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

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended May 31, 2010

[ ] 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 Registrant 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 August 31, 2010 72,081,168.

Documents incorporated by reference: None.

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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") 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 7 Media Center based systems. Income is derived from both equipment sales and the provision of installation, repair and maintenance services. Customers include residential home owners, developers and builders of single family and multi-unit developments and commercial businesses.

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.

The Company previously 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, 2010. 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.

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.

Beginning in 2007 and continuing through 2010, the U.S. credit markets are experiencing 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 have led to an ongoing slow-down in residential housing market construction and sales 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 on a best efforts basis with Kilia Teknologi, 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 including housing and power generation.

Employees

As of May 31, 2010, we had a staff of four consisting of three employees: one COO, one technical applications specialist, 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 ($1,656,559) at May 31, 2010 and a net loss of $(211,699) 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 continued to restructure 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 needs to find further ways to reduce overhead expenses and increase its operating revenue sufficient 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.

In December 2006 we completed the acquisition of MCM and began a process to phase 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 2010 we had a total of $1,200,084 in debt and accrued interest that is convertible into shares of our common stock at discounts ranging from 0% to 25% of the market price. The conversion of 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.

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.

Beginning in 2007 the U.S. credit markets experienced 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 construction and sales, declining housing prices, delinquencies in non-mortgage consumer credit and a general decline in consumer confidence. These conditions continued and worsened in 2008 and have persisted through 2010, causing a loss of confidence in the broader U.S. and global credit and financial markets and have resulted in the collapse of, and government intervention in, major banks, financial institutions and insurers, and have created a climate of volatility, reduced 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 have caused the broader credit markets to further deteriorate and stock markets to decline substantially from pre-crisis levels. In addition, general economic indicators have been slow to recover.

These include consumer sentiment, unemployment and 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 know-how and our products relative to our competitors. We can provide no assurance that we will be able to establish and maintain strategic relationships in the future.

In addition, any strategic relationships that we establish, will subject us to a number of risks, including risks associated with sharing and potentially losing control over technical information and know-how, 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 our exposure to a number of factors that are outside of our control.

No Assurances of Protection for Non-Proprietary Know-How; 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 and which do not have intellectual property protection. There can be no assurances that secrecy obligations will be honored or that others will not independently develop similar or superior technology know-how. The protection of trade secret status has been the subject of increasing claims and litigation by various companies both in order to protect trade secrets as well as for competitive reasons even where claims are unsubstantiated. The prosecution of 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 18 months preceding this date 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 surplus equipment and historical records. We do not have leases and are renting all space on a month-to-month basis. The total monthly rent obligation for all space used by the Company is approximately $2,500.

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, 2010.

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 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
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
2010		
First Quarter	0.01	0.17
Second Quarter	0.02	0.04
Third Quarter	0.01	0.01
Fourth Quarter	0.01	0.005

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

2007 OPTION PLAN

The 2007 Option Plan was adopted by the board with 30,000,000 shares reserved. The Plan is administered by the Board of Directors of the Company. Subject to the express limitations of the Plan, the Board has authority in its discretion to determine the eligible persons to whom, and the time or times at which, restricted stock awards may be granted, the number of shares subject to each award, the time or times at which an award will become vested, the performance criteria, business or performance goals or other conditions of an award, and all other terms of the award. The Board also has discretionary authority to interpret the Plan, to make all factual determinations under the Plan, and to make all other determinations necessary or advisable for Plan administration. The Board may prescribe, amend, and rescind rules and regulations relating to the Plan. All interpretations, determinations, and actions by the Board are final, conclusive, and binding upon all parties.

HOLDERS

As of August 30, 2010, 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, 2008, 2009 and 2010, 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 Investors	07/09	CS	0.02	6,444,444		506
Private Investors	12/09	CS	0.02	5,800,000		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") 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 7 Media Center 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.

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.

The Company previously 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, 2010. 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.

Following the acquisition of MCM in December 2006, the Company expanded its service offerings to include home comfort and energy efficiency solutions integrated with and controlled by home automation applications. In response to the severe 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 has initiated technology cooperation on a best efforts basis with Kilia Teknologi, a leading security and 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, 2009 and 2010 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 warehouse space for surplus office equipment and furniture, legal and professional time related to eliminating and reducing liabilities associated with discontinued operations and pursuing legal recourse against the Company's home décor supplier.

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, 2009 through May 31, 2010, the US dollar to Canadian Dollar exchange rate has varied from a low of 0.8582 on July 9, 2009 to a high of 1.0034 on April 22, 2010. The closing exchange rate was 0.9488 and the average exchange rate over the year ended May 31, 2010 was 0.9415 resulting in a comprehensive loss of $8,684 for the year ended May 31, 2010.

Comparison of the Years Ended May 31, 2010 and May 31, 2009.

For the year ended May 31, 2010, revenues from continuing operations were $234,419 compared to $233,931 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, 2010, gross profit from continuing operations was $140,479 compared to $127,178, an increase of 10% compared to the same period in the prior year. Gross margin (gross profit as a percent of revenue) was 60% for the year ended May 31, 2010, 6% higher than the prior year. The increased gross margin reflects more efficient operations and higher margins on equipment sales, system design, installation and servicing.

