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

FORM 10-KSB

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2007

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT

For the transition period from _________ to ________

Commission file number**: 000-30653**

Secured Diversified Investment Ltd.
(Name of small business issuer in its charter)

Nevada	**80-0068489**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3416 Via Lido Suite F, Newport Beach, CA	**92663**
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number: **949 851-1069**

Securities registered under Section 12(b) of the Exchange Act:

Title of each class	Name of each exchange on which registered
none	**not applicable**

Securities registered under Section 12(g) of the Exchange Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.001	**not applicable**

Check whether the Issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes [x]** **No [ ]**

Check if disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB **[ ]**

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

State issuer's revenue for its most recent fiscal year. **$0**

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the average bid and asked price of such common equity, as of a specified date within the past 60 days: Not available.

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: **162,862 as of December 31, 2007.**

Transitional Small Business Disclosure Format (Check One): **Yes: __; No X**

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PART I

Item 1. Description of Business

Overview

Since our inception, we have been unsuccessful in pursing revenues with our investment properties the majority of which were acquired in an asset purchase from Secured Diversified Investment Company, a related party. Several of our acquired properties, including the T-Rex Plaza, the Hospitality Inn, and the Katella Center, among others, became impaired and /or were assets that underperformed. These properties were incapable of generating sufficient revenues. A major contributing factor to the lack revenues from these properties was high-cost ground lease obligations underlying these properties. The assets that were cash-producing such as the Decatur Center, Spencer Springs and the Cannery, had to be sold to continue our operations, including the high costs associated with being a public company, in addition to absorbing the costs associated with our impaired and underperforming assets. At the date of this report, these underperforming properties have been disposed. We have exhausted all available venues to raise capital and therefore will not be able to continue as a going concern. The Company has effectively ceased operations.

Katella Center, Orange, California

On September 4, 2007, Val-Chris Investments, Ltd., trustee for the first trust deed filed a Notice of Default. We agreed to grant deed the property to the first trust deed, the Cornish Construction Pension Plan ("Cornish")

On October 23, 2007, we entered into a Grant Deed in Lieu of Foreclosure with Cornish and granted Cornish our interest in the “Katella Center,” a strip mall consisting of six retail rental units of various sizes totaling approximately 9,500 square feet, located at 632-650 E. Katella Avenue in Orange, California. We were in default of the first trust deed with Cornish, and granted ownership in the Katella Center to avoid foreclosure proceedings.

Campus Drive Office Building, Newport Beach, California

During the reporting period, we agreed to sell our (53.8%) interest in Diversified Commercial Brokers, LLC ("DCB") to the Sutterfield Family Trust and Wayne Sutterfield (together "Sutterfield"). Sutterfield had a 46.2% interest in DCB. The Company was in default of debt owed to Sutterfield and the Operating Agreement for DCB.

On October 25, 2007, we signed an agreement conveying our 53.8% membership interest in Diversified Commercial Brokers, LLC (“DCB”) to Sutterfield. The primary asset of DCB is an 8,685 square foot office building located at 5030 Campus Drive in Newport Beach, California 92660 (the “Campus Property”). In exchange for the sale of our membership interest in DCB, we received: (a) an indemnity on certain obligations pertaining to the Campus Property, including a ground lease, first and second trust deeds, and property taxes; and (b) a release from Sutterfield on any debt we owe, including two promissory notes in the principal amount of $138,630.32 and all accrued interest thereon.

Lincoln Drive Property

We own a 25% tenant -in-common interest in three buildings located at 5203 - 5205 East Lincoln Drive in Paradise Valley, Maricopa County, Arizona 85253. We acquired our 25% interest from Fazoql, Inc. as a joint venture investment with Fazoql and Willowpoint, LLC, an Arizona limited liability company. Fazoql had previously obtained a 50% interest from Willowpoint, which retained a 50% ownership interest in the property. We then obtained our 25% interest directly from Fazoql. Patrick McNevin, a former member of our board of directors, is President of Fazoql. Currently, the property is subject to a first trust deed held by Marshall & Ilsey Bank with a principal balance of approximately $852,146 bearing an annual interest rate of 6.5% per annum. The loan matures May 1, 2010. The property is in very good condition. There is no ground lease on the property. The property is 100% leased and situated between two new residential/hospitality developments.

We do not receive any rental income from the leased units. We believe the property's adjacent developments and scheduled city improvements to the walkways in the front area are positive indicators that we will experience appreciable gain in any future sale of the property. Fazoqland Willowpoint are jointly responsible for all costs of operating the buildings including landscaping, exterior maintenance, property management, and the payment of taxes, insurance and loan payments. We are not responsible for these items.

The current real estate tax rate for the Lincoln Drive property is unknown at this time. Property taxes due for the Lincoln Drive property for the 2007 tax year are $6,158. We are not responsible for the payment of taxes.

In light of the ongoing economic downward trend, the real estate market has been one of the sectors greatly affected. This sector has experienced a consistent decline downward for the past year. According we have impaired our investment by $100,000 to $200,000. If this sector does not improve we may have to impair it further.

Cactus Road Property

On February 15, 2006, we acquired a 33 1/3% tenant-in-common interest in property located at 12202 North Scottsdale Road, Phoenix, Arizona 85054. We acquired our interest for $200,000 from Ms. Jan Wallace, our officer and director, who holds the remaining 66 2/3% ownership in the property. Currently, the property is subject to a first trust deed held by Chase Manhattan Mortgage with a principal balance of $529,950. There are no ground leases on the property.

The property consists of 2,180 square feet situated on approximately 38,587 square feet of land strategically located on a heavily trafficked corner. The property was remodelled and retrofitted to house our headquarters. We also leased a portion of the building to a mortgage company until it ceased operations in December 2006. Because of the property's heavily trafficked location, we believed that it would appreciate and provide us a profit upon its sale at some future date.

In light of the ongoing economic downward trend, the real estate market has been one of the sectors greatly affected. This sector has experienced a consistent decline downward for the past year. According we have impaired our investment by $200,000.

The property was repaired and renovated at a cost of $46,950, which include a complete repair and replacement of the roof, electrical retrofitting, plumbing repairs, HVAC repairs renovation and remodelling of the kitchen area to accommodate new tenants. Ms. Wallace will be responsible for these costs. The property is adequately covered by insurance.

The property taxes for 2007 were $2,523.

Item 2. Description of Property

We currently occupy space at 3416 Via Lido Suite F, Newport Beach, CA 92663. The company does not pay rent for this location.

Lincoln Drive Property

See above Item 1. Overview

Cactus Road Property

See above Item 1. Overview

Property Information

The following table sets forth the average annual occupancy rate and rent per square foot for our properties held as of March 31, 2008:

Property	Occupancy Rate	Average Rent/Sq. Ft.
Lincoln Drive property	100%	$3.69
Cactus Road property	Vacant	N/A

The following chart sets forth certain information concerning lease expirations (assuming no renewals) for our properties held as of March 31, 2008:

Property	Year	Number of Leases Expiring	Total Square Footage of Expiring Leases	Total Annual Rental Covered by Expiring Leases	% of Gross Annual Rental
Lincoln Drive property	2007	1	1,024	$36,000	18.4%
	2008	-	-	-	-
	2009	2	3,391	$159,600	81.6%
	2010	-	-	-	-
	2011	-	-	-	-
Cactus Road property	N/A	N/A	N/A	N/A	N/A

The following table sets forth those tenants at our properties, as of March 31, 2008 that occupied more than 10% of the rentable square footage at the respective properties, the square feet occupied, the average rent per square feet for such tenant.

Property	Tenants	Business	Sq. Ft. Rental (% of Total)	Rent/Sq. Ft.
Lincoln Drive property	Joel D. Designs Fazoql Hague Showcase	Florists & Gift Shop Furniture Sales Furniture & Gift Shop	1,024 / 23.2% 1,472 / 33.3% 1,919 / 43.5%	$2.93 $4.96 $3.13
Cactus Road property	N/A	N/A	N/A	N/A

Item 3. Legal Proceedings

Other than as described below, we are not aware of any pending or threatened legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

On January 13, 2006, Alliance Title Company, Inc. ("Alliance") filed a complaint in the matter of Alliance Title Company, Inc. v. Secured Diversified Investment, Ltd. (case no. 06CC02129) in the Superior Court of California, County of Orange. The complaint alleges that Alliance, our escrow agent, was entrusted with $267,000 pursuant to escrow instructions, and that a mutual written agreement among the parties to the escrow was required to properly disperse the funds. Alliance further alleges that no instructions were provided to disperse the funds, but instead, competing claims for the funds were made by Secured Diversified Investment, Ltd., Clifford L. Strand, William S. Biddle, Gernot Trolf, Nationwide Commercial Brokers, Inc., and Prime Time Auctions, Inc. Alliance has deposited the funds with the court and has asked for a declaration of rights regarding the funds. Alliance has requested that its reasonable costs and attorney's fees be paid from the deposited funds.

This matter was dismissed by Alliance Title Company in open court in February 2007.

The Company received $33,803 as its share out of the funds and recognized as gain on equity investment as of December 31, 2006.

