanding shares of Common Stock, the Conversion Price shall, concurrently with the effectiveness of such declaration, distribution or subdivision, be proportionately decreased.

5.2 Adjustments for Combinations or Consolidation of Common Stock. In the event that prior to the maturity, or prepayment or conversion, hereof the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, the applicable Conversion Price in Section 3 shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

5.3 No Impairment. The Company will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company but will at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such action as may be necessary or appropriate in order to protect against dilution or impairment of the rights set forth in Section 5 of the holder of this Debenture.

5.4 Certificate as to Adjustments. Upon the occurrence of each adjustment of the Conversion Price pursuant to this Section 5, the Company at its expense shall promptly compute such adjustment in accordance with the terms hereof and furnish to the holder of this Debenture a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment is based. The Company shall, upon the written request at any time of the holder of this Debenture, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and (ii) the Conversion Price formula at the time in effect.

5.5 Common Stock Reserved. The Company shall reserve and keep available out of its authorized but unissued Common Stock such number of shares of Common Stock as shall from time to time be sufficient to effect conversion of this Debenture.

5.6 Reclassification, Exchange and Substitution. In case of any reclassification or change of outstanding shares of Common Stock issuable upon conversion of this Debenture (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or in case of any sale or conveyance to another corporation of the property of the Company as an entirety or substantially as an entirety, the Company, or such successor or purchasing corporation, as the case may be, shall execute with the holder of this Debenture a supplemental agreement providing that the holder hereof shall have the right thereafter to convert this Debenture into the kind and amount of shares of stock and other securities and property receivable upon such reclassification, change, sale or conveyance by a holder of the number of shares of Common Stock into which such Debenture might have been converted immediately prior to such reclassification, change, sale or conveyance. Such supplemental agreement shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 5.

5.7 No Change Necessary. The form of this Debenture need not be changed because of any adjustment in the Conversion Price formula in Section 3. A Debenture issued after any adjustment on any partial conversion or upon replacement may continue to express the same Conversion Price as is stated in this Debenture as initially issued, and the Conversion Price formula shall be considered to have been so changed as of the close of business on the date or dates of adjustment.

6. Subordination. The indebtedness evidenced by this Debenture is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all the Company's Senior Indebtedness (as defined in paragraph 6.3).

6.1 Rights of Debenture Holders. Upon any receivership, insolvency, assignment for the benefit of creditors, bankruptcy, reorganization, sale of all or substantially all of the assets dissolution, liquidation, or any other marshalling of the assets and liabilities of the Company or in the event this Debenture shall be declared due and payable upon the occurrence of any event of default (as specified in Section 9), (i) no amount shall be paid by the Company in respect of the principal of or interest on this Debenture at the time outstanding, unless and until the principal of and interest on the Senior Indebtedness then outstanding shall be paid in full, except for any securities or other property receivable by the holder of this Debenture pursuant to any decree, order or judgment in any such proceeding, and (ii) no claim or proof of claim shall be filed with the Company by or on behalf of the holder of this Debenture which shall assert any right to receive any payment in respect of the principal of and interest on this Debenture except subject to the payment in full of the principal of and interest on all of the Senior Indebtedness then outstanding.

6.2 Default in Senior Indebtedness. In the event of an event of default in the payment of any principal, premium, sinking fund or interest with respect to any Senior Indebtedness, as defined herein, or in the instrument under which it is outstanding, permitting the holder to accelerate the maturity thereof, then, unless and until such event of default shall have been cured or waived or shall have ceased to exist, or that Senior Indebtedness shall have been paid in full, no payment shall be made in respect of the principal of or interest on this Debenture, although interest otherwise payable shall continue to accrue hereon.

6.3 "Senior Indebtedness" shall mean the principal of (and premium, if any) and unpaid interest on, (i) indebtedness of the Company, or with respect to which the Company is a guarantor, whether outstanding on the date hereof or hereafter created, to banks or other domestic or international lending institutions or investors, which is for money borrowed by the Company or a subsidiary of the Company, whether or not secured, and which is not subordinated to other debt of the Company, and (ii) any deferrals, renewals or extensions of any such indebtedness or any debentures, notes or other evidences of indebtedness issued in exchange for such Senior Indebtedness.

