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

FORM 10-Q

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended August 31, 2009

OR

☐·**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
(State or other jurisdiction of incorporation or organization)

88-0409024
(I.R.S. Employer Identification Number)

SUITE 221, 2323 QUEBEC STREET
Vancouver, BC
V5T 4S7
(Address including zip code of principal executive offices)

Issuer's telephone number: **(604) 876-7494**

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 issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

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, a non-accelerated filer or a smaller reporting company.

Large accelerated filer	☐		Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☒

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

As of August 31, 2009, the registrant had outstanding 55,781,168 shares of its $.001 par value Common Stock.

Transitional Small Business Disclosure Format: Yes☐ No ☑

INTELLIGENT LIVING CORP.
FORM 10Q
For the Quarterly period ended August 31, 2009

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PART I. FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

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

		August 31 2009 (unaudited)		May 31 2009 (audited)
ASSETS				
CURRENT ASSETS				
Cash	$	5,873	$	3,022
Accounts Receivable		12,540		39,715
Prepaid expenses		5,367		5,760
Inventory		64,932		65,317
Investment		36,647		36,635
Employee expense advances		2,626		2,626
GST/PST tax refundable (payable)		163		-
TOTAL CURRENT ASSETS		**128,148**		**153,075**
PROPERTY & EQUIPMENT, NET		**72,206**		**85,450**
OTHER ASSETS				
Deposits		820		820
Goodwill MCM		241,336		241,329
Other assets		13,978		13,974
TOTAL OTHER ASSETS		**256,134**		**256,123**
TOTAL ASSETS	$	**456,488**	$	**494,648**
LIABILITIES AND STOCKHOLDERS' (DEFICIT)				
CURRENT LIABILITIES				
Bank Overdraft	$	52,223	$	46,974
Accounts payable		354,500		381,977
Accrued liabilities		16,452		22,701
Accrued interest		209,881		192,092
Subscription Deposit		-		-
Short Term Note		131,282		101,275
Short Term Note - Related Parties		350,841		345,802
TOTAL CURRENT LIABILITIES		**1,115,179**		**1,090,821**
LONG-TERM LIABILITIES				
Debentures and Loans		908,096		1,010,007
Debentures and Loans - Related Parties		-		-
TOTAL LONG TERM LIABILITIES		**908,096**		**1,010,007**
TOTAL LIABILITIES		**2,023,275**		**2,100,828**
STOCKHOLDERS' (DEFICIT)				
Common Stock, 500,000,000 shares authorized,				
Common stock, 800,000,000 shares authorized, $0.001 par value; 55,781,168 and 49,336,724 issued and outstanding respectively		55,780		49,336
Additional paid in capital		12,644,911		12,539,355
Accumulated (deficit)		(14,210,476)		(14,140,456)
Accumulated other comp income/(loss)	$	(57,002)	$	(54,415)
TOTAL STOCKHOLDERS' (DEFICIT)		**(1,566,787)**		**(1,606,180)**
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$	**456,488**	$	**494,648**

See accompanying condensed notes to the interim consolidated financial statements

INTELLIGENT LIVING CORP.

(Formerly known as Elgrande International Inc.)

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	3 months ending August 31	
	2009	**2008**
	(unaudited)	**(unaudited)**
Revenues	$ 45,676	$ 60,104
Cost of revenues	15,292	22,770
Gross profit	30,384	37,334
Expenses		
Selling expense	1,064	1,625
Salaries	21,300	16,589
Depreciation	7,104	7,699
Office & Admin	28,969	15,926
TOTAL OPERATING EXPENSES	58,437	41,839
GAIN (Loss) from operations	(28,053)	(4,505)
Other income (expense)		
Interest expense	(5,548)	(5,994)
TOTAL OTHER INCOME (EXPENSE)	(5,548)	(5,994)
GAIN (LOSS) FROM CONTINUING OPERATIONS	(33,601)	(10,499)
GAIN (LOSS) FROM DISCONTINUED OPERATIONS	(36,419)	(62,937)
NET LOSS BEFORE INCOME TAX	**(70,020)**	**(73,436)**
INCOME TAX EXPENSE	-	-
NET LOSS	$ **(70,020)**	$ **(73,436)**
EARNINGS PER SHARE BASIC AND DILUTED		
(Loss) income per share from continuing operations	$ (0.00)	$ (0.01)
(Loss) per share from discontinued operations	(0.00)	(0.06)
Net (Loss) per share	(0.00)	(0.08)
Weighted average number of common stock shares outstanding, basic and diluted	52,044,453	975,980
OTHER COMPREHENSIVE INCOME		
Foreign currency translation gain (loss)	$ (2,587)	$ 12,565
Comprehensive gain (loss)	$ **(72,607)**	**(60,871)**

See accompanying condensed notes to the interim consolidated financial statements

INTELLIGENT LIVING CORP.