On January 20, 2006, Clifford L. Strand, William S. Biddle, Gernot Trolf, our former management, and Nationwide Commercial Brokers, Inc., our former subsidiary (collectively, "Plaintiffs"), filed a complaint in the matter of Clifford L. Strand v. Secured Diversified Investment, Ltd. (case no. 06CC02350) in the Superior Court of California, County of Orange. The complaint contains causes of action for fraud and misrepresentation, negligent misrepresentation, breach of contract, breach of the covenant of good faith and fair dealing, conversion, common counts, money had and received, and declaratory relief. These allegations arise out of the hold over of funds at issue in Alliance Title Company, Inc. v. Secured Diversified Investment, Ltd. (case no. 06CC02129), described above. To date, however, the matters have not been consolidated. The Company has set aside $177,000 in contingent liabilities as potential payout and settlement to these officers. As of December 31, 2006 the Company paid $45,000 to William S. Biddle and $42,000 to Gernot Trolf.

This matter has been settled as of April 5, 2007. On January 5, 2007, the Company entered into a Confidential Settlement and General Release Agreement (the "Settlement Agreement") with Mr. Clifford L. Strand to resolve litigation in the matters of Clifford L. Strand v. Secured Diversified Investment, Ltd. (case no. 06CC02350) in the Superior Court of California, County of Orange, as well as other claims involving Mr. Strand and our company as set forth in the Agreement. The Settlement Agreement with Mr. Strand provides that a stipulation and order of disbursement will be filed on the remaining $89,998 as follows: $80,000 to Mr. Strand and $9,998 to our company. In addition, Mr. Strand expressly waived any and all rights he may have had in connection with reemployment with our company, and agreed to refrain from pursuing complaints against our company and our officers and directors in any court or government agency. Further, Mr. Strand granted an irrevocable proxy in connection with any shares of stock beneficially owned by him.

On March 10, 2006, some of our shareholders, including Clifford L. Strand, Robert J. Leonard, William S. Biddle, and Gernot Trolf (collectively, "Plaintiffs") filed a complaint in the matter of William S. Biddle v. Secured Diversified Investment, Ltd. (case no. 06CC03959) in the Superior Court of California, County of Orange. Plaintiff seek declaratory relief as to whether we are a foreign corporation under California Corporation Code Section 2115(a) and whether Plaintiff's alleged demand for our shareholder list and for an inspection of the accounting books and records and minutes of shareholders , board of directors and committees of such board is governed under California Corporation Code Sections 1600 and 1601. The Company is contesting this case vigorously and is proceeding with discovery. At this time, the Company cannot make any evaluation of the outcome of this litigation.

Item 4. Submission of Matters to a Vote of Security Holders

On July 3, 2007 at our annual meeting of the shareholders, our shareholders approved a grant of authority to our Board of Directors to reverse split our outstanding preferred and common stock at a ratio of up to 10 to 1, as determined at a later date in the discretion of the Board of Directors. Since that time, all of our outstanding preferred stock was converted into shares of our common stock, such that our only remaining outstanding capital stock now consists of common shares. On September 25, 2007, our Board of Directors unanimously approved, subject to stockholder approval, an increase in the original grant of authority to our Board of Directors to reverse split our outstanding capital stock for a total ratio of up to 20 to 1, as determined at a later date in the discretion of the Board of Directors. On October 5, 2007, holders of a majority of the outstanding shares of voting capital stock executed a written stockholder consent approving the action of the Board of Directors.

The total number of shares of common stock outstanding at the record date, October 5, 2007, was 3,257,238 shares. Shareholders holding a total of 1,663,415 shares of common stock (approximately 51% of the issued and outstanding shares of common stock) approved the reverse split.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities

Market Information

Our common stock is currently quoted on the OTC Bulletin Board ("OTCBB"), which is sponsored by the FINRA. The OTCBB is a network of security dealers who buy and sell stock. The dealers are connected by a computer network that provides information on current "bids" and "asks", as well as volume information. Our shares are quoted on the OTCBB under the symbol "SDFD.OB." The following are the high and low sale prices for the common stock by quarter as reported by the OTC Bulletin Board fort he periods indicated.

Fiscal Year Ending December 31, 2006		
Quarter Ended	High $	Low $
March 31	0.1495	0.02
June 30	0.03	0.03
September 30	0.03	0
December 31	0.15	0

August 31, 2007 - February 29, 2008		
Quarter Ended	High $	Low $
February 29, 2008	.51	.029
November 30, 2007	.84	.5
August 31, 2007	0	0
May 31, 2007	0	0

The quotations and ranges listed above were obtained from OTCBB. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

Holders of Our Common Stock

As of December 31, 2007, we had 162,862 shares of our common stock issued and outstanding, held by 453 shareholders of record.

Dividends

The Company has not declared, or paid, any cash dividends since inception and does not anticipate declaring or paying a cash dividend for the foreseeable future.

Nevada law prohibits our board from declaring or paying a dividend where, after giving effect to such a dividend, (i) we would not be able to pay our debts as they came due in the ordinary course of our business, or (ii) our total assets would be less than the sum of our total liabilities plus the amount that would be needed, if the corporation were to be dissolved at the time of distribution, to satisfy the rights of any creditors or preferred stockholders.

Securities Authorized for Issuance Under Equity Compensation Plans

Equity Compensation Plan Information
As of December 31, 2007

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)[1]
Equity compensation plans approved by security holders			
Equity compensation plans not approved by security holders			
Total			

[1] On March 8, 2006, our Board of Directors adopted the 2006 Stock Option Plan of Secured Diversified Investment, Ltd (the "2006 Plan"). The 2006 plan authorizes the grant of stock options during any 12 month period that does not exceed the greater of: (1) $1 million, (2) 15% of our total assets, or (3) 15% of our issued and outstanding common stock of the company. No options have been issued under the 2006 Plan.

Item 6. Management's Discussion and Analysis or Plan of Operation

Forward-Looking Statements

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words "believes," "project," "expects," "anticipates," "estimates," "intends," "strategy," "plan," "may," "will," "would," "will be," "will continue," "will likely result," and similar expressions. We intend such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of complying with those safe-harbor provisions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Further information concerning our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

Plan of Operation in the Next Twelve Months

Since our inception, we have been unsuccessful in pursing revenues with our investment properties. At the date of this report, our underperforming properties have been disposed of and our company remains in financial jeopardy and may not continue as a going concern. Management has determined that it is not feasible to continue our current line of business. We have exhausted our capital on operating expenses. Our efforts to obtain additional capital in order to further pursue our business plan have been unsuccessful. Our management is now actively looking for other business opportunities for us to pursue.

As reflected in this annual report on Form 10-KSB, we experienced a total net loss of $309,066 for the year ended December 31, 2007. Our history of net losses is due to significant general and administrative expenses, professional fees, and other expenses related to the pursuit of our business plan and maintenance of our business operations, coupled with limited revenue. This history of unprofitable operations has made it difficult to raise capital, to hire and retain employees and consultants, to contract for third party services, and to otherwise execute on our business plan.

For these reasons, it has become clear to management that our current business plan is no longer viable. Therefore, we are currently working to identify and evaluate other business opportunities and make arrangements to acquire one that is consistent with our expertise and income needs.

We can provide no assurance that we will be successful in acquiring any business opportunity due to our limited working capital. We anticipate that even if we were to successfully negotiate an agreement to acquire a new business opportunity, we may require additional financing in order to enable us to complete the transaction. However, we can provide no assurance that we will be able to obtain any financing on acceptable terms, or at all. We do not have any formal commitments or arrangements for the sales of stock or the advancement or loan of funds.

Results of Operations

Income. We recorded no income for either December 31, 2007 or 2006 from our continuing operations. In our financial statements we reclassified our 2006 income for comparative purposes. We recorded $397,298 in discontinued operations as compared with $309,239 for the same period ended 2006. Income from discontinued operations consists primarily of rental income from commercial properties pursuant to tenant leases. Our operations were discontinued because we were in default on both the Katella and Campus properties. We disposed of the properties in exchange for satisfaction of the debt owed.

Operating Expenses. Operating and administrative expenses consist primarily of payroll expenses, legal and accounting fees and costs associated with the acquisition and ownership of real properties. These expenses decreased by $507,740 to $411,859 for the fiscal year ended December 31, 2007, compared to $919,599 for the fiscal year ended December 31, 2006. The decrease is attributable to the reduction of overhead including payroll, payroll taxes, office rent, professional fees, and the sale of poorly performing properties resulting in the reduction of leasing commissions, land lease payments, property taxes and related carrying costs.

Other Expenses. Because of the slowdown of the real estate market and decline in value of properties we impaired our investment in the Lincoln Drive property from $300,000 to $200,000 and recorded an impairment loss of $100,000. Additionally, the Company has impaired its Phoenix Cactus Street property 100% recording an impaired loss of $200,000. In light of the current real estate market and projected trends, the Company does not see recovery of these investments in the foreseeable future. As such, we recorded an impairment of $300,000 for the year ended December 31, 2007 compared with $248,137 for the year ended December 31, 2006.

Interest expense consists of mortgage interest paid on our properties. Interest expense was $6,144 for the fiscal year ended December 31, 2007 compared to $1,888 for the fiscal year ended December 31, 2006. The increase in interest expense is attributable to nonpayment of payables.

