

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Act of 1934 Date of
Report (Date of earliest event reported): August 19, 2004

SECURED DIVERSIFIED INVESTMENT, LTD.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

0-30653
(Commission File Number)

80-0068489
(IRS Employer Identification No.)

5030 Campus Drive
Newport Beach, California
(Address of Principal Executive Offices)

92660
(Zip Code)

Registrant's telephone number, including area code: (949) 851-1069

Item 1.01. Entry into a Material Definitive Agreement.

- (a) On August 19, 2004, the Company entered into an Investor Relations Agreement with Round II Inc. and its principal, Andrew Austin, El Cajon, California, pursuant to which the Company will issue 500,000 shares of restricted common stock to Round II in exchange for providing various investor relations services. Round II will perform certain mailings to the Company's investor base, initiate and respond to telephone calls with such investor base, monitor internet threads regarding the Company, regularly update the Company's profile, supervise press releases and other public communications and other related matters. Additionally, the Company will pay Round II \$1,500 per month to cover expenses of such activities. The Company and Round II have not previously engaged in any material relationship and Round II is not an affiliate of the Company.
- (b) On August 19, 2004, the Company also entered into a Stock Purchase Agreement with Seaside Investments, PLC, an Investment Company located in London, England. The stock Purchase Agreement provides that the Company will issue and sell up to 1,400,000 shares of restricted common stock in exchange for a number of Seaside Ordinary Shares. The number of Ordinary Shares to be received will be determined by the fair market value of the Company common stock divided by (pound)1. The fair market value of Company common stock will be the average trading price during the ten trading days preceding the Closing. The Closing is conditioned upon Seaside completing the listing of its Ordinary Shares of the London Stock Exchange and is expected to occur on or before September 30, 2004. If such listing is not completed before September 30, 2004, then the Company may terminate the Stock Purchase Agreement without further obligation or liability. After the Closing, it is anticipated that Seaside will own less than 10% of the outstanding shares of Company common stock and, therefore, will not be deemed to be an affiliate of the Company as such term is defined in the rules and regulations of the Securities and Exchange Commission.

Commencing in the month during which the Seaside Ordinary Shares are

listed on the London Stock Exchange, the Company may sell up to 10% of the Ordinary Shares. Any shares eligible for sale but not sold, may be cumulated and sold in the following month.

Seaside may not sell the Company's common stock for a period of one year. The Company has agreed to register the shares of common stock for resale by Seaside within one year. If such registration is not timely made, the Company will incur liquidated damages of 3% of the

total outstanding shares of Company common stock. Commencing one year after the closing, in any calendar month Seaside may sell shares of Company common stock equal to 15% of the prior month's trading volume; however, Seaside may also sell blocks of 50,000 shares that will not be included in such 15%.

Seaside will withhold and place into escrow with its counsel, 30% of the Seaside Ordinary Shares that the Company would otherwise receive (the "Downside Protection Shares"). If the shares of Company common stock sold to Seaside declines in value prior to the date that is one year after the Closing, then Seaside will retain one percent of the Downside Protection Shares for each one percent decline in the price of Company common stock. If no decline occurs, the Downside Protection Shares will be delivered to the Company.

The Company has engaged Hunter Wise Financial Group, Inc. as an advisor in this transaction and has agreed to pay a fee equal to five percent of the Ordinary Shares received (including the Downside Protection Shares) and five percent of the shares of Company common stock issued to Seaside.

The Company and Seaside have not previously engaged in any material relationship and Seaside is not, as of the date of the Agreement, an affiliate.

Item 3.02. Unregistered Sales of Equity Securities.

Pursuant to the two agreements described above under Item 1.01, the Company has agreed to issue 500,000 shares of restricted common stock to Round II, Inc. in exchange for investor relations services and up to 1,400,000 shares of restricted common stock, with registration rights, to Seaside Investments, PLC. Such shares have been issued without registration pursuant to one or more exemptions from registration under the Securities Act of 1933.

99.1 Press Release

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 25, 2004

SECURED DIVERSIFIED INVESTMENT, LTD.

By: /s/CLIFFORD L. STRAND

Clifford L. Strand, Chief Executive Officer

EXHIBIT INDEX

Exhibit Number	Description
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99.1	Press Release

Exhibit 99.1

SECURED DIVERSIFIED INVESTMENT, LTD. ENTERS INTO AGREEMENT TO SELL 1,400,000 OF
SHARES OF COMMON STOCK TO LONDON INVESTMENT COMPANY

Newport Beach, California, August 25, 2004 -- Secured Diversified Investment, Ltd. (OTCBB:SCDI.OB) announced today that it has signed an agreement with a private investment company located in London, England, for the purchase by the investment company of 1,400,000 shares of Secured Diversified common shares in exchange for shares of the investment company.

The investment company will apply for its shares to be admitted to trading on the London Stock Exchange as an investment trust. The investment company has been established specifically to invest in US micro cap companies with long term growth potential. The investment company expects its shares to be trading on the London Stock Exchange by September 30, 2004.

"This investment will enhance our balance sheet, increase our access to cash and also improve our ability to acquire additional properties, said Clifford L. Strand, CEO of Secured Diversified.

The investment company has entered into a "lock-up" agreement with Secured Diversified pursuant to which it has agreed not to trade Secured Diversified shares it will receive as a result of this transaction for a period of one year from the closing date. Secured Diversified has agreed to file a registration statement with the SEC allowing the public resale of the common shares by the investment company, commencing at the expiration of the "lock-up" period. In full payment for the shares of Secured Diversified, the investment company will issue to Secured Diversified unrestricted Ordinary Shares at a price per share valued at One Pound Sterling.

Thirty percent of the investment company's shares will be held in escrow for one year following their issuance to protect the investment company against a decline in the price of the Secured Diversified common stock, measured one year from the closing date. For each one percent decline in the closing price of Secured Diversified common stock, the investment company shall be entitled to receive one percent of the escrowed shares. The remaining shares held in escrow shall be released to Secured Diversified at such time. The closing of this transaction is subject to certain contingencies, including the listing of the investment company shares on the London Stock Exchange on or before September 30, 2004.

ABOUT SECURED DIVERSIFIED INVESTMENT, LTD.

Secured Diversified Investment, Ltd. is a diversified real estate holding and financial services company. Diverse in industry segment by acquiring and owning / managing office buildings, shopping centers, hotels, apartment buildings and self storage buildings. The company estimates that the net fair market value of its portfolio is in excess of \$10 million.

The company intends to build a portfolio of income generating assets that will be, as a whole, less sensitive to economic downturns in any particular region of the United States or in any particular industry. Presently, the focus is on acquiring properties valued in the \$5-20 million range.

Note: Certain statements in this news release may contain "forward looking" information within the meaning of rule 175 under the Securities Act of 1933 and Rule 3b-6 under the Securities Act of 1934 and are subject to the safe harbor created by those rules. There can be no assurance that such forward-looking statements will be accurate and actual results and future events could differ materially from those anticipated in such statements.

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