(Formerly known as Elgrande International, Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOW

	3 Months Ended August 31	
	2009	**2008**
	(unaudited)	**(unaudited)**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (70,020)	$ (73,436)
Adjustments to reconcile net loss		
to net cash used by operating activities:		
Amortization of debt discount	10,089	12,236
Depreciation	13,010	13,979
Imputed Interest	-	5,785
Decrease (increase), net of acquisition, in:		
Accounts receivable	28,228	10,111
Prepaid expenses	393	281
Inventory	405	(4,757)
Increase (decrease), net of acquisition, in:		
Accrued liabilities and accrued interest	10,773	29,095
Employee advance receivable	-	19
Accounts payable	(27,560)	(28,859)
GST tax refundable	(163)	83
Bank overdraft	5,249	(10,940)
Net cash used in operating activities	(29,596)	(46,403)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans, related party	5,034	13,910
Proceeds from loans	30,000	15,045
Net cash provided by financing activities	35,034	28,955
Net increase (decrease) in cash	5,438	(17,448)
Foreign currency translation gain (loss)	(2,587)	12,565
Cash, beginning of period	3,022	9,369
Cash, end of period	$ **5,873**	$ **4,486**
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest and income taxes:		
Interest	$ 5,548	$ -
Income taxes	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Accrued liabilities converted to notes payable	$ -	$ 36,027
Common stock issued for debt and interest	$ 112,000	$

See accompanying condensed notes to the interim consolidated financial statements

NOTE 1 – BASIS OF PRESENTATION

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 3 months ended August 31, 2009 and 2008 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 foregoing unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, these financial statements do not include all of the disclosures required by generally accepted accounting principles for complete financial statements. These unaudited interim financial statements should be read in conjunction with the audited financial statements for the period ended May 31, 2009. In the opinion of management, the unaudited interim financial statements furnished herein include all adjustments, all of which are of a normal recurring nature, necessary for a fair statement of the results for the interim period presented.

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions that could have a material effect on the reported amounts of the Company's financial position and results of operations.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has suffered material recurring losses from operations since inception. At August 31, 2009, the Company has a working capital deficit of approximately $987,031, an accumulated deficit of approximately $14,210,476 and negative cash flows from consolidated operations. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Continuation of the Company is dependent on achieving sufficiently profitable operations and obtaining additional financing. Management has and is continuing to raise additional capital from various sources. There can be no assurances that the Company will be successful in raising additional capital. The financial statements do not include any adjustment relating to the recoverability and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

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 quarter ending August 31, 2009 reported a comprehensive loss of $2,587 resulting from the conversion of Canadian dollar subsidiaries into US dollars. For the quarter ending August 31, 2009 the accumulated comprehensive loss due to the conversion of Canadian dollar subsidiaries into US dollars was $57,002.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The Company is in the process of developing a policy for recognizing doubtful accounts. A receivable is considered past due if the Company does not receive payment within 30 days. The Company estimates bad debts utilizing the allowance method, based upon past experience and current market conditions. At August 31 and May 31 2009, there were accounts receivable allowances of $27,773 and $27,764 respectively.

Inventories
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 August 31, 2009 and May 31, 2009 consisted of a variety of home automation equipment and home décor products. 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 began recognizing a reserve for potential inventory obsolescence. The recorded cost of inventory was $161,514 at August 31, 2009, and $161,867 at May 31, 2009. Reserves of $96,582 at August 31, 2009 and $96,550 at May 31, 2009 were recorded to cover the full recorded cost of home décor product.