Net Loss. We reported a net loss of $309,066 or $2.01 per share for the fiscal year ended December 31, 2007 compared to a net loss of $719,331 or $7.85 per share for the fiscal year ended December 31, 2006. Net loss from continuing operations was $706,364 for the fiscal year ended December 31, 2007 compared to a net loss of $1,028,570 for the fiscal year ended December 31, 2006. Discontinued operations accounted for net income of $397,298 for the fiscal year ended December 31, 2007. The net income from disposal of discontinued operations was $309,239 for the fiscal year ended December 31, 2006.

Liquidity and Capital Resources

As stated in financial statement Note 1 - Going Concern, we do not have an established source of revenues sufficient to continue to cover our operating costs over an extended period of time allowing us to continue as a going concern. Moreover, we do not currently possess a financial institution source of financing or an adequate principal source of financing and it does not appear likely that we will be able to obtain such a source.

At December 31, 2007, we had $1,684 of cash and cash equivalents as compared to $7,667 of cash and cash equivalents at December 31, 2006 to meet our immediate short-term liquidity requirements. As noted earlier in this report, we have been unsuccessful in pursing revenues with our investment properties the majority of these properties were acquired in an asset purchase from Seashore Investment Company, Inc. a related party. Several of our acquired properties, including the T-Rex Plaza, the Hospitality Inn, and the Katella Center, among others, became impaired and or were assets that underperformed. These properties were incapable of generating sufficent revenues. A major contributing factor to the lack revenues from these properties was high-cost ground lease obligations underlying these properties. The assets that were cash-producing such as the Decatur Center, Spencer Springs and the Cannery, had to be sold to continue our operations, including the high costs associated with being a public company, in addition to absorbing the costs associated with our impaired and underperforming assets. The difference in our cash position from December 31, 2007 to December 31, 2006 has been the inability of the remaining assets to generate necessary revenues. The cash position would have been substantially worst had management not agreed to defer compensation. As a result of the problems with our properties, our ability to raise capital was met with failure in several instances prior to and during the reporting period. At the date of this annual report, the Company has essentially ceased operations and is not a going concern. We are not likely to raise capital and therefore are forced to consider other business opportunities.

To date, we have paid no dividends and do not anticipate paying dividends into the foreseeable future.

Cash Flows from Operating Activities. Net cash used by operating activities was $16,133 for the fiscal year ended December 31, 2007 comparable to net cash used by operating activities of $940,015 for the fiscal year ended December 31, 2006.

Cash Flows from Investing Activities. Net cash from investing activities amounted to $4,932 for the fiscal year ended December 31, 2007 compared to net cash used investing activities in the amount of $242,868 for the fiscal year ended December 31, 2006.

Cash Flows from Financing Activities. Cash used in financing activities amounted to $-0- for the fiscal year ended December 31, 2007 compared to $39,854 for the fiscal year ended December 31, 2006.

Off Balance Sheet Arrangements

As of December 31, 2007, there were no off balance sheet arrangements.

Item 7. Financial Statements

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Audited Financial Statements:

MOORE & ASSOCIATES, CHARTERED
ACCOUNTANTS AND ADVISORS
PCAOB REGISTERED

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Secured Diversified Investment, LTD

We have audited the accompanying balance sheets of Secured Diversified Investment, LTD as of December 31, 2007 and 2006, and the related statements of operations, stockholders' equity and cash flows for the years ended December 31, 2007 and December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Secured Diversified Investment, LTD as of December 31, 2007 and 2006, and the related statements of operations, stockholders' equity and cash flows for the years ended December 31, 2007 and December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has an accumulated deficit of $9,026,256 and reported a net loss of $309,066, which raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Moore & Associates, Chartered

Moore & Associates Chartered
Las Vegas, Nevada
April 8, 2008

2675 S. Jones Blvd. Suite 109, Las Vegas, NV 89146 (702) 253-7499 Fax (702) 253-7501

SECURED DIVERSIFIED INVESTMENT, LTD.

Balance Sheets

ASSETS	December 31, 2007	December 31, 2006
CURRENT ASSETS		
Cash and cash equivalents	$ 1,684	$ 7,667
Prepaid expenses	-	10,907
Net assets held for sale	18,612	23,544
Real estate investments	200,000	500,000
Assets from discontinued operations	-	1,109,167
Total Current Assets	170,296	1,651,285
TOTAL ASSETS	$ 170,296	$ 1,651,285
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 173,745	$ 27,138
Accrued expenses	154,741	187,722
Accrued payroll liabilities	90,426	3,465
Liabilities from discontinued operations	-	1,322,512
Total Current Liabilities	418,912	1,540,837
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, $0.001 par value, 5,000,000 shares authorized, -0- and 18,201 shares issued and outstanding, respectively	-	182
Common stock, $0.001 par value, 50,000,000 shares authorized, 162,862 and 144,841 shares issued and outstanding, respectively	163	145
Unissued shares	5,830	5,830
Additional paid-in capital	8,818,647	8,818,481
Accumulated deficit	(9,023,256)	(8,714,190)
Total Stockholders' Equity (Deficit)	(248,616)	110,448
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 170,296	$ 1,651,285

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

SECURED DIVERSIFIED INVESTMENT, LTD.
Statements of Operations

	For the Years Ended December 31, 2007	2006
REVENUES	$ -	$ -
OPERATING EXPENSES		
General and administrative	411,859	919,599
Total Operating Expenses	411,859	919,599
INCOME (LOSS) FROM OPERATIONS	(411,859)	(919,599)
OTHER EXPENSES		
Impairment loss	(300,000)	(248,137)
Interest expense	(6,144)	(1,888)
Gain on disposal of equity investment	-	33,803
Debt forgiveness	-	268,768
Other income (expense)	11,639	(161,517)
Total Other Expenses	(294,505)	(108,971)
NET INCOME FROM CONTINUING OPERATIONS	(706,364)	(1,028,570)
Discontinued operations	397,298	309,239
NET INCOME BEFORE TAXES	(309,066)	(719,331)
Income taxes	-	-
NET LOSS	$ (309,066)	$ (719,331)
BASIC LOSS PER COMMON SHARE	$ (2.01)	$ (7.85)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	153,852	91,642

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

SECURED DIVERSIFIED INVESTMENT, LTD.
Statement of Stockholders' Equity (Deficit)

	Preferred Stock Series A		Preferred Stock Series B		Preferred Stock Series C		Common Stock		Additional Paid-In Capital	Unissued Shares	Accumulated Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 2005	17,774	$ 178	402	$ 4	12,500	$ 125	38,443	$ 38	$8,676,352	$ 125,000	$(7,994,859)
Shares to be issued for services	-	-	-	-	-	-	-	-	-	(125,000)	-
Shares issued for services, previously unissued	313	3	-	-	-	-	-	-	124,937	-	-
Shares cancelled	-	-	-	-	(12,500)	(125)	(102)	(0)	(378,623)	-	-
Shares issued for conversion ofseries C preferred stock	-	-	-	-	-	-	37,500	38	366,750	-	-
Shares to be issued for fractional shares adjustment	(288)	(3)	-	-	-	-	-	-	(5,694)	5,830	-
Shares issued for services	-	-	-	-	-	-	50,000	50	29,950	-	-
Shares issued to adjust for anti-dilution	-	-	-	-	-	-	19,000	19	(19)	-	-
Stock options expense	-	-	-	-	-	-	-	-	4,240	-	-
Net income (loss) for the year ended December 31, 2006	-	-	-	-	-	-	-	-	-	-	(719,331)
Balance, December 31, 2006	17,799	178	402	4	-	-	144,841	145	8,817,893	5,830	(8,714,190)
Conversion of preferred stock common stock	(17,799)	(178)	(402)	(4)	-	-	18,021	18	754	-	-

Net income (loss) for the year ended December 31, 2007	-	-	-	-	-	-	-	-	-	-	(309,066)
Balance, December 31, 2007	-	$ -	-	$ -	-	$ -	162,862	$ 163	$8,818,647	$ 5,830	$(9,023,256)

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

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SECURED DIVERSIFIED INVESTMENT, LTD.
Statements of Cash Flows

	For the Years Ended December 31, 2007	2006
OPERATING ACTIVITIES		
Net income (loss)	$ (309,066)	$ (719,331)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities:		
Impairment of real estate	300,000	248,137
Shares to be issued	-	5,830
Gain on settlement of debt and litigation	-	(302,409)
Shares issued officers	-	18,000
Shares cancelled	-	(11,250)
Options granted	-	4,240
Changes in operating assets and liabilities:		
Prepaid expenses	10,907	(1,133)
Other assets	-	16,961
Accounts payable and accrued expenses	113,628	(316,034)
Payroll liabilities	86,961	2,459
Net Cash Used by Operating Activities of Continuing Operations	202,430	(1,054,530)
Net Cash Used by Operating Activities of Discontinued Operations	(218,563)	114,515
Net Cash Used by Operating Activities	(16,133)	(940,015)
INVESTING ACTIVITIES		
Investment in real estate	-	(200,000)
Assets held for sale	4,932	-
Net Cash Used by Investing Activities of Continuing Operations	4,932	(200,000)
Net Cash Used by Investing Activities of Discontinued Operations	-	(42,868)
Net Cash Used (Provided by) by Investing Activities	4,932	(242,868)
FINANCING ACTIVITIES		
Net Cash Used by Financing Activities of Continuing Operations	-	-
Net Cash Used by Financing Activities of Discontinued Operations	-	(39,854)
Net Cash Used by Financing Activities	-	(39,854)
NET DECREASE IN CASH	(11,201)	(1,222,737)
CASH AT BEGINNING OF PERIOD	12,885	1,230,404
CASH AT END OF PERIOD	$ 1,684	$ 7,667
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest	$ 30,394	$ 88,906
Income Taxes	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		

The Company settled following debts through transfer of property/ownership interest as of December 31, 2007:

Mortgage note payable	$	370,000	$	-
Mortgage note payable	$	646,340	$	-
Mortgage note payable	$	110,000	$	-
Mortgage note payable - related party	$	71,630	$	-
Mortgage note payable - related party	$	67,000	$	-

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

SECURED DIVERSIFIED INVESTMENT, LTD.