Operating expenses associated with ongoing operations for the year ended May 31, 2010, were $193,164 versus $231,609 for the same period in the prior year. The 17% decrease in operating expenses reflects a 32% reduction in salary costs and a 11% reduction in Office and Administrative expenses related to staff training, audit and legal fees a decrease of 41% in selling expenses and a small increase in depreciation expense due to changes in foreign exchange rates.

The Company recorded an operating loss from continuing operations of ($52,685) for the year ended May 31, 2010 compared to an operating loss of ($104,431) for the same period in the prior year. This represents a year-on-year 51% decrease in operating losses.

Total other expenses for the year ended May 31, 2010 were $129,024 compared to $180,247 for the comparable period in the prior year. This 28% reduction reflects decreased interest expenses as a result of more favorable operating loan terms and reduced debt, reduced amortization of beneficial conversion and fee discount features.

The net loss from continuing operations for the year ended May 31, 2010 was ($181,709) compared to a net loss of ($284,678) for the comparable period in the prior year. This is a 36% decrease in the year-on-year net loss from continuing operations.

During the year ended May 31, 2010 the Company incurred expenses associated with its discontinued operations. Expenses include the costs of liquidating inventory, renting warehouse space for surplus office furniture and office equipment, legal and professional time related to eliminating and reducing liabilities associated with discontinued operations. The net loss from discontinued operations was ($29,990) compared to a net loss of ($79,117) for the comparable period in the prior year. The 62% decrease was due to reductions in temporary staff time, legal and professional expenses, interest charges and rental of warehouse space.

The consolidated net loss for the year ended May 31, 2010 decreased 42%, ($211,699) compared to ($363,795) for the comparable period in the prior year. A loss of ($8,684) was realized due as a result of foreign currency translation compared to a gain of $7,342 in the comparable period of the prior year. The resulting comprehensive loss for the period ending May 31, 2010 was ($220,383) compared to ($356,453) for the corresponding period in the prior year. The comprehensive loss reduced 38% year-on-year.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As of May 31, 2010, our principal sources of liquidity included cash and cash equivalents, cash flow from our operating subsidiaries, and loans from related parties. At May 31, 2010, cash and cash equivalents totaled $3,931 compared to $3,022 at May 31, 2009.

Our business continues 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 ongoing impairment in the 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 management 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, 2010 the Company realized a loss on operations of ($52,685) and a net loss of ($211,699). As of May 31, 2010 the Company had a working capital deficit of $1,656,559 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

There were no investing activities during the fiscal years ended May 31, 2010 and 2009.

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 $12.75 million from the sale of common stock and as at May 31, 2010 we have borrowings of approximately $1.35 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 fiscal year ended May 31, 2010 net proceeds from related party loans totaled to approximately $17,820. The net total of financing activities for the year ended May 31, 2010 was approximately $52,820.

FUTURE PLAN OF OPERATIONS

Since 2007 and through 2010, 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 continued 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 including housing and power generation. 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.

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 the current fiscal year.

OFF BALANCE-SHEET ARRANGEMENTS

During the year ended May 31, 2010 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, 2010, 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 $3,380 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, 2010, the Company purchased goods and services of approximately $96,000 for sale in Canadian dollars. During the 12 month period June 1, 2009 through May 31, 2010, the US dollar to Canadian Dollar exchange rate has varied from a low of 0.8582 on July 9, 2009 to a high of 1.0034 on April 22, 2010. 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 13,940 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 loss in stockholders' equity of $8,684 for the year ended May 31, 2010. 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 & MORRILL, LLC
Certified Public Accountants
Phone (801) 292-8756 • Fax (801) 292-8809 • www.cbnmcpa.com

Todd D. Chisholm
Nephi J. Bierwolf
Troy F. Nilson
Douglas W. Morrill

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, & Morrill, LLC

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

MARK BAILEY & COMPANY, LTD.
Certified Public Accountants & Management Consultants
1495 Ridgeview Dr., Ste 200 | Reno, NV 89519 | http://www.markbaileyco.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Intelligent Living Corp

We have audited the accompanying consolidated balance sheets of Intelligent Living Corp as of May 31, 2010, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for the year then ended May 31, 2010. Intelligent Living Corp's management is responsible for these financial statements. 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 audit 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, an audit of its internal control over financial reporting. Our audit 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.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 of the accompanying financial statements, the Company has incurred substantial losses and has not been able to generate positive cash flows from operations. These factors, and the need for additional financing in order for the Company to meet its business plans, raise substantial doubt about its ability to continue as a going concern. Management's plan to continue as a going concern is also described in Note 2. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

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, 2010, and the results of its consolidated operations and its cash flows for the year then ended May 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

Mark Bailey & Company, Ltd.

Mark Bailey & Company, Ltd.

