

U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
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FORM S-8  
REGISTRATION STATEMENT  
Under  
THE SECURITIES ACT OF 1933  
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SECURED DIVERSIFIED INVESTMENT, LTD.  
(Exact Name of Registrant as Specified in Its Charter)

NEVADA 80-0068489  
(State or Other Jurisdiction of (I.R.S. Employer No.)  
Incorporation or Organization)

5030 Campus, Suite  
Newport Beach, CA 92660  
(Address of Principal Executive Offices, Including Zip Code)  
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2003 Employee Stock Incentive Plan  
2003 Non-Employee Director and Consultant Stock Incentive  
Consultant Agreement with Mark Taggatz  
(Full Title of the Plan)  
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Resident Agents of Nevada, Inc.  
711 S. Carson Street, Suite 4  
Carson City, NV 89701  
(775) 882-4641  
-----  
(Name, Address, and Telephone Number of Agent for Service)

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CALCULATION OF REGISTRATION FEE  
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<TABLE>  
<CAPTION>

TITLE OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
<S>	<C>	<C>	<C>	<C>
Common Stock (2)	200,000	\$0.09	\$ 18,000	\$ 1.46
Common Stock (3)	10,000,000	\$0.09	\$ 900,000	\$ 72.81
Common Stock (4)	5,000,000	\$0.09	\$ 450,000	\$ 36.40
Total	15,200,000		\$1,368,000	\$110.67

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- (1) Estimated solely for the purposes of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933 on the basis of the average high and low prices for the registrant's common stock as quoted on the over-the-counter bulletin board on December 3, 2003.
- (2) Represents shares of Common Stock issued to Mark Taggatz pursuant to a consulting agreement.
- (3) Represents shares of Common Stock available for issuance pursuant to awards granted or to be granted pursuant to the 2003 Employee Stock Incentive Plan.
- (4) Represents shares of Common Stock available for issuance pursuant to awards granted or to be granted pursuant to the 2003 Non-Employee Director and Consultant Stock Incentive Plan.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The information required by Part I to be contained in the Section 10(a) Prospectus is omitted from this Registration Statement under the rules of the Securities Act and the note to Part I of the Form S-8.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supercede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment which indicates that all

securities offered have been sold or which deregisters all securities then remaining unsold.

- a. Our Transition Annual Report on Form 10-KT for the transition period ended December 31, 2002, filed on April 15, 2003.
- b. Our Annual Report on Form 10-KSB for the fiscal year ended October 31, 2002, filed on February 13, 2003.
- c. Our Current Report on Form 8-K filed on May 14, 2003.
- d. Our Quarterly Reports on Form 10-QSB for the fiscal quarter ended March 31, 2003, filed on June 23, 2003, for the quarter ended June 30, 2003, filed on September 12, 2003 and for the quarter ended September 30, 2003 filed on November 20, 2003.
- e. All other reports filed by us pursuant to Section 13(a) or 15(d) of the Securities Exchange Act since the end of the fiscal year covered by the annual report referred to in (a) above.
- f. A description of our common stock contained in our Form 10SB filed May 18, 2000, including any amendment or report filed for the purpose of updating this description.

Certain reports filed in calendar year 2002 and before were filed under our previous name "Book Corporation of America, Inc."

You may request a copy of these filings at no cost by writing or telephoning us at the following address: Secured Diversified Investment, Ltd., 5030 Campus Drive, Suite 100, Newport Beach, California 92660.

ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable.

ITEM 5. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Under Nevada law, a corporation may indemnify its officers, directors, employees and agents under certain circumstances, including indemnification of such person against liability under the Securities Act of 1933. A true and correct copy of Section 78.7502 of Nevada Revised Statutes that addresses indemnification of officers, directors, employees and agents is attached hereto as Exhibit 99.

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In addition, Section 78.138 of the Nevada Revised Statutes and the Company's Articles of Incorporation and Bylaws provide that a director or officer of this corporation shall not be personally liable to the corporation or its stockholders for monetary damages due to any act or failure to act in his capacity as an officer or director unless it is proven that: (a) his act or failure to act constituted a breach of fiduciary duty as a director or officer or (b) his breach of those duties involved intentional misconduct, fraud or a knowing violation of law.

The effect of these provisions may be to eliminate the rights of secured Diversified Investment, Ltd. and its stockholders (through stockholders' derivative suit on behalf of Secured Diversified Investment, Ltd.) to recover monetary damages against a director or officer for certain actions or failures to act except in the situations described in clauses (a) - (b) of the preceding paragraph.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable.

ITEM 8. EXHIBITS

Exhibit No.	Description
Exhibit 4.1	2003 Employee Stock Incentive Plan
Exhibit 4.2	2003 Non-Employee Director and Consultant Stock Incentive Plan
Exhibit 4.3	Investor & Public Relations Consulting Agreement with Wall Street Marketing Group/Mark Tagatz.
Exhibit 5.1	Opinion of Christopher A. Wilson, Esq.

Exhibit 23.1 Consent of Christopher A. Wilson, Esq. [Incorporated in opinion in Exhibit 5.1].

Exhibit 23.2 Consent of Bierwolf, Nilson & Associates.

Exhibit 99 Section 78.7502 of Nevada Revised Statutes.

ITEM 9. UNDERTAKINGS.

(a) The undersigned registrant hereby undertakes:

(1) to file, during any period in which offers or sales are made, a post-effective amendment to this Registration Statement:

(i) to include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement.

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the Registration Statement.

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on a Form S-3, Form S-8, or Form F-3, and the information required [or] to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

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(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing of this S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Newport Beach, State of California, on December 5, 2003.

/s/ CLIFFORD L. STRAND

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Chief Executive Officer, President and Chairman  
of the Board of Directors

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement was signed by the following persons in the capacities and on the dates stated:

<TABLE>  
<CAPTION>

NAME	TITLE	DATE
<S> /S/CLIFFORD L. STRAND ----- Clifford L. Strand	<C> Chief Executive Officer, President and Chairman of the Board	<C> December 5, 2003
/S/ MUNIT JOHAL ----- Munjit Johal	Chief Financial Officer	December 5, 2003
/S/WILLIAM S. BIDDLE ----- William S. Biddle	Executive Vice President and Director	December 5, 2003
----- Sumyie Onodera-Leonard	Director	December 5, 2003
/S/WAYNE SUTTERFIELD ----- Wayne Sutterfield	Director	December 5, 2003
/S/JAY KISTER ----- Jay Kister	Director	December 5, 2003
/S/PAMELA PADGETT ----- Pamela Padgett	Director	December 5, 2003

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SECURED DIVERSIFIED INVESTMENT, LTD.

2003 STOCK INCENTIVE PLAN

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SECURED DIVERSIFIED INVESTMENT, LTD.

2003 STOCK INCENTIVE PLAN

ARTICLE ONE  
GENERAL PROVISIONS

I. PURPOSE OF THE PLAN

This 2003 Stock Incentive Plan is intended to promote the interests of Secured Diversified Investment, Ltd., a Nevada corporation, by providing eligible persons in the Corporation's service with the opportunity to acquire a proprietary interest, or otherwise increase their proprietary interest, in the Corporation as an incentive for them to remain in such service.

II. STRUCTURE OF THE PLAN

A. The Plan shall be divided into two separate equity incentives programs:

- The Discretionary Option Grant Program under which eligible persons may, at the discretion of the Plan Administrator, be granted options to purchase shares of Common Stock, and

- The Stock Issuance Program under which eligible persons may, at the discretion of the Plan Administrator, be issued shares of Common Stock directly, either through the immediate purchase of such shares or as a bonus for services rendered the Corporation (or any Parent or Subsidiary) or the attainment of designated milestones.

B. The provisions of Articles One and Four shall apply to all equity programs under the Plan and shall govern the interests of all persons under the Plan.

III. ADMINISTRATION OF THE PLAN

A. The Primary Committee shall have sole and exclusive authority to administer the Discretionary Option Grant and Stock Issuance Programs with respect to Section 16 Insiders. The Primary Committee shall also have full power and authority to administer the Discretionary Option Grant and Stock Issuance Programs with respect to all other persons eligible to participate in those programs. However, the Board may, in its sole discretion, appoint a Secondary Committee to exercise separate but concurrent jurisdiction with the Primary Committee in the administration of the Discretionary Option Grant and Stock Issuance Programs with respect to one or more groups of persons eligible to participate in those programs other than Section 16 Insiders. The Board may also, in its sole discretion, retain the power to administer those programs with respect to all persons other than Section 16 Insiders.

B. Members of the Primary Committee or any Secondary Committee shall serve for such period of time as the Board may determine and may be removed by the Board at any time. The Board may also at any time terminate the functions of any Secondary Committee and reassume all powers and authority previously delegated to such committee.