Notes to Audited Financial Statements
December 31, 2007 and 2006

NOTE 1 – Basis of presentation and Going Concern

Basis of presentation:

The accompanying consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission for the presentation of financial information, and include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included.

Going concern:

The accompanying financial statements have been prepared in conformity with generally accepted accounting principle, which contemplate continuation of the Company as a going concern. However, the Company has accumulated deficit of $9,023,256 as of December 31, 2007. The Company reported net loss of $309,066 at December 31, 2007. The Company has no cash reserves to pay its existing obligations and has exhausted all possibilities in efforts to raise the necessary capital to meet its obligations for the next 12 months. Since our inception we have been unsuccessful in pursing revenues with our investment properties. Several of our acquired properties, including the T-Rex Plaza, the Hospitality Inn, and the Katella Center, among others, were or became impaired assets that were underperforming. These properties were incapable of generating adequate revenues. A major contributing factor to the lack of revenues for these properties was high-cost of debt and ground lease obligations underlying these properties. The assets that sufficiently produced cash to service their obligations, but not sufficient cash to support the Company's overhead, such as Decatur Center, Spencer Springs and the Cannery West, had to be sold to continue our operations, including the high costs associated with being a public company, in addition to absorbing the costs associated with our impaired assets. Current management has restructured the Company's operations by selling many of its poorly performing properties and reducing the associated high cost of debt and ground leases. The Company significantly reduced overhead and rolled backed the stock in order to restructure the Company's capital structure. As of September 30, 2007, the Company discontinued its Katella & DCB (real estate) operations. Katella Center and Campus Drive have been disposed in exchange for settlement of debt. (See note 5 & 10). While management continues with efforts to find business partners, it is unlikely that we will succeed.

In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to raise additional capital to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 – Nature of Operations

The Company was incorporated under the laws of the state of Utah on November 22, 1978. On July 23, 2002, the shareholders approved a change in domicile from Utah to Nevada.

In accordance with Nevada corporate law, a change of domicile is effected by merging the foreign corporation with and into a Nevada corporation. On August 9, 2002, a merger between the Company and Book Corporation of America was completed. Upon completion of the merger Book Corporation of America was dissolved. On September 18, 2002, the OTCBB symbol for the Company's common stock was changed from BCAM to SCDI. The shareholders also approved amendments to the Company's Articles of Incorporation to change the par value of the Company's Common Stock from $.005 to $.001 and to authorize 50,000,000 shares of Preferred Stock (Series A, B and C), par value $0.01. On November 15, 2002, the Company changed its fiscal year end from October 31 to December 31.

During 2002, the Company began pursuing the acquisition of ownership interests in real estate properties that are geographically and functionally diverse in order to be more stable and less susceptible to devaluation resulting from regional economic downturns and market shifts. Currently, the Company owns two properties in Phoenix, Arizona which were acquired in the first quarter of 2006.

NOTE 3 – Significant Accounting Policies

Reclassifications. Certain prior period amounts in the accompanying consolidated financial statements have been reclassified to conform to the current period's presentation. These reclassifications had no effect on the consolidated results of operations or financial position for any period presented.

Income (Loss) per share. Basic loss per share is based on the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. At December 31, 2007 and 2006, all potential common shares are excluded from the computation of diluted loss per share, as the effect of which was anti-dilutive.

Income Taxes. Deferred income tax assets and liabilities are computed annually for differences between the consolidated financial statements and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates applicable to the periods in which the differences are expected to affect taxable income (loss). Valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

Segment Reporting. Statement of Financial Accounting Standards No. 131 ("SFAS 131"), "Disclosure about Segments of an Enterprise and Related Information" requires use of the "management approach" model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. Reportable segments are based on products and services, geography, legal structure, management structure, or any other manner in which management disaggregates a company.

During the first quarter of 2006, the Company acquired investment interest in two separate properties in Arizona.

On January 6, 2006, the Company acquired a 25 percent Tenant-in-Common interest in a commercial property located in Paradise Valley, Arizona for $300,000. The tenant-in common partners include a director of the Company, 25 percent, and an unrelated third party, 50 percent and SDI 25%. The unrelated third party will be responsible for all costs of operation including, but not limited to, landscaping, maintenance, taxes, insurance, property management and debt payments.

On February 15, 2006, the Company acquired a 33.3 percent interest in a property located in Phoenix, Arizona for $200,000. The property consists of a 2,180 square foot structure on approximately 38,587 square feet of land. The Company's interest was purchased from Ms Jan Wallace, an officer and director of the Company. The property will be used to house the Company's headquarters. The Company is not responsible for any of the expenses and does not share in the revenue stream associated with these properties.

For the years ended December 31, 2007, and 2006 all of the Company's investment properties are located in Arizona. Properties in Arizona do not contribute to the income or expense stream of the Company.

Investment in real estate.

The Company reports its investment in real estates at historical cost. Those properties were acquired with the intention that when the value of properties will appreciate the Company will sell its share in those properties. The Company used cost method of accounting based on SOP 78-9 paragraph .08 which states that

"The division believes that the accounting recommendations for use of the equity method of accounting for investments in general partnerships are generally appropriate for accounting by limited partners for their investments in limited partnerships. A limited partner's interest may be so minor that the limited partner may have virtually no influence over partnership operating and financial policies. Such a limited partner is, in substance, in the same position with respect to the investment as an investor that owns a minor common stock interest in a corporation, and, accordingly, accounting for the investment using the cost method may be appropriate."

Recent accounting pronouncements.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. This statement is effective for us beginning January 1, 2008. The Company is currently assessing the potential impact that adoption of SFAS No. 157 would have on the financial statements.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities. SFAS No. 159 gives the irrevocable option to carry many financial assets and liabilities at fair values, with changes in fair value recognized in earnings. SFAS No. 159 is effective beginning January 1, 2008, although early adoption is permitted. The Company is currently assessing the potential impact that adoption of SFAS No. 159 will have on the financial statements.

The FASB has revised SFAS No. 141. This revised statement establishes uniform treatment for all acquisitions. It defines the acquiring company. The statement further requires an acquirer to recognize the assets acquired, the liabilities assumed, and any non-controlling interest in the acquired at the acquisition date, measured at their fair market values as of that date. It requires the acquirer in a business combination achieved in stages to recognize the identifiable assets and liabilities, as well as the non-controlling interest in the acquired, at the full amounts of their fair values. This changes the way that minority interest is recorded and modified as a parent's interest in a subsidiary changes over time. This statement also makes corresponding significant amendments to other standards that related to business combinations, namely, 109, 142 and various EITF's. This statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 12/15/08. The Company believes the implementation of this standard will have no effect on our financial statements.

NOTE 4 – Real Estate Investments

At December 31, 2007, the Company held investments in two separate properties (*see Note 3 Significant Accounting Policies – Segment Reporting*). These properties do not contribute to the income or expense stream of the Company.

It is the Company's policy to assess its long lived assets for impairment on an annual basis, or more frequently if warranted by circumstances. Because of the slow down of the real estate market and decline in value of properties the Company impaired its investment in Paradise Valley, Arizona property from $300,000 to $150,000 and recorded an impairment loss of $150,000. Additionally, the Company has impaired its Phoenix Cactus Street property 100% recording an impaired loss of $200,000. In light of the current real estate market and projected trends, the Company does not see recovery of these investments in the foreseeable future.

NOTE 5 – Related Party Transactions

Sutterfield Family Trust and C. Wayne Sutterfield (Sutterfield). At December 31, 2005, the Company owed Sutterfield, a former director and shareholder, two notes, $67,000 and $71,630 both secured by trust deeds on 5030 Campus Drive. The notes bear interest at 8% and mature on February 17 2007, and December 31, 2006, respectively. The Company is in default on the $71,630 note and the other note of $67,000. Sutterfield was a minority owner (46.2%) in DCB. In addition to the interest payment on the 3rd trust deed, the Company, pursuant to the terms of the operating agreement, liable to pay Sutterfield a preferred return on his investment. The Company has not made payments to Sutterfield pursuant to the terms of the operating agreement. Sutterfield has advised the Company of its default. As a result of our default, the Company on October 17, 2007, transferred its 53.8% membership interest in DCB, in exchange for: (a) an indemnity on certain obligations pertaining to the Campus Property, including a ground lease, first and second trust deeds, and property taxes; and (b) a release from Sutterfield on any debt we owe, including two promissory notes in the principal amount of $138,630.32 and all accrued interest thereon.

