

Intelligent Living Inc.  
Form 10-Q/A  
May 22, 2014

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Amendment No. 1**

**FORM 10-Q**

(Mark  
One)

**QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**For the quarterly period ended March 31, 2014**

**TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**OR**

**For the transition period from \_\_\_\_\_ to**

*Commission file number 000-54026*

**INTELLIGENT LIVING INC.**

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

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NEVADA State or other jurisdiction of Incorporation or organization	<b>45-1498410</b> (IRS Employer Identification Number)
20801 Biscayne Blvd Suite 403 Miami, FL (Address of principal executive offices)	33180 (Zip Code)
866-326-3000 (Issuer's telephone number, including area code)	

(Former name, former address, and former fiscal year, if changed)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input type="radio"/>	Smaller reporting company	<input checked="" type="radio"/>

(Do not check if a smaller reporting company)

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

### **APPLICABLE ONLY TO CORPORATE ISSUERS**

The number of common shares outstanding as of May 20, 2014 is 1,579,770,394.

### **EXPLANATORY NOTE**

Intelligent Living Inc. (which may be referred to as the "Company," "we," "us," or "our") filed its Quarterly Report on Form 10-Q for the period ended March 31, 2014 with the U.S. Securities and Exchange Commission (the "SEC") on May 20, 2014 (the "Original Filing"). The Original Filing inadvertently excluded the XBLR files as exhibits. We are filing Amendment No. 1 to the Form 10-Q for the period ended March 31, 2014 to correct this ministerial error. In addition, in the Form 10-Q as originally filed on May 20, 2014, an edit to the presentation of the statement of cash flows was inadvertently omitted.

This Amendment No. 1 to the Form 10-Q for the period ended March 31, 2014 contains currently dated certifications as Exhibits 31.1, 31.2, 32.1 and 32.2. No attempt has been made in this Amendment No. 1 to the Form 10-Q for the period ended March 31, 2014 to modify or update the other disclosures presented in the Original Filing and this Amendment No. 1 does not reflect events occurring after the Original Filing. Accordingly, this Amendment No. 1 to the Quarterly Report on Form 10-Q for the period ended March 31, 2014 should be read in conjunction with our other filings with the SEC.

### **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION**

This quarterly report contains forward-looking statements. These forward-looking statements are subject to risks and uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the results, performance or achievements expressed or implied by the forward-looking statements. You should not unduly rely on these statements. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as anticipate, estimate, expect, project, intend, believe, project, contemplate, would, should, could, or may. With respect to any forward-looking statement that includes a statement of its underlying assumptions or bases, we believe such assumptions or bases to be reasonable and have formed them in good faith, assumed facts or bases almost always vary from actual results, and the differences between assumed facts or bases and actual results can be material depending on the circumstances. When, in any forward-looking statement, we express an expectation or belief as to future results, that expectation or belief is expressed in good faith and is believed to have a reasonable basis, but there can be no assurance that the stated expectation or belief will result or be achieved or accomplished. All subsequent written and oral forward-looking statements attributable to us, or anyone acting on our behalf, are expressly qualified in their entirety by the cautionary statements.

### **OTHER PERTINENT INFORMATION**

When used in this quarterly report, the terms Intelligent Living, the Company, we, our, and us refers to Intelligent Living Inc., a Nevada corporation, and our subsidiaries. The information which appears on our web site at <http://www.intelligentlivinginc.com> is not part of this quarterly report.

**INTELLIGENT LIVING INC.**

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**PART I FINANCIAL INFORMATION****Item 1. Consolidated Financial Statements****INTELLIGENT LIVING INC.****CONSOLIDATED BALANCE SHEETS**

	<b>March 31, 2014</b>	<b>December 31, 2013</b>
	<b>(Unaudited)</b>	<b>(1)</b>
<b>CURRENT ASSETS:</b>		
Cash	\$ 10,122	\$ 85,695
Inventory	2,509	-
	12,631	85,695
<b>OTHER ASSETS:</b>		
Property and equipment, net	145,479	102,281
Intangible assets, net	1,531,455	1,507,042
Total Assets	\$ 1,689,565	\$ 1,695,018
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 378,884	\$ 350,819
Accrued salaries	136,000	216,000
Notes payable, current portion, net of discounts and premiums	769,904	923,439
Derivative liability	5,531,933	951,267
Total current liabilities	6,816,721	2,441,524
<b>LONG TERM LIABILITIES:</b>		
Long term notes payable	1,338,961	1,274,782
Total Liabilities	8,155,682	3,716,306
<b>Stockholders' Deficit</b>		
Convertible preferred stock 20,000,000 shares	-	-
Series A preferred stock, par value \$0.0001, 720,000 shares issued and outstanding	72	-
Series B preferred stock, par value \$1.00, 96,000 shares issued and outstanding	96,000	-
Common stock (\$.001 par value; 6,000,000,000 shares authorized; 1,333,291,304 and 683,157,893 issued and shares outstanding, respectively)	1,333,291	683,157
Additional paid in capital	3,098,923	3,091,960
Accumulated deficit	(10,994,403)	(5,798,405)
Total stockholders' Deficit	(6,466,117)	(2,021,288)

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Total Liabilities and Stockholders' Deficit	\$	1,689,565	\$	1,695,018
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See accompanying notes to unaudited consolidated financial statements

(1) Derived from audited financial statements

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## INTELLIGENT LIVING INC.

## CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended March 31,	
	2014	2013
	\$	
Sales	32,267	\$ -
Cost of sales	15,703	-
	\$	
Gross profit	16,564	\$ -
Operating expenses:		
Sales, general and administrative expense	409,772	31,212
Amortization expense	181,790	-
	\$	
Total operating expenses	591,562	\$ 31,212
	\$	
Loss from operations	(574,998)	\$ -
Other expense:		
Loss on change in derivative liability	(4,580,666)	-
Interest expense	(40,334)	-
	\$	
Total other expense:	(4,621,000)	\$ -
Loss from continuing operations	\$ (5,195,998)	\$ -
Discontinued operations:		
Loss from operations of discontinued Feel Golf division	-	(103,676)
Net income before taxes	\$ (5,195,998)	\$ (134,888)
Provision for income taxes	-	(17)
Net loss	\$ (5,195,998)	(\$ 134,905)
Earnings per share of common stock :		
Fully diluted	\$ (0.01)	\$ (0.00)
Basic	\$ (0.01)	\$ (0.00)
Weighted average number of shares outstanding:		
Fully diluted	1,001,174,728	139,330,593
Basic	1,001,174,728	139,330,593

See accompanying Notes to Unaudited Consolidated Financial Statements



## INTELLIGENT LIVING INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Three Months Ended March 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Cash Used in Operating Activities	\$ (123,273)	\$ (28,076)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capitalized software expense	(49,300)	-
Net Cash Used in Investing Activities	(49,300)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of related party payable	-	(46,756)
Proceeds from related party notes payable	-	34,306
Repayment of notes payable	(13,000)	(10,870)
Proceeds from notes payable	110,000	100,000
Net Cash Provided by Financing Activities	97,000	76,680
NET INCREASE (DECREASE) IN CASH	(75,573)	48,604
CASH AT BEGINNING OF PERIOD	85,695	11,145
CASH AT END OF PERIOD	\$ 10,122	\$ 59,749

See accompanying Notes to Unaudited Consolidated Financial Statements





**INTELLIGENT LIVING INC.**

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

Nature of Business

Feel Golf Co., Inc. (the "Prior Company") was incorporated on February 14, 2000 under the laws of the State of California in the United States of America. The Company designed, manufactured, and conducted international marketing and sales of its golf clubs and golf club grips. On April 5, 2013, the Company (or FGC ) acquired Intelligent Living Inc., a Florida corporation (ILI), for the transfer of all of the issued and outstanding capital stock of ILI owned by the Shareholders, in exchange for the Acquisition Consideration. FGC issued 35,714,286 shares of its common stock (18.6% of the common stock outstanding at the transaction date) for all of the issued and outstanding capital stock of ILI, thereby making ILI a wholly-owned subsidiary of FGC. See Note 4. Concurrently, FGC changed its name to Intelligent Living Inc.

On or about March 21, 2013 the Company redeemed 2,148,200 preferred shares held by former officers Otterbach, Worrell, and Cottingham.

Up until April 5, 2013, the Miller Family Trust with Lee Miller as their Trustee, held the majority voting power in the Company. The Trust held 4,680,000 of Class A Preferred Shares and the Miller Family Trustee agreed to retire 4,673,400 shares of their Class A Preferred held in the Company. The Miller Family Trust retained 6,600 of the Class A Preferred and concurrently agreed to convert the 6,600 balance of the Class A Preferred Shares (500:1 conversion) into 3,300,000 common shares in the Company. In turn, the Company's new Board of Directors agreed in consideration and for the retirement of the Miller Family Trust Class A Preferred shares, to sell certain golf related assets and certain liabilities to a newly formed private corporation, called Feel Golf Products, Inc. Concurrent with this transaction, the Company changed its name to Intelligent Living Inc.

Intelligent Living Inc. (the "Company") was incorporated on March 25, 2011 under the laws of the State of Florida in the United States of America. On August 12, 2013, the Company re-domiciled in the State of Nevada. The Company is a health and wellness holding company that specializes in the acquisition and integration of internet and web based technologies, hosting and cloud based infrastructure services, e-Commerce, and nutraceuticals based products. We provide nutraceuticals products, wellness products and services, and create mobile and digital health apps, cognitive exercise and brain games as well as platforms for emerging demand markets and other value creation opportunities all relating to our core values. Some of our brands include: Mind360games.com, DrLarryDirect.com, Social420.com and Provectus IT.

Basis of Presentation

The accompanying consolidated financial statements are prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles ( GAAP ) in the United States of America.

Year-End

The Company has selected December 31 as its year end.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the balance sheets and cash flow statements, the Company considers all highly liquid investments with original maturities of three months or less at time of purchase to be cash equivalents.

Concentrations of Risk

The Company s bank accounts are deposited in insured institutions. The funds are insured up to \$250,000 USD. At March 31, 2014, the Company s bank deposits did not exceed the insured amount.



**INTELLIGENT LIVING INC.**

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Consolidation

The consolidated financial statements for the three months ended March 31, 2014 include the operations of the Company and its wholly-owned subsidiaries, Intelligent Living Inc. and Health and Beyond, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation.

Trade Accounts Receivable

The Company does not currently carry trade accounts receivable. The allowance for doubtful accounts totaled \$0 as of March 31, 2014 and December 31, 2013, respectively.

Inventory

Inventory is valued at the lower of cost or market, on an average cost basis.