Reno, Nevada

September 14, 2010

INTELLIGENT LIVING CORP.
CONSOLIDATED BALANCE SHEETS

		May 31, 2010		May, 31 2009 (Restated)
ASSETS				
CURRENT ASSETS				
Cash	$	3,931	$	3,022
Accounts Receivable		14,673		39,715
Prepaid expenses		3,921		5,760
Inventory		64,486		65,317
Employee expense advances		-		2,626
GST/PST tax refundable (payable)		196		-
TOTAL CURRENT ASSETS		**87,207**		**116,440**
PROPERTY & EQUIPMENT, NET		**39,463**		**85,450**
OTHER ASSETS				
Deposits		849		820
Goodwill MCM		242,048		241,329
Other assets		14,469		13,974
TOTAL OTHER ASSETS		**257,366**		**256,123**
TOTAL ASSETS	$	**384,036**	$	**458,013**
LIABILITIES AND STOCKHOLDERS' (DEFICIT)				
CURRENT LIABILITIES				
Line of Credit	$	45,268	$	46,974
Accounts payable (restated)		96,298		106,509
Accrued liabilities		8,582		22,701
Accrued interest		257,582		192,092
Short Term Note		960,267		101,275
Short Term Note - Related Party		375,769		345,802
TOTAL CURRENT LIABILITIES		**1,743,766**		**815,353**
LONG-TERM LIABILITIES				
Debentures		-		1,010,007
TOTAL LONG TERM LIABILITIES		-		1,010,007
TOTAL LIABILITIES	$	**1,743,766**	$	**1,825,360**
STOCKHOLDERS' (DEFICIT)				
Common stock, 800,000,000 shares authorized, $0.001 par value; 61,580,917 and 49,336,724 issued and outstanding in 2010 and 2009 respectively		61,580		49,336
Additional paid in capital		12,755,111		12,539,355
Accumulated deficit (restated)		(14,113,322)		(13,901,623)
Accumulated other comp income/(loss)		(63,099)		(54,415)
TOTAL STOCKHOLDERS' (DEFICIT)		**(1,359,730)**	$	**(1,367,347)**
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT)	$	**384,036**	$	**458,013**

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

INTELLIGENT LIVING CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Year Ending May 31	
	2010	**2009**
Revenues continuing operations		
Intelligent Home: Equipment & Services	$ 234,419	$ 233,931
Cost of revenues		
Intelligent Home: Equipment & Services	93,940	106,753
Gross profit	**140,479**	**127,178**
Expenses		
Selling expense	1,347	2,264
Salaries	63,593	93,178
Depreciation	29,751	27,546
Office & Admin	98,473	108,621
TOTAL OPERATING EXPENSES	**193,164**	**231,609**
Gain (loss) from continuing operations	(52,685)	(104,431)
Other income (expense)		
Accretion Beneficial Conversion and Fee Discount	(41,301)	(60,737)
Interest expense	(87,723)	(119,510)
TOTAL OTHER INCOME (EXPENSE)	**(129,024)**	**(180,247)**
Net loss from continuing operations before income tax	(181,709)	(284,678)
Provision for income tax	-	-
Net loss from continuing operations	$ (181,709)	$ (284,678)
Loss on discontinued operations - net of Income tax	(29,990)	(79,117)
Provision for income tax	-	-
Loss on discontinued operations	(29,990)	(79,117)
Net loss	**$ (211,699)**	**$ (363,795)**
LOSS PER SHARE BASIC AND DILUTED		
Loss per share from continuing operations	(0.00)	(0.01)
Loss per share from discontinued operations	(0.00)	(0.00)
Net Loss per share	(0.00)	(0.01)
Weighted average number of common stock shares outstanding, basic and diluted	57,588,352	29,461,195
Net loss	**$ (211,699)**	**$ (363,795)**
Other comprehensive income		
Foreign currency translation gain (loss)	(8,684)	7,342
Comprehensive loss	**$ (220,383)**	**$ (356,453)**

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

INTELLIGENT LIVING CORP.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

	Common Stock Number of Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Deficit
Balance, May 31, 2008	975,980	$ 976	$ 10,938,061	$ (13,776,661)	$ (61,757)	$ (2,899,381)
Adjustment to accumulated deficit				238,833		238,833
Balance May 31, 2008 as adjusted	975,980	976	10,938,061	(13,537,828)	(61,757)	(2,660,548)
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 (restated)	49,336,473	$ 49,336	$ 12,539,355	$ (13,901,623)	$ (54,415)	$ (1,367,347)
stock issued for conversion of debt at an average of $0.02 per share	12,244,444	12,244	215,756			228,000
Net loss for the 12 months ended May 31,2010				(211,699)		(211,699)
Foreign currency translation gain (loss)					(8,684)	(8,684)
Balance, May 31, 2010	61,580,917	$ 61,580	$ 12,755,111	$ (14,113,322)	$ (63,099)	$ (1,359,730)