Inventory	August 31 2009	May 31 2009
	Recorded Cost	
Home automation equipment	$64,932	$65,317
Home décor products	$96,582	$96,550
Total Recorded Cost	$161,514	$161,867
	Reserve	
Home automation equipment	-	-
Home décor products	$96,582	$96,550
	Net of Reserve	
Total Inventory net of reserve	$64,932	$65,317

Foreign currency translation
The Company has adopted Financial Accounting Standard No. 52, “Foreign Currency Translation” (SFAS52). 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. 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.

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 Financial Accounting Standard No 142, “Goodwill and Other Intangible Assets” (SFAS142). 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 $241,336 related to the acquisition of MCM Integrated Technologies, Ltd. Management reviewed Goodwill and found that there was no impairment for the period ended August 31, 2009 and no expense has been recognized.

Earnings per Share
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 Three Months Ended August 31,	
(in thousands)	**2009**	**2008**
Gain (Loss) from continuing operations	$ (33.6)	(10.5)
Gain (Loss) from discontinued operations	(36.4)	(62.9)
Net gain (loss) income	$ (70.0)	(73.4)
Weighted average shares outstanding:		
basic and dilutive	52,044,453	975,980
Effect of dilutive securities:		
stock options	—	—
Convertible debt	—	—
diluted	52,044,453	975,980
Gain (Loss) per share from continuing operations: basic and diluted	$ (0.00)	(0.01)
Gain (Loss) per share from discontinued operations: basic and diluted	$ (0.00)	(0.11)
Net (loss) income per share: basic and diluted	$ (0.00)	(0.12)

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

	For the Quarter Ended August 31, 2009	For the Quarter Ended August 31, 2008
Outstanding common stock options and warrants	Nil	Nil
Convertible debt	34,275,111	43,434,940

Impairment of long-lived assets
We have adopted Statement of Financial Accounting Standards No 144, , "Accounting for the Impairment or Disposal of Long-Lived Assets"(SFAS144), for the assessment of 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.

Costs Associated with Exit or Disposal Activities
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.

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.

Recent Accounting Pronouncements

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 August 31, 2008

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 3 - COMMON STOCK

During the quarter ended August 31, 2009 the Company issued 6,444,444 shares of its unregistered common stock for $112,000 of debt at an average price of $0.02 per share.

NOTE 4 – 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 through 2009 and the three months ended August 31, 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, 2008	-	$ -
Options expired	-	-
Options granted	-	-
Options outstanding and exercisable at May 31, 2009	-	$ -
Options expired	-	-
Options granted	-	-
Options outstanding and exercisable at August 31, 2009	-	$ -

During the years ended May 31, 2008 and 2009 and the three months ended August 31, 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, 2008	5,333,333	<1	$	0.03
Warrants expired	5,333,333-	0		-
Warrants granted	-			-
Warrants outstanding and exercisable at May 31, 2009	-		$	-
Warrants expired	-			-
Warrants granted	-			-
Warrants outstanding and exercisable at Aug 31, 2009	-			-

NOTE 5 – 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 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, 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 year ended May 31, 2009 was $348,678.

During the three months ended August 31, 2009 the Company’s officers loaned the Company $5,034, which was uncollateralized and due on demand. Total outstanding related party debt [principal plus accrued interest] for the period ended August 31, 2009 and May 31, 2009 was respectively $354,037 and $348,678.

The Company had short-term loans outstanding to corporate officers at August 31, 2009 in the amount of $350,841. They are unsecured, bear interest at rates of 6% to 11% per annum and are due on demand. Accrued interest to August 31, 2009 was $3,196

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

Related Parties		Principal Outstanding on Aug 31, 2009	Interest Accrued to Aug 31, 2009
Non-convertible short-term notes	$	350,841	3,196
Total	$	350,841	3,196

NOTE 6 – NOTES AND DEBENTURES PAYABLE

Short-term Notes

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 unsecured short-term notes to fund continuing operations

During the three months ended August 31, 2009, the Company received $5034 from its officers (see note 5) and $30,000 from a third party in the form of an unsecured short-term notes to fund continuing operations. As at August 31, 2009 the following notes were due on demand or within the coming 12 months: (see note 5).