Property and Equipment

Property and equipment is located at the Company's headquarters in Miami, FL and is recorded at cost less accumulated depreciation. Depreciation and amortization is calculated using the straight-line method over the expected useful life of the asset, beginning on the date that the asset is placed in service. The Company generally uses the following depreciable lives for its major classifications of property and equipment:

Description	Useful Lives
Computer hardware	3-7 years
Computer software	3-5 years
Furniture and Office Equipment	7 years
Production Equipment	7 years

Leasehold improvements

10 years

### Website Development

The Company capitalizes the costs associated with the development of its websites. Other costs related to the maintenance of the website are expensed as incurred. Amortization will be provided over the estimated useful life of 3 years using the straight-line method for financial statement purposes.

### Valuation of Long-Lived Assets

Long-lived tangible assets and definite-lived intangible assets are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Company uses an estimate of undiscounted future net cash flows of the assets over the remaining useful lives in determining whether the carrying value of the assets is recoverable. If the carrying values of the assets exceed the expected future cash flows of the assets, the Company recognizes an impairment loss equal to the difference between the carrying values of the assets and their estimated fair values.

Impairment of long-lived assets is assessed at the lowest levels for which there are identifiable cash flows that are independent from other groups of assets. The evaluation of long-lived assets requires the Company to use estimates of future cash flows. However, actual cash flows may differ from the estimated future cash flows used in these impairment tests. As of March 31, 2014, management does not believe any of the Company's long-lived assets require impairment.

**INTELLIGENT LIVING INC.****NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2014****NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Valuation of Long-Lived Assets (continued)

Below is a table identifying the intangible assets subject to amortization and estimated amortization over the next two years and thereafter. At March 31, 2014, management determined that the remaining net book value of its purchased patents, copyrights, and Intellectual property related to the Intelligent Living, and Mind360 acquisitions should be valued as follows:

Original values of Intangible assets	
Purchased patents, copyrights and IP Intelligent Living	\$ 464,788
Purchased patents, copyrights and IP Mind360	\$ 916,667
Purchased IP, Health & Beyond	\$ 150,000
Estimated future amortization (years)	1 - 3 years
To-date accumulated amortization	\$ 175,587

Fair Value of Financial Instruments

In accordance with ASC 820, the carrying value of cash and cash equivalents, accounts receivable and accounts payable approximates fair value due to the short-term maturity of these instruments. ASC 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1-Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2-Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

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Level 3-Inputs are unobservable inputs that reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The following table presents assets and liabilities that are measured and recognized at fair value as of March 31, 2014

Assets and liabilities measured at fair value on a recurring and nonrecurring basis at March 31, 2014:

Recurring:	Level 1	Level 2	Level 3
Derivative liability	\$ -	\$ -	\$ 5,531,933
Total	\$ -	\$ -	\$ 5,531,933

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following is a description of the valuation methodology used to measure fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

**INTELLIGENT LIVING INC.**

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Company analyzes all financial instruments with features of both liabilities and equity under ASC 480,

Distinguishing Liabilities from Equity and ASC 815, Derivatives and Hedging. Derivative liabilities are adjusted to reflect fair value at each period end, with any increase or decrease in the fair value being recorded in results of operations as adjustments to fair value of derivatives. The effects of interactions between embedded derivatives are calculated and accounted for in arriving at the overall fair value of the financial instruments. In addition, the fair value of free standing derivative instruments such as warrant and option derivatives are valued using the Black-Scholes model.

The Company uses Level 3 inputs for its valuation methodology for the embedded conversion option liabilities as their fair value as their fair value were determined by using the Black-Scholes option-pricing model based on various assumptions. The Company's derivative liabilities are adjusted to reflect fair value at each period end, with any increase or decrease in the fair value being recorded in results of operations as adjustments to fair value of derivatives.

Balance of derivative liabilities at December 31, 2013	\$ 951,267
Change in fair value	4,580,666
Balance of derivative liabilities at March 31, 2014	\$ 5,531,933

Revenue Recognition

In accordance with ASC 605, the Company recognizes revenues from the sale of its products when the following fundamental criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the price to the customer is fixed or determinable and (iv) collection of the amount due is reasonably assured.

Shipping and Handling Costs

Shipping and handling costs billed to the customer are classified in revenues. Such costs incurred to ship our products are included in cost of sales.

Advertising Costs

The Company expenses the costs of advertising as advertising is normally in short-term publications. Total advertising costs for the three months ended 2014 and 2013 were \$5,546 and \$0, respectively, from continuing operations.

Stock-Based Compensation

The Company follows the provisions of ASC 718, which requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. The Company uses the Black-Sholes pricing model for determining the fair value of stock based compensation.

Equity instruments issued to non-employees for goods or services are accounted for at fair value and are marked to market until service is complete or a performance commitment date is reached, whichever is earlier, in accordance with ASC 505-50.

Software Development Costs

Capitalization of software development costs for products to be sold to third parties begins upon the establishment of technological feasibility and ceases when the product is available for general release. As a result of the Company's practice of releasing source code that it has developed on a weekly basis for unrestricted download on the Internet, there is generally no passage of time between achievement of technological feasibility and the availability of the Company's product for general release.

**INTELLIGENT LIVING INC.**

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

In July 2006, the FASB issued ASC 740, Accounting for Uncertainty in Income Taxes, which clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a return. ASC 740 provides guidance on the measurement, recognition, classification, and disclosure of tax positions, along with accounting for the related interest and penalties. ASC 740 became effective as of January 1, 2007 and had no impact on the Company's financial statements.