6.4 Subrogation. Subject to the payment in full of all Senior Indebtedness at the time outstanding, the holder of this Debenture shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Company applicable to the Senior Indebtedness until the principal of, premium, if any, and interest on this Debenture shall be paid in full. No such payments or distributions applicable to Senior Indebtedness shall, as between the Company, its creditors other than the holders of Senior Indebtedness, and the holder of this Debenture be deemed a payment by the Company to or on account of this Debenture.

6.5 Obligations of the Company. The provisions of this Section 6 are for the purpose of defining the rights of the holder of this Debenture on the one hand and the holders of Senior Indebtedness, on the other hand, and nothing contained in this Section 6, or elsewhere in this Debenture, is intended to or shall (a) impair, as between the Company, its creditors other than the holders of Senior Indebtedness, and the holder of this Debenture, the obligation of the Company, which is unconditional and absolute, to pay to the holder of this Debenture the principal of, premium, if any, and interest on this Debenture, as and when the same shall become due and payable in accordance with the terms of this Debenture or (b) affect the rights of the holders of this Debenture relative to creditors of the Company other than the holders of Senior Indebtedness.

7. Prepayment. The Company may, at its own option, prepay this Debenture in whole, or in part, without premium, at any time, by payment to the holder of this Debenture of an amount equal to the principal amount of this Debenture, or portion thereof to be prepaid, plus accrued interest on the outstanding principal amount to be prepaid to the date of payment.

7.1 Notice. Notice of prepayment shall be given by mail not less than 15 days prior to the date fixed for the redemption to the registered holder of this Debenture at the address appearing on the registry books of the Company.

7.2 Partial Prepayment. In case of the prepayment of only part of this Debenture, the notice shall specify the portion of the face amount being prepaid. Upon payment of the portion prepaid, this Debenture shall be cancelled and a new Debenture issued for the unpaid balance.

7.3 Interest. If this Debenture or part thereof shall be called for prepayment and notice of prepayment shall be given as aforesaid, interest shall cease to accrue from and after the prepayment date on this Debenture or the part thereof so called for prepayment (unless default shall be made in the payment of the prepayment price) .

8. Exchange and Transfer. On surrender of this Debenture for exchange, properly endorsed on a form of assignment which will be provided by the Company, and subject to the provisions of this Debenture regarding compliance with the Act, the Company at its expense will issue to or on the order

of the holder of this Debenture a new Debenture or Debentures of like tenor, in the name of that holder or as that holder (on payment by that holder of any applicable transfer taxes) may direct.

9. Events of Default. If any of the following events shall occur herein (individually referred to as an "Event of Default"), the holder of this Debenture may declare the entire unpaid principal and accrued interest on the Debenture immediately due and payable, by a notice in writing to the Company:

9.1 Default in the payment of any installment of interest on this Debenture when it becomes payable and continuation of such default for a period of 10 days; or

9.2 Default in the payment of the principal of the Debenture when the same shall have become due and payable, whether at maturity or at a date fixed for prepayment by declaration or otherwise; or

9.3 If the Company shall default in the performance of or compliance with any material non-monetary term contained herein and, following such written notice by the holder of this Debenture, the Company shall have not commenced and continued to take reasonable curative action to remedy such default; or

9.4 If any representation or warranty made in writing by or on behalf of the Company herein shall prove to have been false or incorrect in any material respect on the date as of which made; or

9.5 If, within 60 days after the commencement of an action against the Company or any Subsidiary seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such action shall not have been dismissed or all orders or proceedings thereunder affecting the operations or the business of the Company stayed, or if the stay of any such order or proceedings shall thereafter be set aside, or if, within 60 days after the appointment without the consent or
acquiescence of the Company or such Subsidiary of any trustee, receiver or liquidator of the Company or any Subsidiary or of all or any substantial part of the properties of the Company or any Subsidiary, such appointment shall not have been vacated; or

9.6 The entry of an order, judgment or decree by a court of competent jurisdiction, without the consent of the Company, adjudging the Company a bankrupt or insolvent, or appointing a receiver of the Company or of the whole or any substantial part of its properties, or approving a petition filed against the Company seeking reorganization, arrangement or winding-up of the Company under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof or any other country or jurisdiction; or

9.7 The institution by the Company of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to institution of bankruptcy or insolvency proceedings against it or the filing by it of a petition or answer or consent seeking reorganization or release under the Federal Bankruptcy Act, or any other applicable federal or state law, or similar law of any other country, or the consent by it to the filing of any such petition or the appointment of a receiver, liquidator, assignee, trustee, or other similar official, of the Company, or of any substantial part of its property or the properties of its Subsidiaries, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due or the taking of corporate action by the Company in furtherance of any such action.