Notes and Debentures		Principal Amount at Aug 31, 2009	Weighted Average Interest Rate		Accrued Interest at Aug 31, 2009
Related Party short term	$	350,841	11%	$	3,196
Third Party short term		131,282	7%		38,142
Total	$	428,123	10%	$	41,338

Loans and Debentures

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 5 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.

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	482,123		482,123
2011	953,253	45,157	908,096
2012	-	-	-
2013	-	-	-
2014	-	-	-
Total	$1,435,376	45,157	$1,390,219

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 August 31, 2009

Note Payable	Due	Conversions at Aug 31, 2009	Balance at end of period	Remaining debt discount	Remaining deferred financing	Discounted Value	Accrued interest
$555,000	FY 2011	206,520	348,480	34,567	10,590	$303,323	$104,845
$50,000	FY 2009	10,000	40,000	-	-	$40,000	$14,342

NOTE 7 – DISCONTINUED OPERATIONS

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

Description	August 31, 2009
Inventory net of reserve	$ -
Accounts receivable remaining from discontinued operations	2,037
Total assets net of reserve related to discontinued operations	2,037
Accounts Payable Trade	241,595
Total liabilities related to discontinued operations	$ 239,598

At August 31, 2009 the Company continued to retain a reserve against the full recorded cost of residual inventory. The value of the reserve on August 31, 2009 was $96,582. 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.

The loss from discontinued operations, recorded for the 3 month period ended August 31, 2009, include the costs of liquidating inventory, renting temporary warehouse space, disbursement costs 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 8 – CHANGES IN PRESENTATION OF COMPARATIVE STATEMENTS

The presentation of certain amounts for previous periods has been reclassified to conform to the presentation adopted for the current period.

NOTE 9 – 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 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF CONTINUING AND FUTURE PLAN OF OPERATION

Cautionary Statement Regarding Forward-Looking Statements

This quarterly 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.

OVERVIEW

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 solutions, energy use monitoring and conservation systems and commercial real estate presentation center solutions including: structured wiring, security and access control systems, internet access, 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.

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 quarter ended August 31, 2008. Liquidation of the Company's home décor inventory has been slower than expected principally as a result of the slowdown of the US economy competition from suppliers of similar product to the US home décor wholesale market.

MCM has been supplying custom IT solutions since 1994 and home automation and energy management solutions since 2003. The Company has offices and demonstration suites in Phoenix and Vancouver and is active with single family homes and multi-unit town homes and condominium projects in southwest BC, Calgary Alberta, the greater Phoenix area and 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, expanded its marketing and project base into Calgary Alberta and initiated technology cooperation with leading marketing and home security groups in the Republic of Turkey for market development in Turkey and the Middle East.

Results from ongoing operations reported for the 3 months ended August 31, 2008 and 2007 relate to sales, marketing and support of home automation and energy efficiency products and services. Results from discontinued operations relate to the Company's phase out activities in the home décor sector and include liquidating inventory, renting temporary warehouse space, disbursement costs 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.

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.

Transactions with related parties

During Q3 2007, the Company purchased MCM Integrated Technologies, Ltd. a company owned by a Director of ILC, Inc. 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. The Company believed that these transactions represented fair value for the assets and liabilities purchased.

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 year ended May 31, 2009 was $348,678.

During the three months ended August 31, 2009 the Company's officers loaned the Company $5,034, which was uncollateralized and due on demand. Total outstanding related party debt [principal plus accrued interest] for the period ended August 31, 2009 and May 31, 2009 was respectively $354,037 and $348,678.

The Company had short-term loans outstanding to corporate officers at August 31, 2009 in the amount of $350,841. They are unsecured, bear interest at rates of 6% to 11% per annum and are due on demand. Accrued interest to August 31, 2009 was $3,196

RESULTS OF OPERATIONS – for the three months ended August 31, 2009 and August 31, 2008

For the 3 months ended August 31, 2009, revenues from continuing operations were $45,676 compared to $60,104 in the same period ending last year. These revenues are a result of the sale of smart home products and services offered through the Company's subsidiary MCM.

For the 3 months ended August 31, 2009, gross profit was $30,384 compared to $37,335 in the same period in the prior year. Gross margin (gross profit as a percent of revenue) was 67%, compared to 62% for the same period in the prior year.

Operating expenses for the 3 months ending August 31, 2009 were $58,437 versus $41,839 for the same period in the prior year.