C. Each Plan Administrator shall, within the scope of its administrative functions under the Plan, have full power and authority (subject to the provisions of the Plan) to establish such rules and regulations as it may deem appropriate for proper administration of the Discretionary Option Grant and Stock Issuance Programs and to make such determinations under, and issue such interpretations of, the provisions of those programs and any outstanding options or stock issuances thereunder as it may deem necessary or advisable. Decisions of the Plan Administrator within the scope of its administrative functions under the Plan shall be final and binding on all parties who have an interest in the Discretionary Option Grant and Stock Issuance Programs under its jurisdiction or any stock option or stock issuance thereunder.

D. Subject to the express limitations of the Plan, the Plan Administrator shall, within the scope of its administrative authority under the Plan, have full power and authority to structure or otherwise modify any awards made under the Discretionary Option Grant and Stock Issuance Programs to persons residing in foreign jurisdictions or held by any such persons so as to comply with the applicable laws and regulations of the jurisdictions in which those awards are made or outstanding.

E. Service on the Primary Committee or the Secondary Committee shall constitute service as a Board member, and members of each such committee shall accordingly be entitled to full indemnification and reimbursement as Board members for their service on such committee. No member of the Primary Committee or the Secondary Committee shall be liable for any act or omission made in good faith with respect to the Plan or any option grants or stock issuances under the Plan.

#### IV. ELIGIBILITY

A. The persons eligible to participate in the Discretionary Option Grant and Stock Issuance Programs are as follows: (i) Employees, and (ii) consultants and other independent advisors who provide services to the Corporation (or any Parent or Subsidiary).

B. Non-employee Board members shall not be eligible to participate in either the Discretionary Option Grant or Stock Issuance Program.

C. Each Plan Administrator shall, within the scope of its administrative jurisdiction under the Plan, have full authority to determine, (i) with respect to the option grants under the Discretionary Option Grant Program, which eligible persons are to receive such grants, the time or times when those grants are to be made, the number of shares to be covered by each such grant, the status of the granted option as either an Incentive Option or a Non-Statutory Option, the time or times when each option is to become exercisable, the vesting schedule (if any) applicable to the option shares and the

maximum term for which the option is to remain outstanding and (ii) with respect to stock issuances under the Stock Issuance Program, which eligible persons are to receive such issuances, the time or times when the issuances are to be made, the number of shares to be issued to each Participant, the vesting schedule (if any) applicable to the issued shares and the consideration for such shares.

D. The Plan Administrator shall have the absolute discretion either to grant options in accordance with the Discretionary Option Grant Program or to effect stock issuances in accordance with the Stock Issuance Program.

V. STOCK SUBJECT TO THE PLAN

A. The stock issuable under the Plan shall be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Corporation on the open market. The number of shares of Common Stock reserved for issuance over the term of the Plan shall not exceed Ten Million (10,000,000) shares. Such reserve shall be in addition to the shares of Common Stock reserved for issuance under the Corporation's 2003 Non-Employee Director and Consultant Stock Incentive Plan. Accordingly, issuances under the 2003 Non-Employee Director and Consultant Stock Incentive Plan shall not reduce the number of shares of Common Stock reserved for issuance under this Plan, nor shall issuances under this Plan reduce the number of shares of Common Stock available for issuance under the 2003 Non-Employee Director and Consultant Stock Incentive Plan.

B. No one person participating in the Plan may receive stock options and direct stock issuances for more than 2,000,000 shares of Common Stock in the aggregate per calendar year.

C. Shares of Common Stock subject to outstanding options shall be available for subsequent issuance under the Plan to the extent those options expire, terminate or are cancelled for any reason prior to exercise in full. Unvested shares issued under the Plan and subsequently repurchased by the Corporation, at a price per share not greater than the original issue price paid per share, pursuant to the Corporation's repurchase rights under the Plan shall be added back to the number of shares of Common Stock reserved for issuance under the Plan and shall accordingly be available for reissuance through one or more subsequent option grants or direct stock issuances under the Plan. However, should the exercise price of an option under the Plan be paid with shares of Common Stock or should shares of Common Stock otherwise issuable under the Plan be withheld by the Corporation in satisfaction of the withholding taxes incurred in connection with the exercise of an option or the vesting of a stock issuance under the Plan, then the number of shares of Common Stock available for issuance under the Plan shall be reduced by the gross number of shares for which the option is exercised or which vest under the stock issuance, and not by the net number of shares of Common Stock issued to the holder of such option or stock issuance.

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D. If any change is made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration, appropriate adjustments shall be made by the Plan Administrator to (i) the maximum number and/or class of securities issuable under the Plan, (ii) the maximum number and/or class of securities for which any one person may be granted stock options and direct stock issuances under the Plan per calendar year and (iii) the number and/or class of securities and the exercise price per share in effect under each outstanding option under the Plan. Such adjustments to the outstanding options are to be effected in a manner which shall preclude the enlargement or dilution of rights and benefits under such options. The adjustments determined by the Plan Administrator shall be final, binding and conclusive.

ARTICLE TWO  
DISCRETIONARY OPTION GRANT PROGRAM

I. OPTION TERMS

Each option shall be evidenced by one or more documents in the form approved by the Plan Administrator; provided, however, that each such document shall comply with the terms specified below. Each document evidencing an Incentive Option shall, in addition, be subject to the provisions of the Plan applicable to such options.

A. EXERCISE PRICE.

1. The exercise price per share shall be fixed by the Plan Administrator but shall not be less than one hundred percent (100%) of the Fair Market Value per share of Common Stock on the option grant date.

2. The exercise price shall become immediately due upon exercise of the option and shall be payable in one or more of the forms specified below as determined by the Plan Administrator at the time of grant and set forth in the applicable stock option agreement:

i. cash or check made payable to the Corporation,

ii. shares of Common Stock held for the requisite period necessary to avoid a charge to the Corporation's earnings for financial reporting purposes and valued at Fair Market Value on the Exercise Date, or

iii. to the extent the option is exercised for vested shares, through a special sale and remittance procedure pursuant to which the Optionee shall concurrently provide irrevocable instructions to (a) a brokerage firm (reasonably satisfactory to the Corporation for purposes of administering such procedure in compliance with the Corporation's pre-notification/pre clearance policies) to effect the immediate sale of the purchased shares and remit to the Corporation, out of the sale proceeds available on the

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settlement date, sufficient funds to cover the aggregate exercise price payable for the purchased shares plus all applicable income and employment taxes required to be withheld by the Corporation by reason of such exercise and (b) the Corporation to deliver the certificates for the purchased shares directly to such brokerage firm in order to complete the sale. Except to the extent such sale and remittance procedure is utilized, payment of the exercise price for the purchased shares must be made on the Exercise Date.

B. EXERCISE AND TERM OF OPTIONS.

Each option shall be exercisable at such time or times, during such period and for such number of shares as shall be determined by the Plan Administrator and set forth in the documents evidencing the option. However, no option shall have a term in excess of ten (10) years measured from the option grant date.

C. EFFECT OF TERMINATION OF SERVICE.

1. The following provisions shall govern the exercise of any options held by the Optionee at the time of cessation of Service or death: (i) Any option outstanding at the time of the Optionee's cessation of Service for any reason shall remain exercisable for such period of time thereafter as shall be determined by the Plan Administrator and set forth in the documents evidencing the option, but no such option shall be exercisable after the expiration of the option term. (ii) Any option held by the Optionee at the time of death and exercisable in whole or in part at that time may be subsequently exercised by the personal representative of the Optionee's estate or by the person or persons to whom the option is transferred pursuant to the Optionee's will or the laws of inheritance or by the Optionee's designated beneficiary or beneficiaries of that option. (iii) Should the Optionee's Service be terminated for Misconduct or should the Optionee otherwise engage in Misconduct while holding one or more outstanding options under this Article Two, then all those options shall terminate immediately and cease to be outstanding. (iv) During the applicable post-Service exercise period, the option may not be exercised in the aggregate for more than the number of vested shares for which the option is exercisable on the date of the Optionee's cessation of Service. No additional shares shall vest under the option following the Optionee's cessation of Service, except to the extent (if



any) specifically authorized by the Plan Administrator in its sole discretion pursuant to an express written agreement with Optionee. Upon the expiration of the applicable exercise period or (if earlier) upon the expiration of the option term, the option shall terminate and cease to be outstanding for any vested shares for which the option has not been exercised.

2. The Plan Administrator shall have complete discretion, exercisable either at the time an option is granted or at any time while the option remains outstanding, to: (i) extend the period of time for which the option is to remain exercisable following the Optionee's cessation of Service from the limited exercise period otherwise in effect for that option to such greater period of time as the Plan

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Administrator shall deem appropriate, but in no event beyond the expiration of the option term, and/or (ii) permit the option to be exercised, during the applicable post-Service exercise period, not only with respect to the number of vested shares of Common Stock for which such option is exercisable at the time of the Optionee's cessation of Service but also with respect to one or more additional installments in which the Optionee would have vested had the Optionee continued in Service.