As at December 31, 2007, the Company eliminated the operations and cash flows of DCB from its ongoing operations and it is not involved in the continuing operations of DCB and reported as discontinued operations in the accompanying financial statements.

NOTE 6 – Mortgages Payable

As of December 31, 2007, the Company settled its mortgages payable as follows:.

1. Mortgage note payable $370,000

The Company had note payable of $370,000 with 11.5% interest and maturity date of June 25, 2007. The note was secured on 1st trust deed on the Katella property and was in default due to non payment. On October 8, 2007 the Board of Directors authorized the disposal of property in exchange for the settlement of debt including interest. On October 23, 2007, the Company transferred the property in full satisfaction of all obligations secured by the deed of trust.

2. Mortgage note payable $646,340

The Company had note payable of $646,340 with 8% interest and maturity date of February 2, 2013. The note was secured on 1st trust deed on the 5030 Campus (DCB) property. The note was settled as part of transfer of interest in DCB to Suttefiled (See note 5).

3. Mortgage note payable $110,000

The Company had note payable of $110,000 with 8% interest and maturity date of February 4, 2008. The note was secured on 2nd trust deed on the 5030 Campus (DCB) property. The note was settled as part of transfer of interest in DCB to Suttefiled (See note 5).

NOTE 7 – Mortgages Payable – Related Parties

The Company had note payable of $71,630 and $67,000 to a related party Wayne Sutterfiled. The notes had 8% interest and matured on December 31, 2006 and February 17, 2007 respectively. Both the notes were secured by trust deed on 5030 Campus (DCB) property respectively. The Company was in default on the notes payment including interest. On October 17, 2007, the Company transferred its 100% interest in DCB property to its minority shareholder Wayne Sutterfiled in full settlement of its note payable including interest (See note 5).

NOTE 8 – Stock Options

On April 7, 2006, the Company settled its litigation with Luis Leon. The settlement included a grant of 7,500 (adjusted for post split effect) stock options. The Company adopted 2006 stock option plan in June 2006 and on August 8, 2006 issued 7,500 (adjusted for post split effect) options at a strike price of $0.01 to Luis Leon under the ‘2006 Stock Option Plan of Secured Diversified Investment, Ltd.

As of December 31, 2006, the following is a summary of the stock option activity:

	Options Outstanding	Weighted Average Exercise Price	Agregate Intrinsic Value
Outstanding at December 31, 2005	-	$ -	$ -
Granted	7,500	$0.01	-
Forfeited	-	-	-
Exercised	-	-	-
Expired	(7,500)		
Outstanding at December 31, 2006	-	$ -	$ -

As of December 31, 2006 the Company recorded $4,240 in stock options expense.
The fair value was calculated using the Black-Scholes option pricing model assuming no dividends, a risk-free interest rate of 6.5%, an expected life of 0.6 years and expected volatility of 100%.

NOTE 9 – Warrants

At December 31, 2007, the Company had the following subscriptions for warrants outstanding:

Date	Number of Warrants	Exercise Price	Expiration Date
April 4, 2005	400,000	Range from $0.50 to $2.00	April 4, 2010

Following is a summary of the warrant activity:

	Warrants Outstanding	Aggregate Intrinsic Value
Outstanding at December 31, 2006	400,000	$ -
Granted		
Forfeited	-	
Exercised	-	
Outstanding at December 31, 2007	400,000	$ -

Following is a summary of the status of warrants outstanding at December 31, 2007:

Outstanding Warrants			Exercisable Warrants		
Exercise Price	Number	Remaining Contractual Life	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
$ 0.50 - $2.00	400,000	2 years	$ 1.25	400,000	$1.25

The fair value was calculated using the Black-Scholes option pricing model assuming no dividends, a risk-free interest rate of 6.5%, an expected life of 5 years and expected volatility of 100%.

NOTE 10 – Loss Per Share

Following is a reconciliation of net income (loss) and weighted average number of shares outstanding, in the computation of income (loss) per share for the years ended December 31, 2007 and 2006.

	2007	2006
Net income (loss)	$ (309,066)	$ (719,331)
Less preferred stock dividends	-	-
Net income (loss) available to common shareholders	$ (309,066)	$ (719,331)
Basic weighted average shares outstanding	153,852	91,642
Dilutive potential common shares	-	-
Diluted weighted average shares outstanding	153,852	91,642
Basic weighted net income (loss) per share	$ (2.01)	$ (7.85)
Basic and diluted net income (loss) per share	$ (2.01)	$ (7.85)
Potential common shares excluded from diluted weighted average shares outstanding because of their anti-dilutive nature:		
Convertible Series A, B and C preferred stock	-	-
and warrants granted, not yet exercised	-	-
	-	-

NOTE 11 - Litigation

On January 13, 2006, Alliance Title Company, Inc. ("Alliance") filed a complaint in the matter of Alliance Title Company, Inc. v. Secured Diversified Investment, Ltd. (case no. 06CC02129) in the Superior Court of California, County of Orange. The complaint alleges that Alliance, our escrow agent, was entrusted with $267,000 pursuant to escrow instructions, and that a mutual written agreement among the parties to the escrow was required to properly disperse the funds. Alliance further alleges that no instructions were provided to disperse the funds, but instead, competing claims for the funds were made by Secured Diversified Investment, Ltd., Clifford L. Strand, William S. Biddle, Gernot Trolf, Nationwide Commercial Brokers, Inc., and Prime Time Auctions, Inc. Alliance has deposited the funds with the court and has asked for a declaration of rights regarding the funds. Alliance has requested that its reasonable costs and attorney's fees be paid from the deposited funds.

This matter was dismissed by Alliance Title Company in open court in February 2007.

The Company received $33,803 as its share out of the funds and recognized as gain on equity investment as of December 31, 2006.

On January 20, 2006, Clifford L. Strand, William S. Biddle, Gernot Trolf, our former management, and Nationwide Commercial Brokers, Inc., our former subsidiary (collectively, "Plaintiffs"), filed a complaint in the matter of Clifford L. Strand v. Secured Diversified Investment, Ltd. (case no. 06CC02350) in the Superior Court of California, County of Orange. The complaint contains causes of action for fraud and misrepresentation, negligent misrepresentation, breach of contract, breach of the covenant of good faith and fair dealing, conversion, common counts, money had and received, and declaratory relief. These allegations arise out of the hold over of funds at issue in Alliance Title Company, Inc. v. Secured Diversified Investment, Ltd. (case no. 06CC02129), described above. To date, however, the matters have not been consolidated. The Company has set aside $177,000 in contingent liabilities as potential payout and settlement to these officers. As of December 31, 2006 the Company paid $45,000 to William S. Biddle and $42,000 to Gernot Trolf.

This matter has been settled as of April 5, 2007. On January 5, 2007, the Company entered into a Confidential Settlement and General Release Agreement (the "Settlement Agreement") with Mr. Clifford L. Strand to resolve litigation in the matters of Clifford L. Strand v. Secured Diversified Investment, Ltd. (case no. 06CC02350) in the Superior Court of California, County of Orange, as well as other claims involving Mr. Strand and our company as set forth in the Agreement. The Settlement Agreement with Mr. Strand provides that a stipulation and order of disbursement will be filed on the remaining $89,998 as follows: $80,000 to Mr. Strand and $9,998 to our company. In addition, Mr. Strand expressly waived any and all rights he may have had in connection with reemployment with our company, and agreed to refrain from pursuing complaints against our company and our officers and directors in any court or government agency. Further, Mr. Strand granted an irrevocable proxy in connection with any shares of stock beneficially owned by him.

On March 10, 2006, some of our shareholders, including Clifford L. Strand, Robert J. Leonard, William S. Biddle, and Gernot Trolf (collectively, "Plaintiffs") filed a complaint in the matter of William S. Biddle v. Secured Diversified Investment, Ltd. (case no. 06CC03959) in the Superior Court of California, County of Orange. Plaintiff seek declaratory relief as to whether we are a foreign corporation under California Corporation Code Section 2115(a) and whether Plaintiff's alleged demand for our shareholder list and for an inspection of the accounting books and records and minutes of shareholders , board of directors and committees of such board is governed under California Corporation Code Sections 1600 and 1601. The Company is contesting this case vigorously and is proceeding with discovery. At this time, the Company cannot make any evaluation of the outcome of this litigation.

NOTE 12 - Discontinued Operations

As of December 31, 2007 the Company discontinued following operations:

1. Katella Center

On October 8, 2007 the Board of Directors of the Company approved to sign the Deed and Lieu of Foreclosure on the Katella Center.

On October 23, 2007 the Grant Deed in Lieu of Foreclosure was assigned in full satisfaction of all obligations secured by the deed of trust including note payable of $370,000 with any accrued and unpaid interest thereon.

As of December 31, 2007, the Company has eliminated the operations and cash flows of Katella Center from its ongoing operations and it is not involved in the continuing operations of Katella Center and reported as discontinued operations in the accompanying financial statements.