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

INTELLIGENT LIVING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOW

		12 Months Ended May 31,		
		2010		**2009**
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$	(211,699)	$	(363,795)
Adjustments to reconcile net loss				
to net cash used by operating activities:				
Amortization of debt discount		41,302		60,735
Depreciation		47,883		52,122
Imputed Interest		-		7,716
Decrease (increase), net of acquisition, in:				
Accounts receivable		26,196		(1,644)
Prepaid expenses		1,839		(1,594)
Inventory		3,120		(11,151)
Increase (decrease), net of acquisition, in:				
Accrued liabilities and interest		65,527		101,862
Employee advance receivable		(2,626)		-
Accounts payable		(11,520)		8,575
GST tax refundable		196		83
Line of Credit		(3,346)		(3,710)
Net cash used in operating activities		**(43,127)**		**(150,801)**
CASH FLOWS FROM INVESTING ACTIVITIES:				
Deposits		-		-
Net cash used in investing activities		**-**		**-**
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds of loans		35,000		14,661
Proceeds from loans, related party		18,960		121,879
Repayment of loans, related party		(1,240)		(572)
Net cash provided by financing activities		**52,720**		**137,112**
Net increase (decrease) in cash		9,593		(13,689)
Foreign currency translation gain (loss)		(8,684)		7,342
Cash, beginning of period		3,022		9,369
Cash, end of period	**$**	**3,931**	**$**	**3,022**
SUPPLEMENTAL DISCLOSURES:				
Cash paid for interest and income taxes:				
Interest	$	24,108	$	19,750
Income taxes	$	-	$	-
NON-CASH INVESTING AND FINANCING ACTIVITIES:				
Common Stock Issued for Accrued liabilities	$	-	$	200,000
Common stock issued for debt and interest	$	228,000	$	1,441,941
Accrued liabilities converted to notes payable	$	-	$	36,027

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

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Intelligent Living Corp ("ILC", the "Company", "we", "us") 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 7 Media Center 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.

The Company previously 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, 2010. 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.

Results from ongoing operations reported for the year ending May 31, 2009 and 2010 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 warehouse space for surplus office equipment and furniture, legal and professional time related to eliminating and reducing liabilities associated with discontinued operations and pursuing legal recourse against the Company's home décor supplier,.

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.

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

<u>Accounts Receivable</u>
The Company carries its accounts receivable at net realizable value. Because of the small customer base, direct contact with customers and relatively small number of transactions, the Company uses the direct write off method to account for doubtful accounts. The Company estimates bad debt based on management's ongoing review and assessment of accounts and creation of reserves for the full amount of doubtful accounts. At May 31, 2010 and 2009, there were accounts receivable allowances of $28,749 and $27,764 respectively.

Advertising and Marketing Expenses
Advertising expenses consist primarily of costs incurred in the design, development, and printing of Company literature and marketing materials. The Company expenses all advertising expenditures as incurred. The Company incurred advertising and marketing expenses of $1,347 and $2,264 for the years ending May 31, 2010 and 2009 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, 2010 and 2009, the Company did not have cash equivalents.

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

Comprehensive Income
The Company accounts for Comprehensive Income in accordance with ASC Topic 220. ASC Topic 220 establishes standards for reporting and displaying comprehensive income, its components and accumulated balances. For the year ending May 31, 2010 the Company reported a comprehensive loss of $8,684 resulting from the conversion of Canadian dollar subsidiaries into US dollars. For the year ending May 31, 2010 the accumulated comprehensive loss due to the conversion of Canadian dollar subsidiaries into US dollars was $63,099.

Costs Associated with Exit or Disposal Activities
The Company accounts for exit or disposal activities in accordance with ASC Topic 220 [pre codification SFAS 146, “Accounting for Costs Associated with Exit or Disposal Activities”] ASC 220 establishes standards for the recognition, measurement, and reporting of costs associated with exit and disposal activities, including restructuring activities. There has been no impact on the Company’s financial position or results of operations from adopting ASC 220.

Earnings per Share
The Company has adopted ASC 260 “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)		**2010**		**2009**
Gain (Loss) from continuing operations	$	(181.7)	$	(284.7)
Gain (Loss) from discontinued operations		(30.0)		(79.1)
Net gain (loss) income	$	(211.7)	$	(363.8)
Weighted average shares outstanding:				
basic and dilutive		57,588,352		29,461,195
Effect of dilutive securities:				
stock options and warrants		—		—
Convertible notes		—		—
diluted		57,588,352		29,461,195
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)	$	(0.00)
Net (loss) income per share: basic and diluted	$	(0.00)	$	(0.01)

The following potential common shares have been excluded from the computation of diluted net income per share for the years ended May 31, 2010 and 2009 because their inclusion would have been antidilutive:

	For the Year Ended May 31, 2010	For the Year Ended May 31, 2009
Outstanding common stock options and warrants	Nil	Nil
Convertible notes	329,127,353	177,813,670

Fair Value of Financial Instruments

On July 1, 2008, the Company adopted Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures ("Topic 820"). Topic 820 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to valuation methodology are unobservable and significant to the fair measurement.

The fair value of the Company's cash and cash equivalents, accrued liabilities and payables, and loans payable approximate carrying value because of the short-term nature of these items.

Foreign Currency Translation

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, 2010 the Company has an accumulated deficit of $14,113,322, and current liabilities in excess of current assets by $1,656,559. 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 ($99,976) and an accounts receivable reserve ($28,749), 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, 2010 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 moved into the home automation sector with the acquisition 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 recorded 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 through 2010.

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 ASC 350-20. 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. 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 $242,048 related to the acquisition of MCM Integrated Technologies, Ltd. Management reviewed Goodwill and found that there was no impairment for the year ended May 31, 2010 and no expense has been recognized. (see Note 11).