D. STOCKHOLDER RIGHTS.

The holder of an option shall have no stockholder rights with respect to the shares subject to the option until such person shall have exercised the option, paid the exercise price and become a holder of record of the purchased shares.

E. REPURCHASE RIGHTS.

The Plan Administrator shall have the discretion to grant options which are exercisable for unvested shares of Common Stock. Should the Optionee cease Service while holding such unvested shares, the Corporation shall have the right to repurchase any or all of those unvested shares at a price per share equal to the LOWER of (i) the exercise price paid per share or (ii) the Fair Market Value per share of Common Stock at the time of the Optionee's cessation of Service. The terms upon which such repurchase right shall be exercisable (including the period and procedure for exercise and the appropriate vesting schedule for the purchased shares) shall be established by the Plan Administrator and set forth in the document evidencing such repurchase right.

F. LIMITED TRANSFERABILITY OF OPTIONS.

During the lifetime of the Optionee, Incentive Options shall be exercisable only by the Optionee and shall not be assignable or transferable other than by will or the laws of inheritance following the Optionee's death. Non-Statutory Options shall be subject to the same restriction, except that the Plan Administrator may structure one or more Non-Statutory Options under the Discretionary Option Grant Program so that each such option may be assigned in whole or in part during the Optionee's lifetime to one or more members of the Optionee's family or to a trust established exclusively for one or more such family members or to Optionee's former spouse, to the extent such assignment is in connection with the Optionee's estate plan or pursuant to a domestic relations order. The assigned portion may only be exercised by the person or persons who acquire a proprietary interest in the option pursuant to the assignment. The terms applicable to the assigned portion shall be the same as those in effect for the option immediately prior to such assignment and shall be set forth in such

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documents issued to the assignee as the Plan Administrator may deem appropriate. Notwithstanding the foregoing, the Optionee may also designate one or more persons as the beneficiary or beneficiaries of

his or her outstanding options under this Article Two, and those options shall, in accordance with such designation, automatically be transferred to such beneficiary or beneficiaries upon the Optionee's death while holding those options. Such beneficiary or beneficiaries shall take the transferred options subject to all the terms and conditions of the applicable agreement evidencing each such transferred option, including (without limitation) the limited time period during which the option may be exercised following the Optionee's death.

## II. INCENTIVE OPTIONS

The terms specified below shall be applicable to all Incentive Options. Except as modified by the provisions of this Section II, all the provisions of Articles One, Two and Seven shall be applicable to Incentive Options. Options which are specifically designated as Non-Statutory Options when issued under the Plan shall not be subject to the terms of this Section II.

A. ELIGIBILITY. Incentive Options may only be granted to Employees.

B. DOLLAR LIMITATION. The aggregate Fair Market Value of the shares of Common Stock (determined as of the respective date or dates of grant) for which one or more options granted to any Employee under the Plan (or any other option plan of the Corporation or any Parent or Subsidiary) may for the first time become exercisable as Incentive Options during any one calendar year shall not exceed the sum of One Hundred Thousand Dollars (\$100,000). To the extent the Employee holds two (2) or more such options which become exercisable for the first time in the same calendar year, the foregoing limitation on the exercisability of such options as Incentive Options shall be applied on the basis of the order in which such options are granted.

C. 10% STOCKHOLDER. If any Employee to whom an Incentive Option is granted is a 10% Stockholder, then the exercise price per share shall not be less than one hundred ten percent (110%) of the Fair Market Value per share of Common Stock on the option grant date, and the option term shall not exceed five (5) years measured from the option grant date.

## III. CHANGE IN CONTROL/HOSTILE TAKE-OVER

A. In the event of a Change in Control, each outstanding option under the Discretionary Option Grant Program shall automatically accelerate so that each such option shall, immediately prior to the effective date of that Change in Control, become exercisable for all the shares of Common Stock at the time subject to such option and may be exercised for any or all of those shares as fully vested shares of Common Stock. However, an outstanding option shall NOT become exercisable on such an accelerated basis if and to the extent: (i) such option is to be assumed by the successor corporation (or parent thereof) or is otherwise to continue in full force and effect pursuant to the terms of the Change in Control transaction or (ii) such option is to be replaced with a cash incentive program of the successor corporation which preserves the spread existing at the time of the Change in Control on any shares for which the option is not otherwise at that time exercisable and provides for subsequent payout of that spread in accordance with the same exercise/vesting schedule applicable to those option shares or (iii) the acceleration of such option is subject to other limitations imposed by the Plan Administrator at the time of the option grant.

B. All outstanding repurchase rights under the Discretionary Option Grant Program shall automatically terminate, and the shares of Common Stock subject to those terminated rights shall immediately vest in full, in the event of a Change in Control, except to the extent: (i) those repurchase rights are to be assigned to the successor corporation (or parent thereof) or are otherwise to continue in full force and effect pursuant to the terms of the Change in Control transaction or (ii) such accelerated vesting is precluded by other limitations imposed by the Plan Administrator at the time the repurchase right is issued.

C. Immediately following the consummation of the Change in Control, all outstanding options under the Discretionary Option Grant Program shall terminate and cease to be outstanding, except to the extent assumed by the successor corporation (or parent thereof) or otherwise continued in full force and effect pursuant to the terms of the Change in Control transaction.

D. Each option which is assumed in connection with a Change in Control or otherwise continued in effect shall be appropriately adjusted, immediately after such Change in Control, to apply to the number and class of securities which would have been issuable to the Optionee in consummation of such Change in Control had the option been exercised immediately prior to such Change in Control. Appropriate adjustments to reflect such Change in Control shall also be made to (i) the exercise price payable per share under each outstanding option, provided the aggregate exercise price payable for such securities shall remain the same, (ii) the maximum number and/or class of securities available for issuance over the remaining term of the Plan and (iii) the maximum number and/or class of securities for which any one person may be granted stock options and direct stock issuances under the Plan per calendar year. To the extent the actual holders of the Corporation's outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor corporation may, in connection with the assumption of the outstanding options under the Discretionary Option Grant Program, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in such Change in Control transaction.

E. The Plan Administrator shall have the discretionary authority to structure one or more outstanding options under the Discretionary Option Grant Program so that those options shall, immediately prior to the effective date of a Change in Control, become exercisable for all the shares of Common Stock at the time subject to those options and may be exercised for any or all of those shares as fully vested shares of Common Stock, whether or not those options are to be assumed in the Change in Control transaction or otherwise continued in effect. In addition, the Plan Administrator shall have the discretionary authority to structure one or more of the Corporation's repurchase rights under the Discretionary Option Grant Program so that those rights shall immediately terminate upon the consummation of the Change in Control transaction, and the shares subject to those terminated rights shall thereupon vest in full.

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F. The Plan Administrator shall have full power and authority to structure one or more outstanding options under the Discretionary Option Grant Program so that those options shall become exercisable for all the shares of Common Stock at the time subject to those options in the event the Optionee's Service is subsequently terminated by reason of an Involuntary Termination within a designated period (not to exceed eighteen (18) months) following the effective date of any Change in Control transaction in which those options do not otherwise accelerate. In addition, the Plan Administrator may structure one or more of the Corporation's repurchase rights so that those rights shall immediately terminate with respect to any shares held by the Optionee at the time of such Involuntary Termination, and the shares subject to those terminated repurchase rights shall accordingly vest in full at that time.

G. The Plan Administrator shall have the discretionary authority to structure one or more outstanding options under the Discretionary Option Grant Program so that those options shall, immediately prior to the effective date of a Hostile Take-Over, become exercisable for all the shares of Common Stock at the time subject to those options and may be exercised for any or all of those shares as fully vested shares of Common Stock. In addition, the Plan Administrator shall have the discretionary authority to structure one or more of the Corporation's repurchase rights under the Discretionary Option Grant Program so that those rights shall terminate automatically upon the consummation of such Hostile Take-Over, and the shares subject to those terminated rights shall thereupon vest in full. Alternatively,

the Plan Administrator may condition the automatic acceleration of one or more outstanding options under the Discretionary Option Grant Program and the termination of one or more of the Corporation's outstanding repurchase rights under such program upon the subsequent termination of the Optionee's Service by reason of an Involuntary Termination within a designated period (not to exceed eighteen (18) months) following the effective date of such Hostile Take-Over.