The charge for taxation is based on the results for the year as adjusted for items, which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Basic and Diluted Net Income (Loss) per Share

Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period.

Diluted earnings per share is computed by dividing net income by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during each period. Diluted loss per common share is not presented because it is anti-dilutive.

The Company's common stock equivalents include the following:

**March 31,  
2014**

**December 31,  
2013**

Shares for convertible promissory notes	1,839,748,874	3,705,486,960
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Recently Issued Accounting Pronouncements

The Company has adopted all recently issued accounting pronouncements. The adoption of the accounting pronouncements, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

Convertible Debt Instruments

The Company records debt net of debt discount for beneficial conversion features and warrants, on a relative fair value basis. Beneficial conversion features are recorded pursuant to the Beneficial Conversion and Debt Topics of the FASB Accounting Standards Codification. The amounts allocated to warrants and beneficial conversion rights are recorded as debt discount and as additional paid-in-capital. Debt discount is amortized to interest expense over the life of the debt.

Derivative Instruments

The Company enters into financing arrangements that consist of freestanding derivative instruments or are hybrid instruments that contain embedded derivative features. The Company accounts for these arrangements in accordance with Accounting Standards Codification topic 815, Accounting for Derivative Instruments and Hedging Activities ( ASC 815 ) as well as related interpretation of this standard. In accordance with this standard, derivative instruments are recognized as either assets or liabilities in the balance sheet and are measured at fair values with gains or losses recognized in earnings. Embedded derivatives that are not clearly and closely related to the host contract are bifurcated and are recognized at fair value with changes in fair value recognized as either a gain or loss in earnings. The Company determines the fair value of derivative instruments and hybrid instruments based on available market data using appropriate valuation models, giving consideration to all of the rights and obligations of each instrument.



**INTELLIGENT LIVING INC.**

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

We estimate fair values of derivative financial instruments using various techniques (and combinations thereof) that are considered to be consistent with the objective measuring fair values. In selecting the appropriate technique, we consider, among other factors, the nature of the instrument, the market risks that it embodies and the expected means of settlement. For less complex derivative instruments, such as free-standing warrants, we generally use the Black-Scholes model, adjusted for the effect of dilution, because it embodies all of the requisite assumptions (including trading volatility, estimated terms, dilution and risk free rates) necessary to fair value these instruments. Estimating fair values of derivative financial instruments requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. In addition, option-based techniques (such as Black-Scholes model) are highly volatile and sensitive to changes in the trading market price of our common stock. Since derivative financial instruments are initially and subsequently carried at fair values, our income (expense) going forward will reflect the volatility in these estimates and assumption changes. Under the terms of the new accounting standard, increases in the trading price of the company's common stock and increases in fair value during a given financial quarter result in the application of non-cash derivative expense. Conversely, decreases in the trading price of the Company's common stock and decreases in trading fair value during a given financial quarter result in the application of non-cash derivative income.

**NOTE 2 - GOING CONCERN**

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. During the three months ended March 31, 2014, the Company realized an operating loss of \$574,998, and had a working capital deficit and stockholders' deficit of \$6,803,770 and \$10,992,526, respectively, as of March 31, 2014. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plan is to obtain such resources for the Company by obtaining capital from investors and/or revenue sufficient to meet its minimal operating expenses and seeking equity and/or debt financing. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

**NOTE 3 PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

	<b>March 31, 2014</b>	<b>December 31, 2013</b>
Furniture & Office Equipment	\$ 601	\$ 101
Capitalized software development costs	151,081	101,781
Total Property and Equipment	151,682	102,281
Less: Accumulated Depreciation/Amortization	(6,203)	-
Net Property and Equipment	\$ 145,479	\$ 102,281



**INTELLIGENT LIVING INC.**

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**NOTE 3 PROPERTY AND EQUIPMENT CONTINUED**

The Company entered into a Software Development Agreement on May 6, 2013 with ScheduleMorePatients LLC, (Developer), a Montana limited liability company. The Developer will develop a software platform for the Company in the amount of \$80,000 to develop electronic medical records software. The company and developer have agreed on a payment plan of \$5,000 for the first nine (9) months and \$25,000 for the 7th and 8th month thereafter. The software is to be incorporated into the business model and utilized by the physicians in conjunction with the hormone treatment therapy treatments.

Depreciation and amortization expense for the three months ended March 31, 2014 and 2013 was \$181,790 and \$21,310 respectively. Depreciation expense for the three months ended March 31, 2013 is included as part of discontinued operations.

**Note 4 - ACQUISITIONS**

*Acquisition of Health and Beyond, LLC*

On January 4, 2014, Intelligent Living Inc. ( Buyer ) entered into an Asset Acquisition Agreement with Health and Beyond LLC ( Seller ), a Florida corporation. The Agreement calls for Intelligent Living to pay \$200,000 to Health and Beyond for the assets, payable as follows:

Promissory note	\$ 100,000
Issuance of 35 million shares of common stock	21,000
Accounts payable	79,000
	\$ 200,000

The \$100,000 promissory note is in the form of a Revenue Assignment Agreement in which the Company will pay down the note using the proceeds from the revenues earned from the Health and Beyond assets acquired.

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The 35,000,000 restricted common shares issued were valued at \$0.0006 per share, the fair market value on the date of the transaction.

In addition to the above consideration, the Company entered into a Royalty Agreement with the seller, whereby we will pay the seller not less than 10% on any formulary product delivered, 20% for any special products delivered and \$30 for any test kit processed under the Health and Beyond label.