Impairment of long-lived assets
We have adopted ASC 350 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.

Inventory

The Company has adopted ASC 330: Inventory at May 31, 2010 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 $164,462 at May 31, 2010, and $161,867 at May 31, 2009. Reserves of $99,976 at May 31, 2010 and $96,550 at May 31, 2009 were recorded to cover the full recorded cost of home décor product. There were no reserves recorded for home automation inventory for the year ended May 31, 2010.

Inventory	May 31 2010	May 31 2009
	Recorded Cost	
Home automation equipment	$64,486	$65,317
Home décor products	$99,976	$96,550
Total Recorded Cost	$164,462	$161,867
	Reserve	
Home automation equipment	-	-
Home décor products	$99,976	$96,550
	Net of Reserve	
Total Inventory net of reserve	$64,486	$65,317

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 three to seven years (see note 3). Property and Equipment held by MCM are pledged as security for the Company's line of credit.

Provision for Taxes

We account for income taxes in accordance with accounting guidance now codified as FASB ASC Topic 740, "*Income Taxes*," which requires that we recognize deferred tax liabilities and assets based on the differences between the financial statement carrying amounts and the tax bases of assets and liabilities, using enacted tax rates in effect in the years the differences are expected to reverse. Deferred income tax benefit (expense) results from the change in net deferred tax assets or deferred tax liabilities. A valuation allowance is recorded when it is more likely than not that some or all deferred tax assets will not be realized.

Accounting guidance now codified as FASB ASC Topic 740-20, "Income Taxes – Intra-period Tax Allocation," clarifies the accounting for uncertainties in income taxes recognized in accordance with FASB ASC Topic 740-20 by prescribing guidance for the recognition, de-recognition and measurement in financial statements of income tax positions taken in previously filed tax returns or tax positions expected to be taken in tax returns, including a decision whether to file or not to file in a particular jurisdiction. FASB ASC Topic 740-

20 requires that any liability created for unrecognized tax benefits is disclosed. The application of FASB ASC Topic 740-20 may also affect the tax bases of assets and liabilities and therefore may change or create deferred tax liabilities or assets. We would recognize interest and penalties related to unrecognized tax benefits in income tax expense.

At May 31, 2010, 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, 2010. The significant components of the deferred tax asset at May 31, 2010 and May 31, 2009 were as follows:

	May 31, 2010	May 31, 2009
Net operating loss carry forward	$ 11,719,000	$ 11,507,000
Deferred tax asset -NOL	$ 3,984,500	$ 3,912,000
Deferred tax asset valuation allowance	$ (3,984,500)	$ (3,912,000)
Net deferred tax asset	$ -	$ -

At May 31, 2010, the Company had net operating loss carryforwards of approximately $11,719,000 which expire in the years 2020 through 2028. The change in the allowance account from May 31, 2009 to May 31, 2010 was $72,000.

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

	As of May 31, 2010	2009
Current federal tax expense	$ -	$ -
Current state tax expense	$ -	$ -
Change in NOL benefits	$ 72,000	$ 123,700
Change in valuation allowance	$ (72,000)	$ (123,700)
Income tax expense	$ -	$ -

At December 31, 2010, we did not record any liabilities for uncertain tax positions.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 605 “Revenue Recognition in Financial Statements”. This statement established that revenue can be recognized when persuasive evidence of an arrangement exists, the services have been delivered, all significant contractual obligations have been satisfied, the fee is fixed or determinable and collection is reasonably assured.

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, 2010		May 31, 2009
Computer hardware and software	$	821,608	$	820,065
Furniture and fixtures, vehicles, leaseholds		324,834		313,708
Book Value of Property and equipment		1,146,442		1,133,773
Less accumulated depreciation		(1,106,974)		(1,048,323)
Property and equipment - net	$	39,463	$	85,450

The total depreciation expenses for the year ended May 31, 2010 and 2009 were $47,883 and $52,122 respectively. For the year ended May 31, 2010 and 2009 depreciation expenses on continuing operations were $29,751 and $27,546 respectively and on discontinued operations were $18,132 and $24,576 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 – COMMON STOCK

During the year ended May 31, 2010, the Company issued 12,244,444 shares of common stock for conversion of debentures valued at $228,000.

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.

All stock issued was valued based on the fair market value. On September 28, 2008 the Company executed a 1 for 500 reverse split of the Company’s common stock. The stock split has been retroactively restated in these financial statements.

NOTE 5 – WARRANTS

During the years ended May 31, 2010 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, 2008	5,333,333	1	$	0.03
Warrants expired	5,333,333	-		0.03
Warrants granted	-	-		-
Warrants outstanding and exercisable at May 31, 2009	-	-	$	-
Warrants expired	-	-		-
Warrants granted	-	-		-
Warrants outstanding and exercisable at May 31, 2010	-	-	$	-

NOTE 6 – RELATED PARTIES (NOTES PAYABLE RELATED PARTY)

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. Outstanding related party short term note principal of $345,802 and accrued interest of $2,876 for a total principal plus accrued interest of $348,678 was outstanding at the year ended May 31, 2009.