H. The portion of any Incentive Option accelerated in connection with a Change in Control or Hostile Take-Over shall remain exercisable as an Incentive Option only to the extent the applicable One Hundred Thousand Dollar (\$100,000) limitation is not exceeded. To the extent such dollar limitation is exceeded, the accelerated portion of such option shall be exercisable as a Nonstatutory Option under the Federal tax laws. I. The outstanding options shall in no way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

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ARTICLE THREE  
STOCK ISSUANCE PROGRAM

I. STOCK ISSUANCE TERMS

Shares of Common Stock may be issued under the Stock Issuance Program through direct and immediate issuances without any intervening option grants. In no event, however, may more than fifty percent (50%) of the total number of shares of Common Stock from time to time authorized for issuance under the Plan be issued pursuant to the Stock Issuance Program. Each stock issuance under the program shall be evidenced by a Stock Issuance Agreement which complies with the terms specified below. Shares of Common Stock may also be issued under the Stock Issuance Program pursuant to share right awards which entitle the recipients to receive those shares upon the attainment of designated performance goals or the satisfaction of specified Service requirements.

A. ISSUE PRICE.

1. The consideration per share at which shares of Common Stock may be issued under the Stock Issuance Program shall be fixed by the Plan Administrator, but shall not be less than one hundred percent (100%) of the Fair Market Value per share of Common Stock on the issuance date; provided, however, the Corporation may issue Common Stock as a bonus to any Participant without any cash consideration.

2. Shares of Common Stock may be issued under the Stock Issuance Program for any of the following items of consideration which the Plan Administrator may deem appropriate in each individual instance: (i) cash or check made payable to the Corporation, or (ii) past services rendered to the Corporation (or any Parent or Subsidiary).

B. VESTING PROVISIONS.

1. Shares of Common Stock issued under the Stock Issuance Program may, in the discretion of the Plan Administrator, be fully and immediately vested upon issuance or may vest in one or more installments over the Participant's period of Service or upon attainment of specified performance objectives. The elements of the vesting schedule applicable to any unvested shares of Common Stock issued under the Stock Issuance Program shall be determined by the Plan Administrator and incorporated into the Stock Issuance Agreement. Shares of Common Stock may also be issued under the Stock Issuance Program pursuant to share right awards which entitle the recipients to receive those shares upon the attainment of designated performance goals or the satisfaction of specified Service requirements.

2. For any Common Stock issuance which is to vest

solely on the basis of Service, a minimum period of three (3) years of Service shall be required as condition to such vesting. The required Service period shall be measured from the issue date of the shares in the event of a direct issuance or from the grant date of the share right award for any shares to be subsequently issued pursuant to such award. However, any such Common Stock issuance shall be subject to the vesting acceleration provisions of this Article Three.

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3. The Plan Administrator shall also have the discretionary authority, consistent with Code Section 162(m), to structure one or more share right awards so that the shares of Common Stock subject to those awards shall be issuable upon the achievement of certain pre-established corporate performance goals based on one or more of the following criteria: (1) return on total stockholder equity; (2) earnings per share of Common Stock; (3) net income (before or after taxes); (4) earnings before interest, taxes, depreciation and amortization; (5) sales or revenues; (6) growth in assets (net or gross); (7) return on assets, capital or investment; (8) market share; (9) budget comparisons; (10) implementation or completion of critical projects or processes; (11) customer satisfaction; (12) any combination of, or a specified increase in, any of the foregoing; and (13) the formation of joint ventures or the completion of other corporate transactions. In addition, such performance goals may be based upon the attainment of specified levels of the Corporation's performance under one or more of the measures described above relative to the performance of other entities and may also be based on the performance of any of the Corporation's business units or divisions or any Parent or Subsidiary. Performance goals may include a minimum threshold level of performance below which no award will be earned, levels of performance at which specified portions of an award will be earned and a maximum level of performance at which an award will be fully earned.

4. Any new, substituted or additional securities or other property (including money paid other than as a regular cash dividend) which the Participant may have the right to receive with respect to the Participant's unvested shares of Common Stock by reason of any stock dividend, stock split, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration shall be issued subject to (i) the same vesting requirements applicable to the Participant's unvested shares of Common Stock and (ii) such escrow arrangements as the Plan Administrator shall deem appropriate.

5. The Participant shall have full stockholder rights with respect to any shares of Common Stock issued to the Participant under the Stock Issuance Program, whether or not the Participant's interest in those shares is vested. Accordingly, the Participant shall have the right to vote such shares and to receive any regular cash dividends paid on such shares.

6. Should the Participant cease to remain in Service while holding one or more unvested shares of Common Stock issued under the Stock Issuance Program or should the performance objectives not be attained with respect to one or more such unvested shares of Common Stock, then those shares shall be immediately surrendered to the Corporation for cancellation, and the Participant shall have no further stockholder rights with respect to those shares. To the extent the surrendered shares were previously issued to the

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Participant for consideration paid in cash or cash equivalent (including the Participant's purchase-money indebtedness), the Corporation shall repay to the Participant the LOWER of (i) the cash consideration paid for the surrendered shares or (ii) the Fair Market Value of those shares at the time of cancellation and shall cancel the unpaid principal balance of any outstanding purchase-money note of the Participant attributable to the surrendered shares by the applicable clause (i) or (ii) amount.

7. The Plan Administrator may in its discretion waive the surrender and cancellation of one or more unvested shares of Common Stock which would otherwise occur upon the cessation of the Participant's Service or the non-attainment of the performance objectives applicable to those shares, to the extent the Plan Administrator deems such waiver to be an appropriate severance benefit under the circumstances. Such waiver shall result in the immediate vesting of the Participant's interest in the shares of Common Stock as to which the waiver applies.

8. Outstanding share right awards under the Stock Issuance Program shall automatically terminate, and no shares of Common Stock shall actually be issued in satisfaction of those awards, if the performance goals or Service requirements established for such awards are not attained or satisfied. The Plan Administrator, however, shall have the discretionary authority to issue shares of Common Stock under one or more outstanding share right awards as to which the designated performance goals or Service requirements have not been attained or satisfied, to the extent the Plan Administrator deems such issuance to be an appropriate severance benefit under the circumstances.

## II. CHANGE IN CONTROL/HOSTILE TAKE-OVER

A. All of the Corporation's outstanding repurchase rights under the Stock Issuance Program shall terminate automatically, and all the shares of Common Stock subject to those terminated rights shall immediately vest in full, in the event of any Change in Control, except to the extent (i) those repurchase rights are to be assigned to the successor corporation (or parent thereof) or are otherwise to continue in full force and effect pursuant to the terms of the Change in Control transaction or (ii) such accelerated vesting is precluded by other limitations imposed in the Stock Issuance Agreement.

B. The Plan Administrator shall have the discretionary authority to structure one or more of the Corporation's repurchase rights under the Stock Issuance Program so that those rights shall automatically terminate in whole or in part, and the shares of Common Stock subject to those terminated rights shall vest, either immediately upon the effective date of a Change in Control or subsequently upon an Involuntary Termination of the Participant's Service within a designated period (not to exceed eighteen (18) months) following the effective date of any Change in Control transaction in which those repurchase rights are assigned to the successor corporation (or parent thereof) or are otherwise continued in effect.

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C. The Plan Administrator shall also have the discretionary authority to structure one or more of the Corporation's repurchase rights under the Stock Issuance Program so that those rights shall automatically terminate in whole or in part, and the shares of Common Stock subject to those terminated rights shall immediately vest, either upon the occurrence of a Hostile Take-Over or upon the subsequent termination of the Participant's Service by reason of an Involuntary Termination within a designated period (not to exceed eighteen (18) months) following the effective date of that Hostile Take-Over.

## III. SHARE ESCROW/LEGENDS

Unvested shares may, in the Plan Administrator's discretion, be held in

escrow by the Corporation until the Participant's interest in such shares vests or may be issued directly to the Participant with restrictive legends on the certificates evidencing those unvested shares.

ARTICLE FOUR  
MISCELLANEOUS

I. TAX WITHHOLDING

A. The Corporation's obligation to deliver shares of Common Stock upon the exercise of options or the issuance or vesting of such shares under the Plan shall be subject to the satisfaction of all applicable income and employment tax withholding requirements. The Corporation shall also make appropriate arrangements for the satisfaction by participants of all applicable foreign tax withholding requirements which may be imposed in connection with the grant, vesting or exercise of options under the Plan or other taxable event or the issuance or vesting of shares of Common Stock under the Plan.