2. 5030 Campus (DCB) Property

On September 29, 2007 the Board of Directors of the Company approved to transfer its 53.8% membership interest in DCB, LLC to the Sutterfield Family Trust and Wayne Sutterfiled in exchange for (a) an indemnity on certain obligations pertaining to the Campus Property, including a ground lease, first and second trust deeds, and property taxes; and (b) a release from Sutterfield on any debt we owe, including two promissory notes in the principal amount of $138,630.32 and all accrued interest thereon.

As of December 31, 2007, the Company has eliminated the operations and cash flows of DCB from its ongoing operations and it is not involved in the continuing operations of DCB and reported as discontinued operations in the accompanying financial statements.

3. Secured Lending

During 2006 the Company established a new wholly owned subsidiary, Secured Lending, LLC, to engage in mortgage banking activities in the state of Arizona. The new subsidiary was incorporated on June 15th, 2006 and it began funding loans in July. However, Secured Lending was not able to sustain its mortgage banking activities and these relationships were mutually terminated. The Company discontinued its mortgage banking activity at December 31, 2006. The Company recognized a loss of $153,672 as a result of discontinued operations and recorded net assets held for sale of $23,544 at December 31, 2006. During 2007 the Company recognized a loss of $6,547 as a result of discontinued operations and recorded net assets held for sale of $19,129 in the accompanying financial statements.

NOTE 13 – Forgiveness of Debt

During 2006 the Company recorded debt forgiveness of $268,768 against reversal of various old debts which passed statute of limitations.

NOTE 14 –Stockholders' Equity

In February 2003, the Company created three series of preferred stock, all of which are convertible at the option of the holder: (1) Series A consisting of 7,500,000 shares with a par value of $0.01, a liquidation preference of $1.00 per share, convertible into an equal number of common shares 36 months after issuance, with the same voting rights as common stock; (2) Series B consisting of 20,000,000 shares with a par value of $0.01, a liquidation preference of $0.50 per share, and convertible into an equal number of common shares 24 months after issuance; and (3) Series C consisting of 22,500,000 shares with a par value of $0.01, a liquidation preference of $3.00 per share, and convertible into an equal number of common shares 24 months after issuance. In the event the price of common stock is less than the purchase price of the preferred stock on the conversion date, the holder is entitled to convert at a rate equal to the purchase price divided by the common stock price.

On August 19, 2004, the Company obtained a written consent from the holders of a majority of its outstanding shares of Common Stock and Series B Preferred Stock to amend the Certificate of Designation. Such consent amends the terms of the Series B Preferred Stock to permit the Board of Directors to permit conversion of the Series B Preferred Stock into Common Stock prior to the expiration of the two-year prohibition on conversion. All 250,000 shares of Series C Preferred Stock also consented to the amendment. The amendment to the Certificate of Designation became effective October 28, 2004. After approval to amend the Certificate of Designation, 5,839,479 shares of Series B Preferred Stock were converted to Common Stock.

On August 1, 2006, our Board of Directors resolved to amend the Articles of Incorporation pursuant to Nevada Revised Statues 78.207 to decrease the number of authorized shares of our common stock, par value $.001, from 100,000,000 to 5,000,000 shares. Correspondingly, our Board of Directors affirmed a reverse split of twenty to one in which each shareholder will be issued one common share in exchange for each twenty common share of their currently issued common stock. At the same time and under the same authority, our Board of Directors resolved to amend the Articles of Incorporation to decrease the number of authorized shares of our preferred stock, par value $0.01, from 50,000,000 to 2,500,000 shares. Correspondingly, our Board of Directors affirmed a reverse split of twenty to one in which each shareholder will be issued one common share in exchange for each twenty common share of their currently issued common stock. A record date of August 14, 2006 was established in order to provide the NASD ten days notice pursuant to Rule 10b-17 of the Securities and Exchange Act of 1934 as amended. All shareholders of this record date will receive one share of our common stock for each twenty shares owned. These share certificates will be issued upon surrender. On August 1, 2006, we filed a Certificate of Amendment to the Articles of Incorporation with the Nevada Secretary of State to reflect the decrease in authorized shares. Under Nevada Revised Statutes 78.207, shareholder approval was not required.

All the issued and outstanding shares have been retroactively restated for the effect of the reverse stock split of 20:1.

During the year ended December 31, 2007 and 2006, the Company had the following equity transaction:

On February 2, 2006, Iomega converted its 250,000 shares of Series C Preferred Stock for 15,000,000 shares of the Company's common stock. The shares were converted at a price of $0.05 per share.

On October 23, 2006, the Company issued 400,000 bonus shares to its Chief Executive Officer and 200,000 bonus shares to its Chief Financial Officer. These shares were recorded at the fair market value close to the date of issuance and charged to operations.

On October 24, 2006, the Company issued 400,000 shares for consulting services. These shares were issued at the fair market value close to the date of issuance and charged to operations.

On September 24, 2007, the Company converted it Series A and Series B preferred shares to common stock. The total outstanding shares of Series A preferred stock, 355,978 shares, where converted to 352,453 shares of common stock at a conversion ratio of 1:1.01. The total outstanding shares of Series B preferred stock, 8,044 shares, were converted to 7,954 shares of common stock at a conversion ratio of 1:1.01. The conversion increased the total number of common shares outstanding from 2,896,820 to 3,257,237.

On October 24, 2007, the Company completed a 20 to 1 reverse stock split of its outstanding common shares thereby reducing its outstanding common shares from 3,257,237 to 162,862.

NOTE 15- Income Taxes

No provision was made for Federal income tax for the year ended December 31, 2007 and 2006, since the Company had significant net operating loss. For the year ended December 31, 2007, the Company incurred net loss carry forward for tax purposes of $9,023,256. However, for the year ended December 31, 2005 the Company incurred net loss carry forward for tax purposes of approximately $2,990,000. The net operating losses carry forwards may be used to reduce taxable income through the year 2025. The availability of the Company's net operating loss carry forwards are subject to limitation if there is a 50% or more positive change in the ownership of the Company's stock. The provision for income taxes consists of the state minimum tax imposed on corporations.

Temporary differences that give rise to deferred tax assets and liabilities at December 31, 2007 and 2006, comprised of depreciation and amortization and net operating loss carry forward. The gross deferred tax asset balance as of December 31, 2007 is approximately $3,067,907. A 100% valuation allowance has been established against the deferred tax assets, as the utilization of the loss carry forwards cannot reasonably be assured.

The components of the net deferred tax asset are summarized below:

	December 31, 2007	December 31, 2006
Deferred tax asset	$ 3,067,907	$ 2,962,825
Net operating losses	(3,067,907)	(2,962,825)
Less: valuation allowance	$ -	-

The following is a reconciliation of the provision for income taxes at the U.S. federal income tax rate to the income taxes reflected in the Statement of Operations:

	December 31, 2007	December 31, 2006
Tax expense (credit) at statutory rate-federal	(34) %	(34) %
State tax expense net of federal tax	(6)	(6)
Changes in valuation allowance	40	40
Tax expense at actual rate	-	-

NOTE 16- Subsequent Events

The comany has borrowed $40,000 to pay for the filing of the Annual Report and other related expenses and costs.

Item 8. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 8A. Controls and Procedures

Management's Report On Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. This rule defines internal control over financial reporting as a process designed by, or under the supervision of, the Company's Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

With the participation of the Chief Executive Officer and the Chief Financial Officer, our management conducted an evaluation of the effectiveness of our internal control over financial reporting. Based on this evaluation, our management has concluded that our internal control over financial reporting was not effective as of December 31, 2007 as the result of a material weakness. The material weakness results from significant deficiencies in internal control that collectively constitute a material weakness.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the registrant's financial reporting. The Company had the following significant deficiencies at December 31, 2007:

- The company is effectively insolvent, and only has one employee to oversee bank reconciliations, posting payables, and so forth, so there are no checks and balances on internal controls.

Remediation of Material Weakness

We are unable to remedy our internal controls until we are able to locate another business opportunity, or receive financing to hire additional employees. At this time, we are effectively not a going concern.

Limitations on the Effectiveness of Internal Controls

Our management, including our Chief Executive Officer and our Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting are or will be capable of preventing or detecting all errors or all fraud. Any control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements, due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns may occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risk.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act

The following information sets forth the names of our current directors and executive officers, their ages as of December 31, 2007 and their present positions.

Name	Age	Position Held with the Company
Jan Wallace	52	Director
Munjit Johal	52	Chief Executive Officer, Chief Financial Officer and Director

Set forth below is a brief description of the background and business experience of our significant employees, executive officers and directors.

Ms. Wallace is our director. She is also serving as the President, CEO and Director of Davi Skin, Inc., a public company. She is also the President of Wallace Black Financial & Investment Services, a private consulting company to private and public companies and individuals for business, financial and Investment strategies. Ms. Wallace has served as the President and CEO of three public companies listed on the Over-The-Counter Bulletin Board: MW Medical (predecessor in interest of Davi Skin, Inc.) from 1998 to 2001; Dynamic and Associates, Inc.; and Claire Technologies, Inc. from 1994 to 1995. From 1987 to 1996, Ms. Wallace was associated with four Canadian companies: Active Systems as Executive Vice President; The Heafey Group, as financial consultant; Mailhouse Plus, Ltd., owner and President; and Pitney Bowes, first female sales executive. Ms. Wallace was educated at Queens University in Kingston, Ontario and Carleton University, Ottawa, Ontario in Political Science with a minor in Economics.