The Company also entered into a 5 year employment agreement with Dr. Larry LeGunn for a salary of \$96,000 per year to become the VP, Alternative Medicine and President of Health and Beyond Nutra Company Inc.

The intellectual assets purchased under the Agreement comprise the following:

1. Formulary Assets: Pressure Norm, Advanced HCG, Heart Helper, Neuroease, Metal Tox, Sweet Dreams, Gastric LG, Arthro Assist, Cranberine, Betaine HCL, Multi-mineral complex without Iron, Bi-Carb, Pycnogenol, Chrom mate, Hepato Thera, Theragest, Magnesium Chelate, Alpha Ketoglutaric Acid, Pyridoxal 5 phosphate, Calcium Citrate, Antioxthera Pack, Borage Oil, and Ester C Bio.
2. Specialty Assets: Oxy Cell, Oxy colonease, Dermis, Osseo, Allergen, Canderill, Climateric, Perk up, Relax, Focal Point, Happy Go Lucky, Immunostat, Prostical, Thyrocal, Circulase, Diabtrol, and Flora.

The Company accounted for the acquisition utilizing the purchase method of accounting in accordance with ASC 805 Business Combinations. The Company is the acquirer for accounting purposes and Intelligent Living Inc. is the acquired Company.

**INTELLIGENT LIVING INC.**

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2014**

The net purchase price, including acquisition costs paid by the Company, was allocated to assets acquired on the records of ILIV as follows:

Intangible asset	\$ 200,000
Purchase price	\$ 200,000

***Acquisition of Mind360***

On July 16, 2013, the Company modified its acquisition agreement with New Castle County Services, Inc. ( NCCS ), a Delaware corporation, for the purchase of all assets related to cognitive brain training games websites and blog (including the website Mind360.com). Originally, as consideration for the acquisition of the assets, the Company was to pay \$150,000 in cash to NCCS, no later than November 14, 2014 and to deliver to NCCS a promissory note in the amount of \$850,000. The Company and NCCS subsequently agreed that the Company will issue to NCCS 50,000,000 million shares of its common stock in exchange for \$50,000 of the \$150,000 that was due to be paid in cash. Various payments of cash were made throughout the year totaling \$50,000. The balance of cash due as of December 31, 2013 is \$50,000.

The Company accounted for the acquisition utilizing the acquisition method of accounting in accordance with ASC 805 "Business Combinations".

The net purchase price, including acquisition costs paid by the Company, was allocated to the intangible assets acquired from NCCS:

Intangible asset (Mind360 website)	1,000,000
Purchase price	\$ 1,000,000

***Acquisition of Intelligent Living***

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On April 5, 2013, the shareholders of Intelligent Living Inc. (ILIV), a Florida corporation, entered into an acquisition agreement with Feel Golf Company, Inc. (the Company), for the transfer of all of the issued and outstanding capital stock of Intelligent Living, in exchange for 35,714,286 shares of the Company's common stock representing consideration of \$500,000 based on the closing price of the Company's common stock.

Effective April 5, 2013, ILIV became a wholly owned subsidiary of the Company.

The Company accounted for the acquisition utilizing the acquisition method of accounting in accordance with ASC 805 "Business Combinations". The Company is the acquirer for accounting purposes and Intelligent Living, Inc. is the acquired Company.

The net purchase price, including acquisition costs paid by the Company, was allocated to intangible assets acquired on the records of ILIV as follows:

Intangible asset (Software Platform)	\$	507,042
Purchase price	\$	507,042

Intelligent Living had no other assets or liabilities on the date of acquisition.

**INTELLIGENT LIVING INC.****NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2014****NOTE 5 - INTANGIBLE ASSETS**

Intangible assets consist of the following:

	<b>March 31, 2014</b>	<b>December 31, 2013</b>
Mind360 Studios (Note 4)	\$ 1,000,000	\$ 1,000,000
Intelligent Living (Note 4)	507,042	507,042
Health and Beyond (Note 4)	200,000	-
Total intangible assets	\$ 1,707,042	\$ 1,507,042
Less: Accumulated Amortization	(175,587)	-
Net Property and Equipment	\$ 1,531,455	\$ 1,507,042

The Company is amortizing the above assets over a useful life of from one to five years. The Company determined that the future cash flows to be provided from these assets exceed the carrying amount as of March 31, 2014 and therefore determined that no impairment charge was necessary as of March 31, 2014.

**NOTE 6 RELATED PARTY TRANSACTIONS**

As of March 31, 2014, accrued but unpaid compensation payable to the Chief Executive Officer totals \$20,000.

As of March 31, 2014, accrued but unpaid compensation payable to the President totals \$19,000.

As of March 31, 2014, accrued but unpaid compensation payable to the Chief Strategy Officer is \$25,000.

As of March 31, 2014, accrued but unpaid compensation payable to the Chief Medical Officer is \$72,000.



## NOTE 7 CONVERTIBLE DEBENTURES

On February 11, 2011, the Company entered into a convertible promissory note with Long Side Ventures (LSV) for \$250,000. The note was convertible at the higher of a) 50% of the average of the five lowest closing prices for the Company's stock during the previous 15 trading days or b) \$0.0001. On September 18, 2012, LSV assigned portions of the debt to other note holders as follows: Arnold Goldin \$25,000, Somesing \$25,000 and R&T Sports Marketing \$25,000. On January 31, 2013, LSV assigned \$50,000 to Taconic Group.