B. The Plan Administrator may, in its discretion, provide any or all Optionees or Participants under the Plan with the right to use shares of Common Stock in satisfaction of all or part of the Withholding Taxes to which such individuals may become subject in connection with the grant or exercise of their options or the issuance or vesting of their shares. Such right may be provided to any such holder in either or both of the following formats: Stock Withholding: The election to have the Corporation withhold, from the shares of Common Stock otherwise issuable upon the exercise of options or the issuance or the vesting of such shares, a portion of those shares with an aggregate Fair Market Value equal to the percentage of the Withholding Taxes (not to exceed one hundred percent (100%)) designated by the holder. Stock Delivery: The election to deliver to the Corporation, at the time the option is granted or exercised or the shares are issued or vest, one or more shares of Common Stock previously acquired by such holder (other than in connection with the option exercise or share vesting triggering the Withholding Taxes) with an aggregate Fair Market Value equal to the percentage of the Withholding Taxes (not to exceed one hundred percent (100%)) designated by the holder.

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II. EFFECTIVE DATE AND TERM OF THE PLAN

A. The Plan shall become effective immediately on the Plan Effective Date.

B. The Plan shall terminate upon the earliest to occur of (i) August 16, 2013, (ii) the date on which all shares available for issuance under the Plan shall have been issued as fully vested shares or (iii) the termination of all outstanding options in connection with a Change in Control. Should the Plan terminate on August 16, 2013, then all option grants and unvested stock issuances outstanding at that time shall continue to have force and effect in accordance with the provisions of the documents evidencing such grants or issuances.

III. AMENDMENT OF THE PLAN

A. The Board shall have complete and exclusive power and authority to amend or modify the Plan in any or all respects. However, no such amendment or modification shall adversely affect the rights and obligations with respect to stock options or unvested stock issuances at the time outstanding under the Plan unless the Optionee or the Participant consents to such amendment or modification. In addition, stockholder approval shall be required for any amendment which (i) increases the number of shares of Common Stock reserved for issuance under the Plan, (ii) materially modifies the eligibility requirements for participation in the Plan or (iii) materially increases the benefits accruing to Optionees or Participants under the Plan.

IV. USE OF PROCEEDS

Any cash proceeds received by the Corporation from the sale of

shares of Common Stock under the Plan shall be used for general corporate purposes.

V. REGULATORY APPROVALS

A. The implementation of the Plan, the granting of any stock option under the Plan and the issuance of any shares of Common Stock (i) upon the exercise of any granted option or (ii) under the Stock Issuance Program shall be subject to the Corporation's procurement of all approvals and permits required by regulatory authorities having jurisdiction over the Plan, the stock options granted under it and the shares of Common Stock issued pursuant to it.

B. No shares of Common Stock or other assets shall be issued or delivered under the Plan unless and until there shall have been compliance with all applicable requirements of applicable securities laws, including the filing and effectiveness of the Form S-8 registration statement for the shares of Common Stock issuable under the Plan, and all applicable listing requirements of any stock exchange (or the Nasdaq National Market, if applicable) on which Common Stock is then listed for trading.

VI. NO EMPLOYMENT/SERVICE RIGHTS

Nothing in the Plan shall confer upon the Optionee or the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining such person) or of the Optionee or the Participant, which rights are hereby expressly reserved by each, to terminate such person's Service at any time for any reason, with or without cause.

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APPENDIX

The following definitions shall be in effect under the Plan:

- A. BOARD shall mean the Corporation's Board of Directors.
- B. CHANGE IN CONTROL shall mean a change in ownership or control of the Corporation effected through any of the following transactions: (i) a merger, consolidation or other reorganization approved by the Corporation's stockholders, unless securities representing more than fifty percent (50%) of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the persons who beneficially owned the Corporation's outstanding voting securities immediately prior to such transaction, or (ii) the sale, transfer or other disposition of all or substantially all of the Corporation's assets in complete liquidation or dissolution of the Corporation, or (iii) any transaction or series of related transactions pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the 1934 Act (other than the Corporation or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, the Corporation) becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 under the 1934 Act) of securities possessing (or convertible into or exercisable for securities possessing) more than fifty percent (50%) of the total combined voting power of the Corporation's securities outstanding immediately after the consummation of such transaction or series of related transactions, whether such transaction involves a direct issuance from the Corporation or the acquisition of outstanding securities held by one or more of the Corporation's stockholders.
- C. CODE shall mean the Internal Revenue Code of 1986, as amended.



- D. COMMON STOCK shall mean the Corporation's common stock.
- E. CORPORATION shall mean Secured Diversified Investment, Ltd., a Nevada corporation, and any corporate successor to all or substantially all of the assets or voting stock of Secured Diversified Investment, Ltd. which shall by appropriate action adopt the Plan.
- F. DISCRETIONARY OPTION GRANT PROGRAM shall mean the discretionary option grant program in effect under Article Two of the Plan.
- G. EMPLOYEE shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.
- H. EXERCISE DATE shall mean the date on which the Corporation shall have received written notice of the option exercise.

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- I. FAIR MARKET VALUE per share of Common Stock on any relevant date shall be determined in accordance with the following provisions: (i) If the Common Stock is at the time traded on the Nasdaq National Market, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question, as such price is reported by the National Association of Securities Dealers on the Nasdaq National Market and published in THE WALL STREET JOURNAL. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists. (ii) If the Common Stock is at the time listed on any Stock Exchange, then the Fair Market Value shall be the closing selling sale price per share of Common Stock on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange and published in THE WALL STREET JOURNAL. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.
- J. HOSTILE TAKE-OVER shall mean a change in ownership or control of the Corporation effected through either of the following transactions: (i) a change in the composition of the Board over a period of thirty-six (36) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (A) have been Board members continuously since the beginning of such period or (B) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (A) who were still in office at the time the Board approved such election or nomination, or (ii) the acquisition, directly or indirectly, by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation) of beneficial ownership (within the meaning of Rule 13d-3 of the 1934 Act) of securities possessing more than thirty percent (30%) of the total combined voting power of the Corporation's outstanding securities pursuant to a tender or exchange offer made directly to the Corporation's stockholders which the Board does not recommend such stockholders to accept.
- K. INCENTIVE OPTION shall mean an option which satisfies the requirements of Code Section 422.
- L. INVOLUNTARY TERMINATION shall mean the termination of the Service of any individual which occurs by reason of: (i) such

individual's involuntary dismissal or discharge by the Corporation for reasons other than Misconduct, or (ii) such individual's voluntary resignation following (A) a change in his or her position with the Corporation which materially reduces his or her duties and responsibilities or the level of management to which he or she reports, (B) a reduction in his or her aggregate level of base salary and target bonus under any corporate-performance based bonus or incentive program by

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more than fifteen percent (15%) or (C) a relocation of such individual's place of employment by more than fifty (50) miles, provided and only if such change, reduction or relocation is effected by the Corporation without the individual's consent.

- M. MISCONDUCT shall mean the commission of any act of fraud, embezzlement or dishonesty by the Optionee or Participant, any intentional unauthorized use or disclosure by such person of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any other intentional misconduct by such person adversely affecting the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner. The foregoing definition shall not in any way preclude or restrict the right of the Corporation (or any Parent or Subsidiary) to discharge or dismiss any Optionee, Participant or other person in the Service of the Corporation (or any Parent or Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan, to constitute grounds for termination for Misconduct.
- N. 1934 ACT shall mean the Securities Exchange Act of 1934, as amended.
- O. NON-STATUTORY OPTION shall mean an option not intended to satisfy the requirements of Code Section 422. P. OPTIONEE shall mean any person to whom an option is granted under the Discretionary Option Grant Program.
- Q. PARENT shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.
- R. PARTICIPANT shall mean any person who is issued shares of Common Stock under the Stock Issuance Program.
- S. PERMANENT DISABILITY OR PERMANENTLY DISABLED shall mean the inability of the Optionee or the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment expected to result in death or to be of continuous duration of twelve (12) months or more.
- T. PLAN shall mean the Corporation's 2003 Stock Incentive Plan, as set forth in this document.
- U. PLAN ADMINISTRATOR shall mean the particular entity, whether the Primary Committee, the Secondary Committee or the Board, which is authorized to administer the Discretionary Option Grant and Stock Issuance Programs with respect to one or more classes of eligible persons, to the extent such entity is carrying out its administrative functions under those programs with respect to the persons under its jurisdiction.