The Company recorded an operating loss from continuing operations of ($28,053) for the period ending August 31, 2009. compared to a loss on operations of ($4,505) for the same period in the prior year.

Total other expenses for the three month period ending August 31, 2009 were $5,548. Total other expenses were $5,994 for the comparable period in the prior year. The net loss from continuing operations for the three month period ending August 31, 2009 was ($33,601) compared to a net loss of ($10,499) in the comparable period in the prior year.

During the 3 months ended August 31, 2009 the Company incurred expenses associated with its discontinued wholesale business. The net loss from discontinued operations was ($36,419) compared to a net loss of ($62,937) for the comparable period in the prior year.

The total net loss for the 3 months ended August 31, 2009 was ($70,020) compared to a total net loss of ($73,436) for the corresponding period in the prior year. The total net loss decreased 5% compared to the corresponding period in the prior year. A loss of ($2,587) was realized as a result of foreign currency translation and the resulting comprehensive loss the period ending August 31, 2008 was $(72,607) compared to a gain of $12,565 as a result of foreign currency translation and a comprehensive loss of ($60,871) for the corresponding period in the prior year. The comprehensive loss decreased 49% compared to the corresponding period in the prior year.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As of August 31, 2009, our principal sources of liquidity included cash and cash equivalents, and operating cash flow from our operating subsidiary, and shareholder and related party loans. At August 31, 2009, cash and cash equivalents totaled $5,873 compared to $4,486 at August 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, 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 North American housing market entered the current period of substantially reduced activity, house prices declined and a sever contraction in the availability of consumer credit occurred.

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 3 month period ending August 31, 2009 the Company realized a loss on operations of $28,053 and a net loss of $70,020. As of August 31, 2009 the Company had a working capital deficit of $987,031 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 August 31, 2009 consisted primarily of the purchase of inventory, property and equipment and soft costs associated with the 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

For the year ended May 31, 2009, 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

In the quarter closing August 31, 2009 the Company negotiated short term loans totaling $35,034. These loans are interest bearing and due on demand

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 period ended August 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 February 2009.

OFF BALANCE-SHEET ARRANGEMENTS

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

ITEM 3. QUANTATATIVE 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 the applicable margin. Assuming that the balance on our line of credit as of August 31, 2009, was the same throughout the entire quarter, 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 $3,279 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 routinely purchase goods in Canadian dollars for resale in US dollars and 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 August 31, 2009, MCM purchased approximately $4,000 of goods valued in US dollars for sales in Canadian dollars. For the period ended August 31, 2009, a 10% increase or decrease in the level of the U.S. Dollar exchange rate against the Canadian Dollar with all other variables held constant would result in a realized gain or loss of approximately $370.

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 fluctuation in the exchange rates resulted in foreign currency translation gains reflected in comprehensive gain in stockholders' equity of ($2,587) at August 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 4T. CONTROLS AND PROCEDURES.

In connection with the preparation of this quarterly report on Form 10-Q, 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 August 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.

In addition, based on that evaluation, there has been no change in the Company's internal control over financial reporting that occurred during the Company's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION.

ITEM 1. 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 1A. RISK FACTORS

Not applicable.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the period ended August 31 the Company converted $112,000 of debenture debt to 6,444,444 shares of its unregistered common stock at an average price of approximately $0.02 per share.

The Company offered and sold the securities in reliance on an exemption from federal registration under Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, or alternatively, under Regulation S promulgated under the Securities Act .

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS.

No.	Description
31	Certification of Michael 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

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTELLIGENT LIVING CORP.

By: /s/ Michael F. Holloran

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

Dated: October 20, 2009

EXHIBIT 31

CERTIFICATION

I, Michael F. Holloran, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Intelligent Living Corp., (formerly Elgrande International, Inc.), (the "small business issuer");

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 small business issuer as of, and for, the periods presented in this report;

4. The small business issuer'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 small business issuer 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 small business issuer, 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 small business issuer'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 small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer'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 small business issuer's internal control over financial reporting.

DATED: October 20, 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 Quarterly Report of Intelligent Living Corp. (formerly Elgrande.com, Inc.) (the "Company") on Form 10-Q for the period ended August 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: October 20, 2009

/s/ Michael F. Holloran

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