The original note matured on December 31, 2012 and was in default as of December 31, 2013. Due to the default, the Company entered into an amendment and changed the conversion terms to \$0.0001 effective January 29, 2013. On August 14, 2013, the conversion terms were reverted back to the original terms. As of March 31, 2014 the outstanding balance on the LSV portion of the note is \$4,447; the Arnold Goldin portion is \$12,450; the Somesing portion is \$5,457; the R&T Sports Marketing portion is \$0; and the Taconic portion is \$24,909.

On January 31, 2013 the Company entered into a convertible note agreement with Taconic Group, LLC, (the Holder) for \$20,000. The note bears interest at the rate of 15% per annum beginning January 31, 2013, and matures on January 31, 2015. The note is convertible, at the option of the Holder into the Company's common stock at a conversion price of \$0.0001. The note may be redeemed by the Company at any time prior to maturity with notice to the Holder, and payment of a premium of 150% on the unpaid principal and interest amount of the note. The principal balance outstanding at March 31, 2014 is \$20,000.

On February 21, 2013 the Company entered into a convertible note agreement with Long Side Ventures, LLC, (the Holder) for \$5,000. The note bears interest at the rate of 10% per annum beginning February 21, 2013, and matures on February 21, 2015. The note is convertible, at the option of the Holder into the Company's common stock at a conversion price of \$0.0001. The note may be redeemed by the Company at any time prior to maturity with notice to the Holder, and payment of a premium of 150% on the unpaid principal and interest amount of the note. The principal balance outstanding at March 31, 2014 is \$5,000.



**INTELLIGENT LIVING INC.**

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**NOTE 7 CONVERTIBLE DEBENTURES CONTINUED**

On March 7, 2013 the Company entered into a convertible note agreement with Michael A. Rogoff, an individual (the Holder ) for \$50,000. The note bears interest at the rate of 10% per annum beginning March 1, 2013, and matures on March 1, 2015. The note is convertible, at the option of the Holder into the Company's common stock at a conversion price based on 50% of the average of the five lowest intraday prices for the common stock during the previous twenty trading days immediately preceding the conversion request. The note may be redeemed by the Company at any time prior to maturity with notice to the Holder, and payment of a premium of 150% on the unpaid principal and interest amount of the note. The note was purchased by Longside Ventures for \$75,000. The additional \$25,000 incurred has been recorded as an expense during the year ended December 31, 2013. The balance outstanding on the new note to Longside Ventures is \$75,000 at March 31, 2014.

On March 7, 2013 the Company entered into a convertible note agreement with Marvin Neuman, an individual (the Holder ) for \$50,000. The note bears interest at the rate of 10% per annum beginning March 1, 2013, and matures on March 1, 2015. The note is convertible at any time after thirty days, at the option of the Holder into the Company's common stock at a conversion price based on 50% of the average of the five lowest intraday prices for the common stock during the previous twenty trading days immediately preceding the conversion request. The note may be redeemed by the Company at any time prior to maturity with notice to the Holder, and payment of a premium of 150% on the unpaid principal and interest amount of the note. The note was purchased by Longside Ventures for \$75,000. The additional \$25,000 incurred has been recorded as an expense during the year ended December 31, 2013. The balance outstanding on the new note to Longside Ventures is \$75,000 at March 31, 2014.

On May 1, 2013 the Company entered into a convertible note agreement with Monbridge, Inc., (the Holder ) for \$150,000. The note bears interest at the rate of 15% per annum beginning May 1, 2013, and matures on May 1, 2014. The note is convertible, at the option of the Holder into the Company's common stock at a Variable Conversion Price calculated at 40% times the market price. The note may be redeemed by the Company at any time prior to maturity with notice to the Holder, and payment of a premium of 150% on the unpaid principal and interest amount of the note. The balance outstanding at March 31, 2014 is \$54,006.

On May 10, 2013, the Company entered into an acquisition agreement with New Castle County Services, Inc., a Delaware corporation ( NCCS ) for the purchase of all assets relating to cognitive brain training games websites and blog (including the website Mind360.com). As consideration for the acquisition of the assets, the Company agreed pay \$150,000 to NCCS, no later than November 10, 2014 and delivered to NCCS a promissory note in the amount of \$850,000. The promissory note has a due date of May 1, 2016 and is convertible at NCCS's option, into the Company's common stock at the average trading prices for the common stock during the ten trading day period ending one trading

day prior to the date of the conversion notice. The principal balance outstanding at March 31, 2014 is \$850,000.

On September 25, 2013 the Company entered into convertible note agreement with Pasquale Pascullo, an individual (the Holder ) for \$50,000. The note bears interest at the rate of 10% per annum beginning September 25, 2013, and matures on September 25, 2015. The note is convertible, at the option of the Holder into the Company s common stock at a conversion price based on 50% of the average of the five lowest intraday prices for the common stock during the previous twenty trading days immediately preceding the conversion request. The note may be redeemed by the Company at any time prior to maturity with notice to the Holder, and payment of a premium of 150% on the unpaid principal and interest amount of the note. The principal balance outstanding at March 31, 2014 is \$50,000.

On November 12, 2013 the Company entered into a convertible note agreement with Michael A. Rogoff, an individual (the Holder ) for \$100,000. The note bears interest at the rate of 10% per annum beginning November 12, 2013, and matures on November 12, 2015. The note is convertible, at the option of the Holder into the Company s common stock at a conversion price based on 50% of the average of the five lowest intraday prices for the common stock during the previous twenty trading days immediately preceding the conversion request. The note may be redeemed by the Company at any time prior to maturity with notice to the Holder, and payment of a premium of 150% on the unpaid principal and interest amount of the note. The principal balance outstanding at March 31, 2014 is \$100,000.