During the year ended May 31, 2010 the short term loans due to the Company's officers increased by $29,967. The Company had short-term loans outstanding to corporate officers at May 31, 2010 in the amount of $375,769. They are unsecured, due on demand and bear interest at an average rate of 7.1%. Accrued interest to May 31, 2010 was $4,750. The total outstanding related party debt [principal plus accrued interest] for the period ended May 31, 2010 was $380,519.

The following table summarizes the position of notes, and amounts due to related parties at May 31, 2010 and May 31, 2009:

Related Parties		Principal Outstanding on May 31, 2010	Interest Accrued to May 31, 2010	Principal Outstanding on May 31, 2009	Interest Accrued to May 31, 2009
Short term notes	$	375,769	4,750	345,802	2,876
Total	$	375,769	4,750	345,802	2,876

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Lease Commitments
For the year ending May 31, 2010 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 8 – CONCENTRATION OF CREDIT RISK

Cash

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, 2010 and 2009, no account exceeded this limit.

NOTE 9 – THIRD PARTY NOTES AND DEBENTURES PAYABLE

During the twelve months ended May 31, 2009 the Company secured short term third party non-interest bearing funding for continuing operations in the amount $14,661. Total outstanding short term third party non-interest bearing funding outstanding at May 31, 2009 was $26,275

During the twelve months ended May 31, 2010, the third party short term non-interest bearing notes increased by $35,684. The total principal outstanding on May 31, 2010 was $61,959.

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.

The debenture principal, debenture balance sheet liability net of discounts and accrued interest outstanding at May 31, 2009 was $1,140,253, $1,085,007 and $189,216 respectively.

In the 12 months ended May 31, 2010 the Company converted $228,000 of debenture principal into 12,244,444 shares of the Company’s common stock.

The following table summarizes the outstanding principal and discounts associated with debentures and principal amounts of notes outstanding at May 31, 2010.

Debentures			Notes	Total
Principal at end of period	Remaining Discounts	Balance Sheet Amount net of discounts	Principal at end of period	End of Period Balance Sheet Amount
$912,253	$13,945	$898,308	$61,959	$960,267

The principal and accrued interest on notes and debentures as at May 31, 2010 are summarized in the following table:

Notes and Debentures		Principal Amount at May 31, 2010	Weighted Average Interest Rate		Accrued Interest to May 31, 2010
Third Party Notes	$	61,959	nil	$	nil
Third Party Debentures		912,253	6.4%		252,832
Total	$	974,212	6.0%	$	252,832

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	$136,959		$136,959
2011	$837,253	$13,945	$823,308
2012	-	-	-
2013	-	-	-
2014	-	-	-
Total	$974,212	13,945	$960,267

NOTE 10 – DISCONTINUED OPERATIONS

At May 31, 2010, assets and liabilities from discontinued operations consisted of:

Description		May 31, 2010
Inventory net of reserve	$	-
Accounts receivable remaining from discontinued operations		2,097
Total assets related to discontinued operations		2,097
Total liabilities related to discontinued operations	$	-

At May 31, 2010 the Company continued to retain a reserve against the full recorded cost of residual inventory. The value of the reserve on May 31, 2010 was $99,976. 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 loss from discontinued operations, recorded for the year ended May 31, 2010, include the costs of liquidating inventory, renting temporary warehouse space for office furniture and equipment, legal, and professional time related to eliminating and reducing liabilities associated with discontinued operations and depreciation.

NOTE 11 - NEW ACCOUNTING PRONOUNCEMENTS

In June 2009, the FASB issued Accounting Standards Codification Topic 810 (ASC Topic 810) "Accounting for Transfers of Financial Assets". Topic 810 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. Topic 810 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 adoption of this pronouncement did not have a material impact on the financial statements

In June 2009, the FASB issued Accounting Standards Codification Topic 810 (ASC Topic 810) "Amendments to FASB Interpretation No. 46(R)". Topic 810 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. Topic 810 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 the adoption of this pronouncement to have a material effect on its financial statements.

In January 2010, the FASB issued updated guidance to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. This update requires new disclosures on significant transfers of assets and liabilities between Level 1 and Level 2 of the fair value hierarchy (including the reasons for these transfers) and the reasons for any transfers in or out of Level 3. This update also requires a reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements on a gross basis. In addition to these new disclosure requirements, this update clarifies certain existing disclosure requirements. For example, this update clarifies that reporting entities are required to provide fair value measurement disclosures for each class of assets and liabilities rather than each major category of assets and liabilities. This update also clarifies the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. This update will become effective for the interim and annual reporting period beginning January 1, 2010, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will become effective for the interim and annual reporting period beginning January 1, 2011. We will not be required to provide the amended disclosures for any previous periods presented for comparative purposes. Other than requiring additional disclosures, adoption of this update will not have a material effect on our Consolidated Financial Statements.

The Company does not believe that any other recently issued, but not yet effective, accounting standards will have a material on the Company's consolidated financial position, results of operations or cash flow.