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- V. PLAN EFFECTIVE DATE shall mean the date the Plan becomes effective and shall be coincidental with the date the Plan is approved by the Corporation's stockholders. The Plan Effective Date shall accordingly be the date of the 2003 Annual Stockholders Meeting, provided the stockholders approve the Plan at such meeting.
- W. PRIMARY COMMITTEE shall mean the committee of two (2) or more non-employee Board members appointed by the Board to administer the Discretionary Option Grant and Stock Issuance Programs with respect to Section 16 Insiders.
- X. SECONDARY COMMITTEE shall mean a committee of one or more Board members appointed by the Board to administer the Discretionary Option Grant and Stock Issuance Programs with respect to eligible persons other than Section 16 Insiders.
- Y. SECTION 16 INSIDER shall mean an officer or director of the Corporation subject to the short-swing profit liabilities of Section 16 of the 1934 Act.
- Z. SERVICE shall mean the performance of services for the Corporation (or any Parent or Subsidiary) by a person in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor, except to the extent otherwise specifically provided in the documents evidencing the option grant or stock issuance. Service shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Corporation; provided, however, that for a leave which exceeds ninety (90) days, Service shall be deemed, for purposes of determining the period within which any outstanding option held by the Optionee in question may be exercised as an Incentive Option, to cease on the ninety-first (91st) day of such leave, unless the right of that Optionee to return to Service following such leave is guaranteed by law or statute. Except to the extent otherwise required by law or expressly authorized by the Plan Administrator, no Service credit shall be given for vesting purposes for any period the Optionee or Participant is on a leave of absence.
- AA. STOCK EXCHANGE shall mean either the American Stock Exchange or the New York Stock Exchange.
- BB. STOCK ISSUANCE AGREEMENT shall mean the agreement entered into by the Corporation and the Participant at the time of issuance of shares of Common Stock under the Stock Issuance Program.
- CC. STOCK ISSUANCE PROGRAM shall mean the stock issuance program in effect under Article Four of the Plan.
- DD. SUBSIDIARY shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.
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- EE. 10% STOCKHOLDER shall mean the owner of stock (as determined under Code Section 424(d)) possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Corporation (or any Parent or Subsidiary).
- FF. WITHHOLDING TAXES shall mean the applicable income and employment withholding taxes to which the holder of an option or shares of Common Stock under the Plan may become subject in connection with the grant, vesting or exercise of those options or other taxable event or the issuance or vesting of those shares.



SECURED DIVERSIFIED INVESTMENT, LTD.

2003 NON-EMPLOYEE DIRECTORS STOCK INCENTIVE PLAN

As Adopted August 16, 2003

1. Purpose. This 2003 Non-Employee Directors Stock Incentive Plan (this "Plan") is established to provide equity incentives for certain non-employee members of the Board of Directors of Secured Diversified Investment, Ltd. (the "Corporation"), who are described in Section 6.1 below, by granting such persons (i) options to purchase shares of stock of the Corporation and (ii) awards of stock of the Corporation.

2. Adoption and Stockholder Approval. After this Plan is adopted by the Board of Directors of the Corporation (the "Board"), this Plan will become effective on the time and date (the "Effective Date") on which the registration statement filed by the Corporation with the Securities and Exchange Commission ("SEC") under the Securities Act of 1933, as amended (the "Securities Act"), to register the initial public offering of the Corporation's Common Stock is declared effective by the SEC. This Plan shall be approved by the stockholders of the Corporation, consistent with applicable laws, within twelve (12) months after the date this Plan is adopted by the Board.

3. Types of Options, Awards and Shares. Options granted under this Plan shall be non-qualified stock options ("NQSOs"). Awards may consist of grants and stock purchase rights (each an "Award"). The shares of stock that may be purchased upon exercise of Options granted under this Plan (the "Shares") are shares of the Common Stock of the Corporation.

4. Number of Shares. The maximum number of Shares that may be issued pursuant to Options granted under this Plan (the "Maximum Number") is 5,000,000 Shares, subject to adjustment as provided in this Plan. If any Option is terminated for any reason without being exercised in whole or in part, the Shares thereby released from such Option shall be available for purchase under other Options subsequently granted under this Plan. At all times during the term of this Plan, the Corporation shall reserve and keep available such number of Shares as shall be required to satisfy the requirements of outstanding Options granted under this Plan; provided, however that if the aggregate number of Shares subject to outstanding Options granted under this Plan plus the aggregate number of Shares previously issued by the Corporation pursuant to Awards or pursuant to the exercise of Options granted under this Plan equals or exceeds the Maximum Number, then notwithstanding anything herein to the contrary, no further Options or Awards may be granted under this Plan until the Maximum Number is increased or the aggregate number of Shares subject to outstanding Options granted under this Plan plus the aggregate number of Shares previously issued by the Corporation pursuant to Awards or pursuant to the exercise of Options granted under this Plan is less than the Maximum Number.

5. Administration. This Plan shall be administered by the Board or by a committee of not less than two members of the Board appointed to administer this Plan (the "Committee"). As used in this Plan, references to the Committee shall mean either such Committee or the Board if no Committee has been established. The interpretation by the Committee of any of the provisions of this Plan or any Option or Award granted under this Plan shall be final and binding upon the Corporation and all persons having an interest in any Option or Award or any Shares purchased pursuant to an Option or issued pursuant to an Award.

6. Eligibility and Award Formula.

6.1 Eligibility. Options and Awards shall be granted only to directors of the Corporation who are not employees of the Corporation or any Parent, Subsidiary or Affiliate of the Corporation, as those terms are defined in Section 18 below (each such person referred to as a "Recipient").

6.2 Initial Award. Each non-employee Director, when he or she first becomes a member of the Board, will automatically be granted an Award for 100,000 Shares (an "Initial Award") on the date such

Recipient becomes a member of the Board.

6.3 Initial Option Grant. Each non-employee Director, when he or she first becomes a member of the Board of Directors, will automatically be granted an Option to purchase 500,000 shares (the "Initial Grant") on the date such Director becomes a member of the Board. Such options shall vest as set forth below.

6.4 Succeeding Grants. If a Director remains in continual service on the Board of Directors for a period in excess of three years, then on each annual anniversary of a Recipient's Initial Grant commencing in the fourth year the Recipient will automatically be granted an Option for 125,000 Shares (a "Succeeding Grant").

7. Terms and Conditions of Awards. Subject to the following and to Section 6 above:

7.1 Form of Awards. Awards in the form of stock grants shall be evidenced by a written Stock Grant Agreement in such form as the Board or the Committee may approve. Awards in the form of stock purchase rights shall be evidenced by a written Stock Purchase Agreement in such form as the Board may approve. Awards may vest immediately or may be subject to the same vesting provisions applicable to Options granted under this Plan as set forth in Section 8 below. Stock Purchase Rights shall be issued to Recipients at a price equal to or in excess of Fair Market Value, as defined in Section 18 below.

8. Terms and Conditions of Options. Subject to the following and to Section 6 above:

8.1 Form of Option Grant. Each Option granted under this Plan shall be evidenced by a written Stock Option Grant ("Grant") in such form (which need not be the same for each Recipient) as the Committee shall from time to time approve, which Grant shall comply with and be subject to the terms and conditions of this Plan.

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8.2 Vesting. The date a Recipient receives an Initial Grant or a Succeeding Grant is referred to in this Plan as the "Start Date" for such Option.

(a) Initial Grants. Each Initial Grant will vest as to twenty-five percent (25%) of the Shares on Start Date of the Initial Grant, and the remainder will vest in three equal annual installments of twenty-five percent each on each annual anniversary of the Start Date for such Initial Grant, so long as the Recipient continuously remains a director or, as determined by the Board in the Initial Grant or the Succeeding Grant, a consultant of the Corporation.

(b) Succeeding Grants. Each Succeeding Grant will vest in full on the first annual anniversary date of the Start Date for such Succeeding Grant, so long as the Recipient continuously remains a director or, as determined by the Board in the Initial Grant or the Succeeding Grant, a consultant of the Corporation.

8.3 Exercise Price. The exercise price of an Option shall be the Fair Market Value (as defined in Section 18.4) of the Shares, at the time that the Option is granted.

8.4 Termination of Option. Except as provided below in this Section, each Option shall expire ten (10) years after its Start Date (the "Expiration Date"). The Option shall cease to vest when the Recipient ceases to be a member of the Board or, as determined by the Board in the Initial Grant or the Succeeding Grant, a consultant of the Corporation. The date on which the Recipient ceases to be a member of the Board or, as determined by the Board in the Initial Grant or the Succeeding Grant, a consultant of the Corporation shall be referred to as the "Termination Date". An Option may be exercised after the Termination Date only as set forth below:

(a) Termination Generally. If the Recipient ceases to be a member of the Board or, as determined by the Board in the Initial Grant or the Succeeding Grant, a consultant of the Corporation for any reason except death of the Recipient or disability of the Recipient (whether temporary or permanent, partial or total, as determined by the Committee), then each Option then held by such Recipient, to the extent (and only to the extent) that it would have been exercisable by the Recipient on the Termination Date, may be exercised by the Recipient no later than six (6) months after the Termination Date, but in no event later than the Expiration Date.

(b) Death or Disability. If the Recipient ceases to be a member of the Board or, as determined by the Board in the Initial Grant or the Succeeding Grant, a consultant of the Corporation because of the death of the Recipient or the disability of the Recipient (whether temporary or permanent, partial or total, as determined by the Committee), then each Option then held by such Recipient to the extent (and only to the extent) that it would have been exercisable by the Recipient on the Termination Date, may be exercised by the Recipient (or the Recipient's legal representative) no later than twelve (12) months after the Termination Date, but in no event later than the Expiration Date.