**INTELLIGENT LIVING INC.**

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**NOTE 7 CONVERTIBLE DEBENTURES (CONTINUED)**

On December 31, 2013 the Company entered into a convertible note agreement with Marvin Neuman, an individual (the Holder ) for \$75,000. The note bears interest at the rate of 10% per annum beginning December 31, 2013, and matures on December 31, 2015. The note is convertible at any time after thirty days, at the option of the Holder into the Company's common stock at a conversion price based on 50% of the average of the five lowest intraday prices for the common stock during the previous twenty trading days immediately preceding the conversion request. The note may be redeemed by the Company at any time prior to maturity with notice to the Holder, and payment of a premium of 150% on the unpaid principal and interest amount of the note. The principal balance outstanding at March 31, 2014 is \$75,000.

On February 20, 2014 the Company entered into a convertible note agreement with Long Side Ventures, LLC, (the Holder ) for \$20,000. The note bears interest at the rate of 10% per annum beginning February 20, 2014, and matures on February 20, 2016. The note is convertible, at the option of the Holder into the Company's common stock at a conversion price of 50% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days. The note may be redeemed by the Company at any time prior to maturity with notice to the Holder, and payment of a premium of 150% on the unpaid principal and interest amount of the note. The principal balance outstanding at March 31, 2014 is \$20,000.

On March 11, 2014 the Company entered into a convertible note agreement with R&T Sports Marketing Inc., a Florida corporation, (the Holder ) for \$50,000. The note bears interest at the rate of 10% per annum beginning March 11, 2014, and matures on March 11, 2016. The note is convertible, at the option of the Holder into the Company's common stock at a conversion price of 50% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days. The note may be redeemed by the Company at any time prior to maturity with notice to the Holder, and payment of a premium of 150% on the unpaid principal and interest amount of the note. The principal balance outstanding at March 31, 2014 is \$50,000.

On March 24, 2014 the Company entered into a convertible note agreement with Long Side Ventures, LLC, (the Holder ) for \$20,000. The note bears interest at the rate of 10% per annum beginning March 24, 2014, and matures on March 24, 2016. The note is convertible, at the option of the Holder into the Company's common stock at a conversion price of 50% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days. The note may be redeemed by the Company at any time prior to maturity with notice to the Holder, and payment of a premium of 150% on the unpaid principal and interest amount of the note. The principal balance outstanding at March 31, 2014 is \$40,000.



## INTELLIGENT LIVING INC.

## NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2014

## NOTE 7 CONVERTIBLE DEBENTURES (CONTINUED)

A summary of our notes payable is as follows:

	March 31, 2014	December 31, 2013
Current:		
Long Side Ventures 15% convertible debenture	\$ 4,447	\$ 87,116
E-Lionheart Associates 7% convertible debenture	-	-
E-Lionheart Associates 7% convertible debenture	-	-
Arnold S. Goldin Inc 15% convertible debenture	12,450	19,250
R&T Sports Marketing 15% convertible debenture	-	-
Somesing LLC 15% convertible debenture	5,457	14,207
Taconic Group LLC 15% convertible debenture	24,909	40,366
Taconic Group LLC 15% convertible debenture	20,000	20,000
Long Side Ventures 10% convertible debenture	5,000	5,000
Monbridge Inc 15% convertible debenture	54,006	150,000
Health & Beyond	87,000	-
Notes payable - current portion	213,269	335,939
Unamortized debt discount	(9,375)	(12,500)
Put Premium	566,009	600,000
Net current notes payable	\$769,904	\$923,439
Long term:		
New Castle County Services Inc 5% convertible debenture	850,000	850,000
Pascullo 10% convertible debenture	50,000	50,000
Long Side Ventures 10% convertible debenture	75,000	75,000
Michael Rogoff 10% convertible debenture	100,000	100,000
Long Side Ventures	20,000	-
R&T Sports Marketing	50,000	-
Long Side Ventures	40,000	-
Marvin Neumann 10% convertible debenture	75,000	75,000
R&T DPA Blulife 7% convertible debenture	3,961	49,782
Long Side Ventures 10% convertible debenture	75,000	75,000
Notes payable - long term	1,338,961	1,274,782
Total notes payable	\$2,108,865	\$2,198,221

The Company recorded derivative liabilities as follows:

	<b>Ending Liability at March 31, 2014</b>	<b>Ending Liability at December 31, 2013</b>
Long Side Ventures 250k	\$ 257,007	370,377
Arnold Goldin 25k	33,694	141,076
Somesing LLC 25k	18,613	32,416
R&T Sports Marketing 25k	-	1,272
Taconic Group LLC 50k	2,784,054	254,408
Taconic Group LLC 20k	1,975,328	122,883
Long Side Ventures 5k	463,237	28,835
	<b>\$ 5,531,933</b>	<b>\$ 951,267</b>



**INTELLIGENT LIVING INC.****NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2014****NOTE 7 CONVERTIBLE DEBENTURES (CONTINUED)**

The Company recorded put premium expense during the three months ended March, 31, 2014 as follows:

	<b>March 31, 2014</b>
Long Side Ventures	20,000
R&T Sports Marketing Inc.	50,000
Long Side Ventures	40,000
	<b>\$ 110,000</b>