Munjit Johal is our CEO, CFO and Director. Mr. Johal has broad experience in accounting, finance and management in the public sector. Since 2002, Mr. Johal has served as the Chief Financial Officer for Secured Diversified Investment, Ltd. and is also serving as the Chief Financial Officer of Makeup.com, Ltd. Since 1998, Mr. Johal has served as the Chief Financial Officer for Dippy Foods, Inc. Mr. Johal held the same position with Bengal Recycling from 1996 to 1997. As the Chief Financial Officer for these companies, Mr. Johal was primarily responsible for overseeing the financial affairs of these entities and ensuring that their financial statements of these were accurate and complete and complied with all applicable reporting requirements. From 1990 to 1995, Mr. Johal serves as the Executive VP for Pacific Heritage Bank in Torrance, California. Mr. Johal earned his MBA degree from the University of San Francisco in 1980. He received his BS degree in History from the University of California in Los Angeles in 1978.

Family Relationships

There are no family relationships between or among the directors, executive officers or persons nominated or chosen by us to become directors or executive officers.

Involvement in Certain Legal Proceedings

To the best of our knowledge, during the past five years, none of the following occurred with respect to a present or former director, executive officer, or employee: (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); (3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities; and (4) being found by a court of competent jurisdiction (in a civil action), the SEC or the Commodities Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Committees

We currently do not have an audit committee, compensation committee, nominating committee, executive committee, Stock Plan Committee, or any other committees. There has been no need to delegate functions to these committees in our present financial circumstance.

Audit Committee

We do not have a separately-designated standing audit committee. The entire board of directors performs the functions of an audit committee, but no written charter governs the actions of the board of directors when performing the functions of that would generally be performed by an audit committee. The board of directors approves the selection of our independent accountants and meets and interacts with the independent accountants to discuss issues related to financial reporting. In addition, the board of directors reviews the scope and results of the audit with the independent accountants, reviews with management and the independent accountants our annual operating results, considers the adequacy of our internal accounting procedures and considers other auditing and accounting matters including fees to be paid to the independent auditor and the performance of the independent auditor.

We do not have an audit committee financial expert because of the size of our company and our board of directors at this time. We believe that we do not require an audit committee financial expert at this time because we retain outside consultants who possess these attributes.

For the fiscal year ending December 31, 2007, the board of directors:

- Reviewed and discussed the audited financial statements with management, and
- Reviewed and discussed the written disclosures and the letter from our independent auditors on the matters relating to the auditor's independence.

Based upon the board of directors' review and discussion of the matters above, the board of directors authorized inclusion of the audited financial statements for the year ended December 31, 2007 to be included in this Annual Report on Form 10-KSB and filed with the Securities and Exchange Commission.

Significant Employees

We have no significant employees other than our officers and directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who beneficially own more than ten percent of a registered class of the Company's equity securities to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Officers, directors and greater than ten percent beneficial shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. To the best of our knowledge based solely on a review of Forms 3, 4, and 5 (and any amendments thereof) received by us during or with respect to the year ended December 31, 2007, the following persons have failed to file, on a timely basis, the identified reports required by Section 16(a) of the Exchange Act during fiscal year ended December 31, 2007:

Name and principal position	Number of late reports	Transactions not timely reported	Known failures to file a required form
Jay Kister	0	0	0
Peter Richman	0	0	0
Jan Wallace	0	0	0
Munjit Johal	0	0	0

Code of Ethics Disclosure

As of December 31, 2007, we have not adopted a Code of Ethics for Financial Executives, which include our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

Item 10. Executive Compensation

Summary Compensation Table

The table below summarizes all compensation awarded to, earned by, or paid to our former or current executive officers for the fiscal years ended 2006 and 2007.

SUMMARY COMPENSATION TABLE

Name and principal position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Jan Wallace[1] *Former President,CEO*	2007 2006	180,000 180,000		600,000					
Munjit Johal[2] President, CEO and CFO	2007 2006	84,000 84,000		200,000					

(1) Effective January 17, 2008, Ms. Jan Wallace resigned from all positions as officer of our company. Ms. Wallace is still a member of our board of directors. Ms. Wallace did not obtain any payment for her services in 2007; all such monies noted in “salary” are being accrued by the company.

(2) On January 17, 2008, our board of directors appointed Mr. Munjit Johal to serve as a member of the board of directors and shall serve until the next annual meeting of the shareholders or until removed by other action as allowed by the corporate bylaws. Also on January 17, 2008, our board of directors appointed Mr. Munjit Johal to act as our President and Chief Executive Officer. Mr. Johal did not obtain any payment for her services in 2007; all such monies noted in “salary” are being accrued by the company.

Narrative Disclosure to the Summary Compensation Table

Options

The Board of Directors administers our stock option plan which provides for the granting of rights to purchase shares to our directors (including non-employee directors), executive officers, key employees, and outside consultants. The Board of Directors sets the vesting period and exercise price per issuance basis as determined by the purpose of the individual issuance.

Employment Agreements

On January 16, 2008, we extended an employment agreement to Mr. Johal to serve as our President and Chief Executive Officer with a salary of $3,000 and 5,000 shares of our common stock per month. We also owe Mr. Johal certain monies under a prior employment agreement and certain reimbursements.

Outstanding Equity Awards at Fiscal Year-End

The table below summarizes all unexercised options, stock that has not vested, and equity incentive plan awards for each named executive officer as of December 31, 2007.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

	OPTION AWARDS					STOCK AWARDS			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#)
Jan Wallace									
Munjit Johal									

Compensation of Directors

The table below summarizes all compensation of our directors as of December 31, 2007.

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Peter Richman *Former Director*(1)	-	-	-	-	-	-	-
Jay Kister *Director*(2)	-	-	-	-	-	-	-

(1) Effective January 7, 2008, Dr. Peter Richman resigned as a member of our board of directors

(2) Effective January 15, 2008, Mr. Jay Kister resigned as a member of our board of directors.

Narrative Disclosure to the Director Compensation Table

We do not pay any cash compensation to our directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth the beneficial ownership of our outstanding common stock by each executive officer and director, by each person known by us to beneficially own more than 5% of the outstanding shares of our common stock and by the executive officers and directors as a group. As used in this table, "beneficial ownership" means the sole or shared power to vote, or to direct the voting of, a security, or the sole or shared investment power with respect to a security (i.e., the power to dispose of, or to direct the disposition of, a security). In addition, for purposes of this table, a person is deemed, as of any date, to have "beneficial ownership" of any security that such person has the right to acquire within 60 days after such date.

Title of class	Name and address of beneficial owner	Amount of beneficial ownership	Percent of class(1)
Executive Officers & Directors:			
Common	Jan Wallace(2) 5205 East Lincoln Drive Paradise Valley, Arizona 85253	430,000 shares	27.3%
Common	Munjit Johal 5030 Campus Drive Newport Beach, California 92663	10,000 shares	6.1%
Total of All Directors and Executive Officers: Common		1,200,000 shares	32.9%
More Than 5% Beneficial Owners:			
Common	Kelly Black 7349 N. Scottsdale Road #515 Scottsdale, Arizona 85283	201,250 shares	6.2%
Common	Donald Schwall 8326 Geary Boulevard San Francisco, California 94121	400,000 shares	12.3%

(1) The percentage shown is based on denominator of 162,862 shares of common stock issued and outstanding for the company as of October 5, 2007, plus the particular beneficial owner’s right to acquire common stock exercisable within 60 days.

(2) Includes 600,000 shares of Common Stock held in her name and warrants to purchase 400,000 shares of Common Stock held in Wallace Black Financial & Investment Services.

(3) Includes 5,000 shares of Common Stock held in his name and 998 shares held in joint tenancy with his wife Alicia Kister.

Other than the shareholders listed above, we know of no other person who is the beneficial owner of more than five percent of our common stock.

Item 12. Certain Relationships and Related Transactions

Except as disclosed below, none of our directors or executive officers, nor any proposed nominee for election as a director, nor any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to all of our outstanding shares, nor any members of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of the foregoing persons has any material interest, direct or indirect, in any transaction since our incorporation or in any presently proposed transaction which, in either case, has or will materially affect us.

On February 15, 2006, we acquired a 33 1/3% tenant-in-common interest in property located at 12202 North Scottsdale Road, Phoenix, Arizona 85054. We acquired our interest for $200,000 from Ms. Jan Wallace, our officer and director, who holds the remaining 66 2/3% ownership in the property.

On October 25, 2007, we signed an agreement conveying our 53.8% membership interest in Diversified Commercial Brokers, LLC ("DCB") to the Sutterfield Family Trust and Wayne Sutterfield (together, "Sutterfield"). Mr. Sutterfield is a former director of the company. The primary asset of DCB is an 8,685 square foot office building located at 5030 Campus Drive in Newport Beach, California 92660 (the "Campus Property"). In exchange for the sale of our membership interest in DCB, we received: (a) an indemnity on certain obligations pertaining to the Campus Property, including a ground lease, first and second trust deeds, and property taxes; and (b) a release from Sutterfield on any debt we owe, including two promissory notes in the principal amount of $138,630.32 and all accrued interest thereon.