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9. Exercise of Options.

9.1 Exercise Period. Subject to the provisions of Section 9.5 below, Options shall be exercisable as they vest.

9.2 Notice. Options may be exercised only by delivery to the Corporation of an exercise agreement in a form approved by the Committee stating the number of Shares being purchased, the restrictions imposed on the Shares and such representations and agreements regarding the Recipient's investment intent and access to information as may be required by the Corporation to comply with applicable securities laws, together with payment in full of the exercise price for the number of Shares being purchased.

9.3 Payment. Payment for the Shares purchased upon exercise of an Option may be made (a) in cash or by check; (b) by surrender of shares of Common Stock of the Corporation that have been owned by the Recipient for more than six (6) months (and which have been paid for within the meaning of SEC Rule 144 and, if such shares were purchased from the Corporation by use of a promissory note, such note has been fully paid with respect to such shares) or were obtained by the Recipient in the open public market, having a Fair Market Value equal to the exercise price of the Option; (c) by waiver of compensation due or accrued to the Recipient for services rendered; (d) provided that a public market for the Corporation's stock exists, through a "same day sale" commitment from the Recipient and a broker-dealer that is a member of the National Association of Securities Dealers (an "NASD Dealer") whereby the Recipient irrevocably elects to exercise the Option and to sell a portion of the Shares so purchased to pay for the exercise price and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the exercise price directly to the Corporation; (e) provided that a public market for the Corporation's stock exists, through a "margin" commitment from the Recipient and an NASD Dealer whereby the Recipient irrevocably elects to exercise the Option and to pledge the Shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the exercise price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the exercise price directly to the Corporation; or (f) by any combination of the foregoing.

9.4 Withholding Taxes. Prior to issuance of the Shares upon exercise of an Option, the Recipient shall pay or make adequate provision for any federal or state withholding obligations of the Corporation, if applicable.

9.5 Limitations on Exercise. Notwithstanding the exercise periods set forth in the Grant, exercise of an Option shall always be subject to the following limitations:

(a) An Option shall not be exercisable unless such exercise is in compliance with the Securities Act and all applicable state securities laws, as they are in effect on the date of exercise.

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(b) The Committee may specify a reasonable minimum number of Shares that may be purchased upon any exercise of an Option, provided that such minimum number will not prevent the Recipient from exercising the full number of Shares as to which the Option is then exercisable.

10. Nontransferability of Options. During the lifetime of the Recipient, an Option shall be exercisable only by the Recipient or by the Recipient's guardian or legal representative, unless otherwise determined by the Committee. No Option may be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent and distribution, unless otherwise determined by the Committee.

11. Privileges of Stock Ownership. Recipients of Awards shall have all rights of a stockholder with respect to any Shares granted outright. No Recipient shall have any of the rights of a stockholder with respect to any Shares subject to an Option until the Option has been validly exercised. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date of exercise, except as provided in this Plan. The Corporation shall provide to each Recipient a copy of the annual financial statements of the Corporation at such time after the close of each fiscal year of the Corporation as they are released by the Corporation to its stockholders.

12. Adjustment of Shares. In the event that the number of outstanding shares of Common Stock of the Corporation is changed by a stock dividend, stock split, reverse stock split, combination, reclassification or similar change in the capital structure of the Corporation without consideration, the number of Shares available under this Plan and the number of Shares subject to outstanding Options and Awards and the exercise price per share of such outstanding Options shall be proportionately adjusted, subject to any required action by the Board or stockholders of the Corporation and compliance with applicable securities laws; provided, however, that no fractional shares shall be issued upon exercise of any Option and any resulting fractions of a Share shall be rounded up to the nearest whole Share.

13. No Obligation to Continue as Director. Nothing in this Plan or any Option granted under this Plan shall confer on any Recipient any right to continue as a Director of the Corporation.

14. Compliance With Laws. The grant of Options and Awards and the issuance of Shares pursuant to an Awards or upon exercise of any Options shall be subject to and conditioned upon compliance with all applicable requirements of law, including without limitation compliance with the Securities Act, compliance with all other applicable state securities laws and compliance with the requirements of any stock exchange or national market system on which the Shares may be listed. The Corporation shall be under no obligation to register the Shares with the SEC or to effect compliance with the registration or qualification requirement of any state securities laws, stock exchange or national market system.

15. Acceleration of Awards and Options on Certain Corporate Transactions. In the event of (a) a dissolution or liquidation of the Corporation, (b) a merger or consolidation in which the Corporation is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Corporation in a different jurisdiction, or other transaction in which there is no substantial change in the stockholders of

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the Corporation or their relative stock holdings and the Options and Awards



granted under this Plan are assumed, converted or replaced by the successor corporation, which assumption, conversion or replacement will be binding on all Recipients), (c) a merger in which the Corporation is the surviving corporation but after which the stockholders of the Corporation (other than any stockholder which merges (or which owns or controls another corporation which merges) with the Corporation in such merger) cease to own their shares or other equity interests in the Corporation, (d) the sale of substantially all of the assets of the Corporation, or (e) the acquisition, sale or transfer of more than 50% of the outstanding shares of the Corporation by tender offer or similar transaction, the vesting of all options granted pursuant to this Plan will accelerate and the options will become exercisable in full prior to the consummation of such event at such times and on such conditions as the Committee determines, and must be exercised, if at all, within six months of the consummation of said event. Any Options not exercised within such six-month period shall expire.

16. Amendment or Termination of Plan. The Board may at any time terminate or amend this Plan or any outstanding option, provided that the Board may not terminate or amend the terms of any outstanding Option or Award without the consent of the Recipient. In any case, no amendment of this Plan may adversely affect any then outstanding Options or Awards or any unexercised portions thereof without the written consent of the Recipient.

17. Term of Plan. Options and Awards may be granted pursuant to this Plan from time to time within a period of ten (10) years from the Effective Date.

17. Certain Definitions. As used in this Plan, the following terms shall have the following meanings:

18.1 "Parent" means any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation if each of such corporations other than the Corporation owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

18.2 "Subsidiary" means any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

18.3 "Affiliate" means any corporation that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another corporation, where "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to cause the direction of the management and policies of the corporation, whether through the ownership of voting securities, by contract or otherwise.

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18.4 "Fair Market Value" means, as of any date, the value of a share of the Corporation's Common Stock determined as follows:

(a) if such Common Stock is then quoted on the Nasdaq National Market, its closing price on the Nasdaq National Market on the date of determination as reported in The Wall Street Journal;

(b) if such Common Stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in The Wall Street Journal;

(c) if such Common Stock is publicly traded but is not quoted on the Nasdaq National Market nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in The Wall Street Journal the OTC

Electronic Bulletin Board or the Pink Sheets;

(d) in the case of an Option granted on the Effective Date, the price per share at which shares of the Corporation's Common Stock are initially offered for sale to the public by the Corporation's underwriters in the initial public offering of the Corporation's Common Stock pursuant to a registration statement filed with the SEC under the Securities Act;

(e) if none of the foregoing is applicable, by the Committee in good faith.

EXHIBIT 4.3

INVESTOR & PUBLIC RELATIONS CONSULTING AGREEMENT

This AGREEMENT made this 23rd day of June, 2003 by and between Secured Diversified Investment Ltd. (hereinafter "Client") and Mark Taggatz, President of Wall Street Marketing Group, Inc. (hereinafter "Advisor/Consultant").

WITNESSETH

In consideration of the mutual promises hereinafter made by each to the other, Client and Advisor/Consultant agree as follows:

1. CONTRACT SERVICES

Client hereby retains Advisor/Consultant to represent, advise, counsel, and assist Client in corporate development, investor and public relations, public appearances, mergers and acquisitions, and the marketing of client's business plan and stock during the Term (as defined below).

Client additionally hereby retains Advisor/Consultant to disseminate information from Client to financial professionals and licensed members of the securities industry, private money managers, and individual investors.

Services performed by Advisor/Consultant do not relate to NASD activities or financing.

Advisor/Consultant shall distribute only information in writing approved in advance by Client. Advisor/Consultant shall not make any representation or warranty to any prospective investor except those specifically approved by Client.

Advisor/Consultant shall perform Advisor/Consultant's duties under this Agreement in a manner consistent with the instructions of Client. Advisor/Consultant is not responsible for the preparation of any of the materials and is not making any independent review of the information contained therein. Client shall be responsible for the adequacy for all disclosures.