The Company recorded debt discount as follows:

	<b>March 31, 2014</b>
Beginning Balance	\$ 12,500
Accumulated Amortization Expense	(3,125)
Unamortized balance at December 31, 2013	<b>\$ 9,375</b>

**NOTE 8 DERIVATIVE LIABILITY**Derivative Liability

At March 31, 2014 and December 31, 2013, the Company had \$5,531,933 and \$951,267 in derivative liability pertaining to the outstanding convertible notes. Due to the issuance of a convertible note that was convertible at a percentage of the market price the Company could not determine if it had sufficient authorized shares. Therefore, the Company calculates the derivative liability using the Black Sholes Model which takes into consideration the stock price on the issuance date, the exercise price with discount to market conversion rate, stock volatility, expected life of the note, risk-free rate, annual rate of quarterly dividends call option value and put option value. The material increase

in the derivative liability recorded at March 31, 2014 was primarily due to the dramatic increase in the Company's stock price from December 31, 2013.

## **NOTE 9 - STOCKHOLDERS' EQUITY (DEFICIT)**

### Preferred Stock

On March 10, 2010, the Company authorized the creation of Series A Preferred Stock. The Company was authorized to issue 10,000,000 shares of its Series A Preferred stock at a par value of \$0.0001 per share. The Series A Preferred Stock have the following rights and provisions:

Voting: Holders of the Series A Preferred Stock have three hundred and fifty times the number of votes on all matters submitted to the shareholders that is equal to the number of share of Common Stock into which such holder's share of Series A Preferred Stock are then convertible.

Conversion: The shares of Series A Preferred Stock are convertible into shares of the Company's Common Stock at the rate of 500 shares of Common Stock for each share of Series A Preferred Stock.

Liquidation Preference: The holders of the Series A Preferred Stock are entitled to receive five times the sum of assets or earnings available for distribution available for distribution to common stock holders.

Dividends: None

On or about March 21, 2013, the company redeemed 2,148,200 preferred shares held by former officers Otterbach, Worrell, and Cottingham with 1,124,000, 1,014,000, and 10,200, respectively, for agreed to consideration totaling \$11,000.

As of March 31 2013, there remained 4,680,000 preferred shares outstanding (see Note 1 regarding retirement of the Company's remaining outstanding Class A Preferred shares).



**INTELLIGENT LIVING INC.**

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**NOTE 9 - STOCKHOLDERS EQUITY (DEFICIT) CONTINUED**

On April 5, 2013, under the terms of the Asset Purchase Agreement described in Note 1 above, all remaining issued and outstanding preferred stock of Feel Golf Company, Inc. was redeemed and/or converted by its former officer and shareholder.

On January 7, 2014, in lieu of \$72,000 of accrued salary due to our CEO, the Company issued 720,000 shares of Series A preferred stock, valued at \$7,200. The remaining balance of \$64,800 was forgiven by our CEO, and credited to paid in capital.

On February 25, 2014, the Company authorized the creation of Series B 7% Royalty Interest Participating Preferred Stock (the Series B Preferred Stock). The Company was authorized to issue 96,000 shares of its Series B Preferred stock at a par value of \$1.00 per share. The Series B Preferred Stock have the following rights and provisions:

**Royalty Payments:** Holders of the Series B Preferred Stock shall be entitled to receive, prior to and senior to any series of Preferred Stock, Notes or other obligations of the Company, recurring royalty payments, calculated and payable monthly, derived from the net sales of the company on all current and future subsidiaries.

**Voting:** Each share of the Series B Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the stockholders of the Corporation.

**Liquidation Preference:** Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series B 7% Royalty Interest Participating Preferred Stock unless, prior thereto, the holders of shares of Series B 7% Royalty Interest Participating Preferred Stock shall have received an amount equal to \$1,000 per share of Series B 7% Royalty Interest Participating Preferred Stock, plus an amount equal to accrued and unpaid royalties, dividends and distributions thereon, whether or not declared, to the date of such payment.





**NOTE 10 DISCONTINUED OPERATIONS**

Up until April 5, 2013, the Miller Family Trust with Lee Miller as their Trustee, held the majority voting power in the Company. The Trust held 4,680,000 of Class A Preferred Shares and the Miller Family Trustee agreed to retire 4,673,400 shares of their Class A Preferred held in the Company. The Miller Family Trust retained 6,600 of the Class A Preferred and concurrently agreed to convert the 6,600 balance of the Class A Preferred Shares (500:1 conversion) into 3,300,000 common shares in the Company. In turn, the Company's new Board of Directors agreed in consideration and for the retirement of the Miller Family Trust Class A Preferred shares, to sell certain golf related assets and certain liabilities to a newly formed private corporation, called Feel Golf Products, Inc. Concurrent with this transaction, the Company changed its name to Intelligent Living Inc.

Results from operations from the discontinued Feel Golf business segment have been presented in our Consolidated Statement of Operations as discontinued operations.

The components of the result of discontinued operations for this division are as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Sales	\$ -	\$ 40,312
Cost of sales	-	23,328
Gross profit	-	16,984
Operating expenses:		
Sales, general and administrative expense	-	54,300
Depreciation and amortization expense	-	21,310
Total operating expenses	-	75,520
Loss from operations	-	(58,626)
Other income (expenses):		
Other expense	-	(13,261)
Interest expense	-	(31,789)
Total other income (expense):	-	(45,050)
Loss from discontinued operations		