NOTE 12 – RESTATEMENT

The presentation of certain amounts for previous periods has been reclassified to conform to the presentation adopted for the current period. For the years ended May 31, 2007 through 2009 pursuant to SFAS 144(42), ASC 205-20-45 and ASC 205-20-45-6 the Company reported accrued interest and accretion of beneficial conversion features and fee discount of certain debentures associated with discontinued operations inventory financing as a component of disposal expenses reported in the line item discontinued operations. The Company believes that the element of time has affected the Company's expectation to be repaid as a result of the disposal operations, and has determined to change the accounting treatment of interest and amortization expenses on the debentures starting with the May 31, 2010 annual report. The reclassification for the year ended May 31, 2009 is presented in the following table:

Income Statement Item	For the year ended May 31, 2009 10K filed September 14, 2009	May 31, 2009 10K filed September 14, 2010
Accretion of beneficial conversion and fee discount	-	$60,737
Interest Expense	$19,750	$119,510
Discontinued Operations	$239,614	$79,117

The Company recorded a minority interest investment in a company called Steamcast Networks at cost and certain historical accounts payable items in its financial statements for the years ended May 31, 2008 and 2009. In reviewing impairment of the investment in Streamcast Networks as at May 31, 2010 management became aware that the company filed for Chapter 7 Bankruptcy in April of 2008. The value of this investment was written off against accumulated deficit effective May 31, 2008 and the comparative financial statements for May 31, 2009 were adjusted to reflect this change.

Management reviewed the Company's historical accounts payable and determined that certain amounts are no longer legal obligations of the Company, no longer meet the definition of a liability for financial reporting purposes, or were accrued for services not received by the Company. Management determined the accrued amounts should have been written off in periods prior to May 31, 2009, therefore, an adjustment to the accumulated deficit as of May 31, 2009 has been made. The following accumulated deficit adjustment represents less than 2% of the accumulated deficit and is not judged to be material.

Balance Sheet Item	May 31, 2009 10K filed September 14, 2009	May 31, 2009 10K filed September 14, 2010	Change in Position
Investment	$36,635	-	($36,635)
Total Current Assets	$153,075	$116,440	($36,635)
Total Assets	$494,648	$458,013	($36,635)
Accounts Payable	$381,977	$106,509	($275,468)
Total Current Liabilities	$1,090,821	$815,353	($275,468)
Total Liabilities	$2,100,828	$1,825,360	($275,468)
Accumulated Deficit	($14,140,456)	($13,901,623)	$238,833
Total Stockholders Deficit	($1,606,180)	($1,367,347)	$238,833
Total Liabilities and Stockholders' Deficit	$494,648	$458,013	($36,635)

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

On August 30, 2010, Chisholm, Bierwolf, Nilson & Morrill, LLC (CBNM) notified the Company that effective as of that date, the firm was not going to stand for re-election as its independent auditor. Effective the same date, the Company appointed Mark Bailey & Company, Ltd. as its new auditor and the decision to change the auditor was approved by the Company's Board of Directors.

CBNM issued its auditor’s report on the Company's financial statements for the year ended May 31, 2009 and 2008, which included an explanatory paragraph as to the Company’s ability to continue as a going concern.

Other than the going concern uncertainty described above, CBNM’s audit report on the Company’s financial statements for the years ended May 31, 2009 and 2008 did not contain an adverse opinion or disclaimer of opinion, or was qualified or modified as to uncertainty, audit scope or accounting principles.

During the years ended May 31, 2009 and 2008 and any subsequent interim period through August 30, 2010, the date of resignation of CBNM, there were no disagreements with CBNM on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to CBNM’s satisfaction, would have caused CBNM to make reference to the subject matter of the disagreements in connection with their report on the Company’s consolidated financial statements for such years; and there were no reportable events, as listed in Item 304(a)(l)(v) of Regulation S-K.

During the year ended May 31, 2009 and through the date of the Company’s decision, the Company did not consult Mark Bailey & Company, Ltd. with respect to the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company’s consolidated financial statements, or any other matter or reportable events listed in Items 304(a)(2)(i) and (ii) of Regulation S-K.

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, 2010. 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 not effective for the reasons stated below.

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. To address the material weaknesses, we performed additional analysis and other post-closing procedures in an effort to ensure our consolidated financial statements included in this report have been prepared in accordance with generally accepted accounting principles. Accordingly, management believes that the financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented.

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.

Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the interim or annual consolidated financial statements.

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, 2010 based on the criteria set forth by the Committee of Sponsor Organizations of the Treadway Commission (COSO) in the *Internal Control-Integrated Framework.*

Based upon its evaluation, our management concluded that there was a material weakness in our internal control over financial reporting as of May 31, 2010. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the issuer’s annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness related to the lack of monitoring or review of work performed by our management and lack of segregation of duties. As of May 31, 2010, in the preparation of audited financial statements, footnotes and financial data, all of our financial reporting was carried out solely by our chief financial and accounting officer and we did not have an audit committee to monitor and review the work performed. The lack of segregation of duties resulted from lack of accounting staff with accounting technical expertise necessary for an effective system of internal control.

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 fourth quarter of the period covered by this yearly report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Internal Controls

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

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.

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, 2010 are as follows:

NAME	AGE	POSITION
Michael F. Holloran	62	President, CEO and Director
Murat Erbatur	60	COO, Director

MICHAEL F. HOLLORAN, PRESIDENT AND CEO

Michael Holloran was elected a director and accepted the position of President & CEO of ILC in 2000. He brings to ILC a wealth of senior management experience spanning 36 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 the positions in MCM Integrated Technologies and Scantech Imaging Corp. for the past 14 years and 12 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.