Item 13. Exhibits

Exhibit Number	Description
3.1	Articles of Incorporation, as amended [1]
3.2	By-laws, as amended [1]
10.1	Promissory Note
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(1) Previously filed with the Securities and Exchange Commission.

Item 14. Principal Accountant Fees and Services

Audit Fees

The aggregate fees billed by our auditors for professional services rendered in connection with a review of the financial statements included in our quarterly reports on Form 10-QSB and the audit of our annual consolidated financial statements for the fiscal years ended December 31, 2007 and December 31, 2006 were approximately $20,500 and $9,500 respectively.

Audit-Related Fees

Our auditors did not bill any additional fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements.

Tax Fees

The aggregate fees billed by our auditors for professional services for tax compliance, tax advice, and tax planning were $0 and $13,465 for the fiscal years ended December 31, 2007 and 2006.

All Other Fees

The aggregate fees billed by our auditors for all other non-audit services, such as attending meetings and other miscellaneous financial consulting, for the fiscal years ended December 31, 2007 and 2006 were $0 and $0 respectively.

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SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Secured Diversified Investment, Ltd.

By: /s/ Munjit Johal
Munjit Johal
Chief Executive Officer, President, and Director
April 14, 2008

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

By: /s/ Jan Wallace
Jan Wallace
Director
April 14,

By: /s/ Munjit Johal
Munjit Johal
Director
April 14, 2008

CERTIFICATIONS

I, Munjit Johal, certify that;

(1) I have reviewed this annual report on Form 10-KSB of Secured Diversified Investment, Ltd.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

(4) The small business issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the small business issuer’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

(5) The small business issuer’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the small business issuer’s auditors and the audit committee of small business issuer’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer’s internal control over financial reporting.

Date: April 14, 2008

/s/ Munjit Johal
By: Munjit Johal
Title: Chief Executive Officer

CERTIFICATIONS

I, Munjit Johal, certify that;

(1) I have reviewed this annual report on Form 10-KSB of Secured Diversified Investment, Ltd.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

(4) The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

(5) The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the small business issuer's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: April 14, 2008

/s/ Munjit Johal
By: Munjit Johal
Title: Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Annual Report on Form 10-KSB of Secured Diversified Investment, Ltd. for the year ended December 31, 2007, I certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) the Annual Report on Form 10-KSB of Secured Diversified Investment, Ltd. for the year ended December 31, 2007 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Annual Report on Form 10-KSB for the year ended December 31, 2007, fairly presents in all material respects, the financial condition and results of operations of Secured Diversified Investment, Ltd..

By:	/s/ Munjit Johal
Name:	Munjit Johal
Title:	Chief Executive Officer
Date:	April 14, 2008

<u>PROMISSORY NOTE</u>

US $45,000.00

Las Vegas, Nevada
April 11, 2007

For good and valuable consideration, **Secured Diversified Investment, Ltd.**, a Nevada corporation, ("<u>Maker</u>"), hereby makes and delivers this Promissory Note (this "<u>Note</u>") in favor of **JWA VENTURES, LLC** a Nevada limited liability company ("<u>Holder</u>"), and hereby agree as follows:

1. <u>Principal Obligation and Interest</u>. For value received**,** Maker promises to pay to Holder at 131 Laurel Grove, Kentfield, California 94904, or at such other place as Holder may designate in writing, in currently available funds of the United States, the principal sum of Forty-five Thousand and 00/100 Dollars ($45,000.00). Makers' obligation under this Note shall accrue interest at the rate of seven percent (7%) per annum from the date hereof until paid in full.

2. <u>Payment Terms</u>. Maker agrees to remit payment in full of all principal and interest due hereunder to Holder on or before April 11, 2009. Maker shall have the right to prepay all or any part of the principal under this Note without penalty.

3. <u>Acknowledgment of Obligation to Repay Prior Advances</u>. Maker acknowledges that, prior to the date of this Note and prior to Holder's advancement of the funds due hereunder, Holder has advanced to Maker a total of $63,000 for use in the operation of Maker's business. Maker acknowledges and agrees that, in addition to the sum due hereunder, Maker remains obligated to repay all such sums previously advanced to Maker by Holder.

4. <u>Representations and Warranties of Maker</u>. Maker hereby represents and warrants the following to Holder:

(a) Maker and those executing this Note on its behalf have the full right, power, and authority to execute, deliver and perform the obligations under this Note, which are not prohibited or restricted under articles of incorporation of Maker. This Note has been duly executed and delivered by an authorized officer of Maker and constitutes a valid and legally binding obligation of Maker enforceable in accordance with its terms.

(b) The execution of this Note and Maker's compliance with the terms, conditions and provisions hereof does not conflict with or violate any provision of any agreement, contract, lease, deed of trust, indenture, or instrument to which Maker is a party or by which Maker is bound, or constitute a default thereunder.

5. **Defaults.** The following events shall be defaults under this Note:

a. Maker's failure to remit any payment under this Note on before the date due, if such failure is not cured in full within five (5) days of written notice of default.

b. Maker's failure to perform or breach of any non-monetary obligation or covenant set forth in this Note if such failure is not cured in full within ten (10) days following delivery of written notice thereof from Holder to Maker;

c. If Maker is dissolved, whether pursuant to any applicable articles of incorporation, by-laws, and/or any applicable laws, or otherwise.

6. **Rights and Remedies of Holder**. Upon the occurrence of an event of default by Maker under this Note, then, in addition to all other rights and remedies at law or in equity, Holder may exercise any one or more of the following rights and remedies:

a. Accelerate the time for payment of all amounts payable under this Note by written notice thereof to Maker, whereupon all such amounts shall be immediately due and payable; and

b. Pursue any other rights or remedies available to Holder at law or in equity.

7. **Interest To Accrue Upon Default.** Upon the occurrence of an event of default by Makers under this Note, the balance then owing under the terms of this Note shall accrue interest at the rate of fifteen percent (15%) per annum from the date of default until Holder is satisfied in full.

8. **Representation of Counsel.** Maker acknowledges that they have consulted with or have had the opportunity to consult with it's their legal counsel prior to executing this Note. This Note has been freely negotiated by Maker and Holder and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Note.

9. **Choice of Laws; Actions.** This Note shall be constructed and construed in accordance with the internal substantive laws of the State of Nevada, without regard to the choice of law principles of said State. Maker acknowledges that this Note has been negotiated in Clark County, Nevada. Accordingly, the exclusive venue of any action, suit, counterclaim or cross claim arising under, out of, or in connection with this Note shall be the state or federal courts in Clark County, Nevada. Maker hereby consents to the personal jurisdiction of any court of competent subject matter jurisdiction sitting in Clark County, Nevada.

10. **Usury Savings Clause.** Maker expressly agrees and acknowledges that Maker and Holder intend and agree that this Note shall not be subject to the usury laws of any state other than the State of Nevada. Notwithstanding anything contained in this Note to the contrary, if collection from Maker of interest at the rate set forth herein would be contrary to applicable laws, then the applicable interest rate upon default shall be the highest interest rate that may be collected from Maker under applicable laws at such time.

11. Costs of Collection. Should the indebtedness represented by this Note, or any part hereof, be collected at law, in equity, or in any bankruptcy, receivership or other court proceeding, or this Note be placed in the hands of any attorney for collection after default, Maker agrees to pay, in addition to the principal and interest due hereon, all reasonable attorneys' fees, plus all other costs and expenses of collection and enforcement, including any fees incurred in connection with such proceedings or collection of the Note.

12. Further Assurances. From and after the Closing Date, each party shall reasonably cooperate with the other party in order to fully effectuate the intent and purpose of this Agreement, and shall execute and deliver any documents or instruments reasonably requested by the other party in connection therewith.

13.Execution of Additional Documents. Each of the Parties hereto hereby agrees to perform any and all acts and to execute and deliver any and all documents reasonably necessary or convenient to carry out the intent and the provisions of this Agreement.

14. Miscellaneous.

a. This Note shall be binding upon Maker and shall inure to the benefit of Holder and its successors, assigns, heirs, and legal representatives.

b. Any failure or delay by Holder to insist upon the strict performance of any term, condition, covenant or agreement of this Note, or to exercise any right, power or remedy hereunder shall not constitute a waiver of any such term, condition, covenant, agreement, right, power or remedy.

c. Any provision of this Note that is unenforceable shall be severed from this Note to the extent reasonably possible without invalidating or affecting the intent, validity or enforceability of any other provision of this Note.

d. In the event of any action at law or in equity to enforce this Note, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the unsuccessful party.

e. This Note may not be modified or amended in any respect except in a writing executed by the party to be charged.

IN WITNESS WHEREOF, this Note has been executed effective the date and place first written above.

"Maker":

SECURED DIVERSIFIED INVESTMENT, LTD

By: <u>/s/ Munjit Johal</u>
Munjit Johal, President

"Holder":

JWA VENTURES LLC

By: <u>/s/ Joseph Abrams</u>

Joseph Abrams, Manager