10. Registration. The Company shall keep at its principal office a register in which the Company shall provide for the registration of this Debenture and of Debentures issued in exchange herefor and

upon the transfer hereof. Upon compliance with all provisions of this Debenture, the holder of this Debenture may, at its option and either in person or by duly authorized attorney, surrender the same for registration of transfer at the office of the Company and, without expense to the holder (other than transfer taxes, if any), receive in exchange therefore a printed Debenture or Debentures, each in the principal amount of $10,000 or any integral multiple thereof, for the same aggregate unpaid principal amount as the Debenture or Debentures so surrendered for transfer or exchange and each payable to such person or persons as may be designated by such holder. Every Debenture presented or surrendered for registration of transfer shall be duly endorsed, or shall be accompanied by a written instrument of transfer duly executed by the holder of such Debenture or his attorney duly authorized in writing. Every Debenture so made and delivered in exchange for this Debenture shall in all other respects be in the same form and have the same terms as this Debenture. No transfer or exchange of any Debenture shall be valid unless made in such manner at such office. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Debenture and, in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Debenture, the Company will make and deliver, in lieu of such lost, stolen, destroyed or mutilated Debenture, a new Debenture of like tenor and unpaid principal amount and dated as of the date from which unpaid interest has then accrued on the Debenture so lost, stolen, destroyed or mutilated. The Company may deem and treat the person in whose name this Debenture shall be registered as the absolute owner of such Debenture for the purpose of receiving payment of principal and interest and for all other purposes and the Company shall not be affected by any notice to the contrary.

11. Negotiability. Subject to the provisions of this Debenture with respect to restrictions on transferability, title to this Debenture may be transferred by endorsement and delivery in the same manner as a negotiable instrument transferable by endorsement and delivery.

12. Modification. This Debenture and any of its terms may be changed, waived, or terminated only by a written instrument signed by the party against which enforcement of that change, waiver, or termination is sought.

13. Governing Law. This Debenture shall be governed by and construed and enforced in accordance with the laws of the State of Nevada.

IN WITNESS WHEREOF, the Company has caused this Debenture to be signed in its name by its duly authorized officer under its corporate seal, attested by its duly authorized officer, as of the date first written above.

INTELLIGENT LIVING CORP.

By: _____________________

NOTICE OF CONVERSION

(To be Executed by the Registered Holder in order to Convert the Debenture)

The undersigned hereby irrevocably elects to convert $ _________________ of the principal amount of Debenture SCD_____ dated _____________, 20__ into Shares of Class A Common Stock of Intelligent Living Corp. (the "Company") according to the conditions hereof, as of the date written below. After giving effect to the conversion requested hereby, the outstanding principal amount of such debenture is
$_____________________ subject to confirmation by the Company endorsed below.

Conversion Date*

____

Applicable Conversion Price

____

Signature

____

[Name]

Address:

____

____

* This original Debenture must be received by the Company or its Transfer Agent by the fifth business date following the Conversion Date.

The Company hereby confirms that $ ___________ in principal amount is outstanding under the above Debenture after giving effect to the conversion requested hereby.

INTELLIGENT LIVING CORP.

By:_______________________________________

____
(Print Name)

____
(Title)

EXHIBIT 31

CERTIFICATION

I, Michael F. Holloran, certify that:

1. I have reviewed this annual report on Form 10-K of Intelligent Living Corp., (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATED: Sept 14, 2009

/s/ Michael F. Holloran

Michael F. Holloran,
Chief Executive Officer and
Principal Financial Officer

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Intelligent Living Corp. (the "Company") on Form 10-K for the period ended May 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael F. Holloran, Chief Executive Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge: (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

DATED: September 14, 2009

/s/ Michael F. Holloran

Michael F. Holloran;
Chief Executive Officer and
Principal Financial Officer