Directors are elected by the stockholders at annual meetings. Between annual meetings vacancies in our board of directors may be filled by the board itself. There are currently two vacancies on our board of directors. Directors hold office until the next annual meeting of stockholders and until their successors are elected and qualified. Officers are appointed by our board of directors and hold office until their successors are appointed and qualified. Neither of our current directors would qualify as “independent” under NASDAQ rules.

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, 2010, 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 and Principal Financial Officer	0	0	0
Thomas A. Simons	0	0	0
Murat Erbatur, COO	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, 2010 and 2009:

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 (s) (i)	Total ($) (j)
M Holloran	2010	$0	$0	$0	$0	$0	$0	$0	$0
	2009	$0	$0	$0	$0	$0	$0	$0	$0
M Erbatur	2010	$0	$0	$0	$0	$0	$0	$0	$0
	2009	$0	$0	$0	$0	$0	$0	$0	$0

OPTION/SAR GRANTS IN LAST FISCAL YEAR

No options/SARs were granted in the fiscal year ended May 31, 2010.

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, 2010.

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.

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

The following table sets forth, as of September 11, 2010, 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	11%
	Thomas A. Simons c/o Suite 221, 2323 Quebec St. Vancouver, B.C. V5T 4S7	24,726,947	Direct	34%
	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)	7,935,570 shares		11%

(1) Percentage ownership based on 72,081,168 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, 2010, 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, the Company's CEO loaned the Company $210,697 which was uncollateralized, due on demand and did not bear interest. The Company repaid $47,931 to its CEO in cash during the year ended May 31, 2007.

During the year ended May 31, 2008, the Company's CEO loaned the Company $58,484 which was uncollateralized and due on demand. The Company repaid $8,041 to its CEO 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 CEO loaned the Company $18,261 and the Company's COO loaned the Company $103,618 which are uncollateralized and due on demand. The Company repaid $572 in principal to the Company's CEO and $19,750 in interest to its COO 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 Mr. Simons and transferred $300,000 of principal and $26,773 of accrued interest due Mr. Simons 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.

During the year ended May 31, 2010, the Company's CEO loaned the Company $19,054 which was uncollateralized and due on demand. The Company repaid $1,250 to its COO in cash during the year ended May 31, 2010.

Total outstanding related party debt (principal plus accrued interest) for the year ended May 31, 2010 was $380,519.

The Company shares office space and administrative costs in Vancouver with ScanTech Imaging Corp. (ScanTech"), a company controlled by Murat Erbatur. The Company provides technical consulting services to ScanTech on an as required basis. For the year ended May 31, 2010 the total value of services provided was $59,774.

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, 2010: $14,500
(2) Audit related fees for audit Year ended May 31, 2009: $14,500
(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
23.1	Consent of Mark Bailey & Co Ltd.
23.2	Consent of Chisholm, Bierwolf, Nilson & Morrill.
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
3.2	Certificate of Amendment	3.2 in Form 10K/A dated August 18, 2010
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
10.19	Agreement and Plan of Reorganization	10.18 in Form 8-K dated Dec 15, 2006
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, 2010

Intelligent Living Corp

By: /s/ Michael F. Holloran

____

Michael F. Holloran,
President, Chief Executive Officer, Principal Financial and Accounting 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, 2010.

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

EXHIBIT 23.1

MARK BAILEY & COMPANY, LTD.

Certified Public Accountants & Management Consultants

1495 Ridgeview Dr., Ste 200 | Reno, NV 89519 | http://www.markbaileyco.com

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation of our report dated September 14, 2010 accompanying the consolidated financial statements in this Form 10-K as of May 31, 2010 and for the year then ended and incorporation by reference in the filings of the currently effective Registration Statement on Form S-8 for the 2006 Stock Option Plan, filed with the Securities and Exchange Commission on May 3, 2006.

/s:/ Mark Bailey & Company, Ltd.

Mark Bailey & Company, Ltd.
Reno, Nevada
September 14, 2010

EXHIBIT 23.2

Chisholm, Bierworf, Nilson & Morrill, LLC
Certified Public Accountants
Phone (801) 292-8756 ▫ Fax(801) 292-8809 ▫ www.cbnmcpa.com

Office of the Chief Accountant
Securities and Exchange Commission
450 West Fifth Street N.W.
Washington DC 20549

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use of our report dated September 14, 2009, with respect to the consolidated financial statements for the fiscal year ended May 31, 2009 to be included in the filing of the 2010 Form 10-K of Intelligent Living Corp.

Sincerely,

/s/ CHISHOLM, BIERWOLF, NILSON & MORRILL
Chisholm, Bierwolf, Nilson & Morrill

Dated: September 13, 2010

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, 2010

/s/ Michael F. Holloran

Michael F. Holloran,
Chief Executive Officer and
Principal Financial and Accounting 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, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael F. Holloran, Chief Executive Officer and Principal Financial and Accounting 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, 2010

/s/ Michael F. Holloran

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