

Intelligent Living Inc.
Form 10-Q
August 19, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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 June 30, 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)

CALIFORNIA
State or other jurisdiction of
Incorporation or organization

45-1498410
(IRS Employer
Identification Number)

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80 SW 8th Street, Suite 1870
Miami, FL
(Address of principal executive
offices)

33130
(Zip Code)

866-326-3000

(Issuer's telephone number, including area code)

Feel Golf Co., Inc.

20801 Biscayne Blvd, Suite 403, Miami, FL 33180

(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 Accelerated filer

Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

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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 June 30, 2014 was 2,671,079,575 and as of the filing date, the outstanding is 2,828,079,575.

EXPLANATORY NOTE

On April 15, 2014 the management of Intelligent Living Inc. (the “Company”) and its Board of Directors (the “Board”) concluded that the previously issued consolidated financial statements contained in the Company’s Quarterly Report on Form 10-Q (the “Form 10-Q”) for the quarter ended June 30, 2013 (the “Prior Period”) should no longer be relied upon because of errors related to the presentation of certain information included in the consolidated financial statements and footnotes to the consolidated financial statements. The Company has determined that it is necessary to reclassify and correct certain non-cash related transactions as presented within the statement of operations and statement of cash flows along with their corresponding impact on the Company’s consolidated financial statements. The Company, with the concurrence of its independent registered public accounting firm, D’Arelli Pruzansky, P.A, is restating its consolidated financial statements in this Form 10-Q for the quarter ended June 30, 2013 as part of the filing of this Form 10-Q.

INTELLIGENT LIVING INC.

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PART I - FINANCIAL INFORMATION**Item 1. Consolidated Financial Statements****INTELLIGENT LIVING INC.****Consolidated Balance Sheets**

	June 30, 2014 (unaudited)	December 31, 2013⁽¹⁾	June 30, 2013 (unaudited) (restated)
CURRENT ASSETS:			
Cash	\$ 112,873	\$ 85,695	\$ 100,590
Accounts receivable	65,376	-	-
Inventory	1,728	-	-
Other current assets	20,834	-	-
Total Current Assets	200,811	85,695	100,590
OTHER ASSETS:			
Property and equipment, net	376,145	102,281	16,957
Other assets	16,192	-	-
Intangible assets, net	2,841,410	1,507,042	1,507,042
Total assets	\$ 3,434,558	\$ 1,695,018	\$ 1,624,589
Liabilities and Stockholders' Deficit			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 391,763	\$ 350,818	\$ 337,729
Accrued salaries	340,374	216,000	39,250
Accrued royalty on preferred stock	28,794	-	-
Leases payable	125,688	-	-
Convertible notes payable, current portion, net of discounts and premiums	1,027,802	923,439	771,600
Derivative liability	765,215	951,267	2,907,086
Total Current Liabilities	2,679,636	2,441,524	4,055,665
Long Term Liabilities:			
Convertible notes payable, net	2,330,358	1,274,782	950,000
Total Liabilities	5,009,994	3,716,306	5,005,665
Stockholders' Deficit			
Preferred stock, \$0.0001 par value; 20,000,000 shares authorized, 2,127,600 and 0 and 0 outstanding)			
Series A preferred stock (2,127,600 and 0 and 0 issued and outstanding, respectively)	213	-	-
	96,000	-	-

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Series B preferred stock (96,000 and 0 and 0 outstanding, respectively)			
Common stock, \$0.001 par value; 6,000,000,000 shares authorized, 2,671,079,575 and 683,157,893 and 194,617,091 shares issued and outstanding, respectively	2,671,079	683,157	194,617
Additional paid-in capital	4,633,257	3,093,960	2,757,893
Accumulated deficit	(8,975,985)	(5,798,405)	(6,333,587)
Total stockholders' deficit	(1,575,436)	(2,021,288)	(3,381,077)
Total Liabilities and Stockholders' Deficit	\$ 3,434,558	\$ 1,695,018	\$ 1,624,589

See accompanying notes to unaudited consolidated financial statements

(1)

Derived from audited financial statement

INTELLIGENT LIVING INC.**Consolidated Statements of Operations****(Unaudited)**

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2014	2013	2014	2013
		(Restated)		(Restated)
Sales	\$ 379,073	\$ 51	\$411,340	\$ 51
Cost of sales	175,259	5	189,394	5
Gross profit	203,814	46	221,946	46
Operating expenses:				
Depreciation and amortization expense	279,821		461,611	
General and administrative	2,477,715	179,334	2,779,055	179,334
Total Operating Expenses	2,757,536	179,334	3,240,666	179,334
Loss from operations	(2,553,722)	(179,288)	(3,018,720)	(179,288)
Other income (expenses):				
Gain/(loss) on change of fair value of derivative liability	4,818,541	10,761,243	237,875	10,761,243
Interest income	-	1	-	1
Interest expense	(246,400)	(357,346)	(396,735)	(357,346)
Total other income (expenses):	4,572,141	10,403,898	(158,860)	10,403,898
Income from continuing operations	2,018,419	10,224,610	(3,177,580)	10,224,610
Discontinued operations:				
Loss from operations of discontinued Feel Golf division	-	-	-	(134,905)
Loss on disposal of Feel Golf Division	-	(414,290)	-	(414,290)
Net income (loss)	\$ 2,018,419	\$ 9,810,320	\$ (3,177,580)	\$ 9,675,415
Income (loss) per common share - basic	\$0.00	\$0.06	\$0.00	\$0.07
Income (loss) per common share - diluted	\$0.00	\$0.00	\$0.00	\$0.00
Weighted average common shares outstanding basic	1,792,485,393	164,861,554	1,422,856,276	140,379,846

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Weighted average common shares outstanding – fully diluted	4,502,367,949	4,785,328,011	-	4,760,846,302
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See accompanying notes to unaudited consolidated financial statements

INTELLIGENT LIVING INC.**Consolidated Statements of Cash Flows****(Unaudited)**

	Six Months Ended	
	June 30,	
	2014	2013
Net Cash Used in Operating Activities	\$ (422,685)	\$ (132,554)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in capitalized software	(71,067)	(22,654)
Purchase of property and equipment	-	(500)
Net Cash Used in Investing Activities	(71,067)	(23,154)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of related party note payable	-	(12,450)
Proceeds from notes payable	520,930	257,604
Net Cash Provided by Financing Activities	520,930	245,154
NET INCREASE (DECREASE) IN CASH	27,178	89,445
CASH AT BEGINNING OF PERIOD	85,695	11,145
CASH AT END OF PERIOD	\$ 112,873	\$ 100,590
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
CASH PAID FOR:		
Interest	\$ -	\$ -
Income taxes	-	-