Advisor/Consultant is and hereafter shall act as an independent contractor and not as an employee of Client, and nothing in this Agreement shall be interpreted or construed to create any employment, partnership, joint venture or other relationship between Advisor/Consultant and Client. Advisor/Consultant shall not hold itself out as having and shall not state to any person that Advisor/Consultant has any relationship with Client other than as an independent contractor. Advisor/Consultant shall have no right or power to find or create any liability or obligation for or in the name of Client or to sign any document on behalf of Client.

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2. COMPENSATION FOR SERVICES

Client agrees to pay Advisor/Consultant four hundred thousand (400,000) shares of Client common stock (the "Shares"). Within 20 days after the date of this Agreement, Client agrees that it shall register two hundred thousand (200,000) of such Shares for resale by Advisor/Consultant pursuant to a registration statement on Form S-8. Advisor/Consultant represents and warrants that the Shares to be so registered qualify for registration on Form S-8. The remaining two hundred thousand (200,000) Shares shall continue to be restricted securities and may not be sold, transferred or otherwise disposed of except pursuant to the rules and regulations of the Securities and Exchange Commission.

All daily and or promotional expenses incurred by Advisor/Consultant during the term of this contract are not the obligation of Client. However, if Client requests Advisor/Consultant to travel with or on behalf of Client outside Southern California, then all reasonable expenses will be paid by Client for

Advisor/Consultant.

3. PAYMENT OF ADVISOR/CONSULTANT'S FEE

Client shall deliver two stock certificates representing the Shares to Advisor/Consultant within three business days after signing this Agreement.

4. DISCLAIMER OF LIABILITY

Advisor/Consultant makes no guarantees to any results including but not limited to trading activity, volume, or stock price with respect to the timing, place, manner or fashion in which consulting, merger and acquisition, investor and public relations services are to be conducted.

5. NOTICES

All notices hereunder shall be effective if sent by certified mail, postage prepaid to the following addresses.

If to the Advisor/Consultant: Wall Street Marketing Group, Inc.  
c/o Mark Taggatz  
31500 Grape Street #3401  
Lake Elsinore, CA 92532

If to Client: Secured Diversified Investment Ltd.  
c/o Clifford Strand  
5030 Campus Drive  
Newport Beach, CA 92660

6. ENTIRE AGREEMENT.

This Agreement, sets forth the entire agreement between the parties hereto and cannot be amended, modified or changed orally. Client acknowledges that the Board of Directors of Client has passed a resolution authorizing this contract.

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7. FILING

This contract is signed in duplicate. Advisor/Consultant agrees to deliver one (1) copy to Client within five (5) days of its execution by fax or mail; and retain one (1) copy for their files. Both parties agree to attach this document as an exhibit in Client's next quarterly filing (10-QSB) with the Securities and Exchange Commission.

8. TERM

Subject to earlier termination by either party upon 15 days written notice, the term of this Agreement is for 12 months and shall begin on the date hereof and shall continue until June 22, 2004 (the "Term").

9. LAW

This agreement is governed and construed under the laws of the state of California and any action brought by either party to enforce or interpret this agreement shall be brought in an appropriate court in the state of California. Both parties agree that any suit decided by the courts of California will result in the prevailing party's legal fees being paid.

IN WITNESS WHEREOF, the parties hereto have hereunder signed their names as hereinafter set forth.

By: /s/ Mark Taggatz  
-----  
Mark Taggatz, President  
Wan Street Marketing Group, Inc.

BY: /s/ Clifford Strand  
-----  
Clifford Strand, President  
Secured Diversified Investment  
Ltd.

(Date)

(Date)

December 5, 2003

Secured Diversified Investment, Ltd.  
5030 Campus Drive, Suite 100  
Newport Beach, California 92660

RE: 2003 Stock Incentive Plan and 2003 Non-Employee Director Stock  
Incentive Plan

Gentlemen:

I have acted as special counsel to Secured Diversified Investment, Ltd., a Nevada corporation (the "Company") in connection with its Registration Statement on Form S-8 (the "Registration Statement") under the Securities Act of 1933 (the "Act"), relating to the offer and sale of (i) a maximum of 10,000,000 shares of the Company's Common Stock, par value \$0.01 per share (the "Employee Incentive Shares") pursuant to the Company's 2003 Stock Incentive Plan ("Employee Incentive Plan"), (ii) a maximum of 5,000,000 shares of the Company's Common Stock (the "Non-Employee Director Incentive Shares") pursuant to the Company's 2003 Non-Employee Director Stock Incentive Plan (the "Non-Employee Incentive Plan"), adopted by the Company's Board of Directors on August 16, 2003 (collectively, the "Incentive Plans") and (iii) 200,000 shares of Common Stock issued to Mark Taggatz pursuant to a Consulting Agreement (the "Consulting Shares"). The Employee Incentive Shares, the Non-Employee Director Incentive Shares and the Consulting Shares are collectively hereafter referred to as the "Incentive Shares" and the Employee Incentive Plan and the Non-Employee Director Incentive Plan are hereafter collectively referred to as the "Incentive Plans." In connection with the Registration Statement, I have been requested to express an opinion with respect to the legality of the Incentive Shares. Capitalized terms used but not defined herein shall have the meanings given them in the Incentive Plans.

In this connection, I have examined the Company's Articles of Incorporation, resolutions of the Company's Board of Directors (the "Committee"), the Incentive Plans, certificates of representatives of the Company and such other instruments, certificates, records and documents as I have deemed necessary as the basis for the opinions set forth below.

In our examination, I have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies and the authenticity of originals of such copies.

In addition, I have assumed that the documents listed above have not been and will not be altered, amended, or supplemented in any respect material to our opinions stated herein. I have conducted no independent factual investigation but rather have relied solely upon the documents listed above and the information set forth therein.

Secured Diversified Investment, Ltd.  
December 5, 2003  
Page 2 of 2

With respect to the opinion set forth below, I express no opinion as to whether the issuance of the Incentive Shares when and if issued in accordance with the terms of the Incentive Plans violate Sections 78.411 through 78.444, inclusive, of the Nevada Revised Statutes (Combinations with Interested Shareholders). Those sections have application only to combinations or transactions involving "interested stockholders", as that term is defined in

Section 78.423 of the Nevada Revised Statutes. An interested stockholder is generally defined in that section as a person who is (1) the beneficial owner, directly or indirectly, of 10% or more of the issued and outstanding voting shares of a resident domestic corporation, or (2) an affiliate or associate of a resident domestic corporation which at any time within three years immediately before the date in question was the beneficial owner of 10% or more of the voting power of the then issued and outstanding voting shares of the resident domestic corporation.

Based upon and subject to the foregoing, I am of the opinion that if previously issued, or when and if issued in accordance with the terms of the respective Incentive Plans, the Incentive Shares will be duly authorized, legally and validly issued, fully paid and non-assessable.

In giving the opinions as expressed above, I express no opinion as to the laws of any other jurisdiction or as to the federal laws of the United States. The opinions set forth herein are limited to the date hereof and the applicable law on the date hereof, and I undertake no responsibility to update these opinions.

I hereby consent to the use of this opinion as an exhibit to the Registration Statement.

Sincerely,

/s/ CHRISTOPHER A. WILSON, ESQ.

BIERWOLF, NILSON & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS  
A Partnership of 1453 SOUTH MAJOR STREET Nephi J. Bierwolf, CPA  
Professional Corporations SALT LAKE CITY, UTAH 84115 Troy Nilson, CPA

Consent of Independent Accountants

We consent to the incorporation by reference in this registration statement on Form 8-8 or our report dated March 28, 2003, which appears on page 14 of the 2002 Transition Report on Form 10-KT of Secured Diversified Investment, Ltd., formerly Book Corporation of America, Inc., which includes the consolidated financial statements for the former fiscal years ended October 31, 2002 and 2001.

/S/ Bierwolf, Nilson & Associates  
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Bierwolf, Nilson & Associates  
December 10, 2003

MEMBERS OF AMERICAN INSTITUTE OF CPAs, SEC PRACTICE SECTION AND  
UTAH ASSOCIATION OF CPAs



SECTION 78.7502 OF NEVADA REVISED STATUTES

SECTION 78.7502. DISCRETIONARY AND MANDATORY INDEMNIFICATION OF OFFICERS,  
DIRECTORS, EMPLOYEES AND AGENTS: GENERAL PROVISIONS

1. A corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he:

(a) Is not liable pursuant to NRS 78.138; or

(b) Acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person is liable pursuant to NRS 78.138 or did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, or that, with respect to any criminal action or proceeding, he had reasonable cause to believe that his conduct was unlawful.

2. A corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including amounts paid in settlement and attorneys' fees actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he:

(a) Is not liable pursuant to NRS 78.138; or

(b) Acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation.

Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

3. To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections 1 and 2, or in defense of any claim, issue or matter therein, the corporation shall indemnify him against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense.