

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

FORM 10-QSB

Quarterly Report Under Section 13 or 15(d)
of the Securities and Exchange Act of 1934

For the Quarter Ended
September 30, 2003

Commission File Number
0-30653

SECURED DIVERSIFIED INVESTMENT, LTD.

(Name of small business issuer in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

80-0068489
(I.R.S. Employer I.D. No.)

5030 Campus Drive, Newport Beach California
(Address of principal executive offices)

92660
(Zip Code)

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

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

State the number of shares outstanding of each of the registrant's classes of common equity, as of the latest practicable date:

As of November 10, 2003, issuer had 6,531,147 shares of its \$.001 par value common stock outstanding.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

SECURED DIVERSIFIED INVESTMENT, LTD
(Formerly Book Corporation of America)
Consolidated Balance Sheet

<Table>
<Caption>

<S>
ASSETS
Current Assets

September
30, 2003

(Unaudited)
<C>

Cash	\$	135,476
Accounts Receivable		64,908
Inventory		20,740
Note Receivable		425,000

Total Current Assets	----- 646,125
Fixed Assets	

Equipment, net of \$4,261 of accumulated depreciation	65,663
Real Estate, net of \$43,832 of accumulated depreciation	3,600,716

Total Fixed Assets	3,666,380
Other Assets	

Investment in Subsidiaries	109,703
Deposits	5,330
Prepaid Expenses	6,064

Total Other Assets	121,098

Total Assets	\$ 4,433,602 =====

</Table>

Continued

2

SECURED DIVERSIFIED INVESTMENT, LTD
(Formerly Book Corporation of America)
Consolidated Balance Sheet

<Table>
<Caption>

September
30, 2003

(Unaudited)

<S>
LIABILITIES & STOCKHOLDERS' EQUITY

<C>

Current Liabilities

Accounts Payable	\$ 71,382
Interest Payable	184
Payroll Liabilities	198,810
Accrued Property Tax	49,768
Accrued Sales Tax	46,812
Security Deposits	35,664
Current Portion of Long-Term Debt, related parties	314,557
Current Portion of Long-Term Debt	61,000

Total Current Liabilities	778,177

Long Term Liabilities

Notes Payable, related parties	174,250
Mortgages Payable	2,603,981

Total Long - Term Liabilities	2,778,231
Total Liabilities	3,556,408
Minority Interest	166,524
STOCKHOLDER' EQUITY	
Series A Preferred Stock, 7,500,000 shares authorized, \$0.01 par value, 7,677,807 issued & outstanding	74,978
Series B Preferred Stock, 20,000,000 shares authorized, \$0.01 par value, 2,620,480 issued & outstanding	26,175
Series C Preferred Stock, 22,500,000 shares authorized, \$0.01 par value, zero share issued & outstanding	-
Common Stock, 100,000,000 shares authorized, \$0.001 par value, 6,531,147 issued and outstanding	6,311
Paid in Capital	4,821,175
Accumulated (Deficit)	(4,217,969)
Total Liabilities & Stockholders' Equity	\$ 4,433,602

</Table>

See accompanying notes

3

SECURED DIVERSIFIED INVESTMENT, LTD
(Formerly Book Corporation of America)
Consolidated Statements of Operations
(Unaudited)

<Table>

<Caption>

	Three months ended September 30, 2003		Nine months ended September 30, 2003	
	2003	2002	2003	2002
REVENUES				
Rental Income	\$ 559,880	\$ -	\$ 809,258	\$ -
Total Revenues	559,880	-	809,258	-
Operating and Administrative Costs	\$ 810,572	\$ 20,752	\$ 1,925,279	\$ 44,605
Operating Income (Loss)	\$ (250,692)	\$ (20,752)	\$ (1,116,021)	\$ (44,605)
Other Income and Expenses				
Interest expense	\$ (54,545)	\$ -	\$ (137,471)	\$ -
Interest income	4,425	-	7,375	-
Other income (loss)	(25,812)	-	202,850	-
Net Income (Loss)	\$ (326,623)	\$ (20,752)	\$ (1,034,267)	\$ (44,605)

Basic and diluted income per
common share

Net income (loss) per share	\$ (0.07)	\$ (0.01)	\$ (0.22)	\$ (0.02)
-----------------------------	-----------	-----------	-----------	-----------

Basic and diluted weighted
average shares

4,811,146	2,349,540	4,811,146	2,349,540
-----------	-----------	-----------	-----------

</Table>

See accompanying notes

4

SECURED DIVERSIFIED INVESTMENT, LTD
(Formerly Book Corporation of America)
Consolidated Statements of Cash Flows
(Unaudited)

<Table>
<Caption>

	September 30, 2003	September 30, 2002
	-----	-----
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss	\$ (1,043,267)	\$ (44,605)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	61,596	-
Loss on sale of note receivable	45,000	-
Loss on sale of real estate	106,832	-
Impairment of real estate	448,403	-
Increase (decrease) in assets and liabilities:		
Receivables	(64,908)	-
Inventory	(20,740)	-
Prepaid expenses	(6,064)	-
Current liabilities	437,891	(16,584)
	-----	-----
Net cash provided (used) by operating activities	(35,257)	(61,189)
Cash flow from investing activities:		
Purchase of equipment and tenant improvements	(62,542)	-
Proceeds from sale of real estate	231,186	-
Investment in subsidiary	(109,703)	-
	-----	-----
Net cash provided by investing activities	58,941	-
Cash flows from financing activities:		
Proceeds from capital contributions	-	61,189
Proceeds from stock issuance	34,000	-
Proceeds on notes payable - related party	123,708	-
Payments on note payable - related party	(72,021)	-
Proceeds from notes payable	45,000	-
Payments on notes payable	(12,837)	-
	-----	-----
Net cash provided by financing activities	117,850	61,189
	-----	-----
Net increase (decrease) in cash	141,534	-
Cash, beginning of period	6,058	-
	-----	-----
Cash, end of period	\$ 135,476	\$ -

	=====	=====
Supplemental disclosures:		
Cash paid for interest	\$ 137,397	\$ -
Cash paid for income tax	\$ -	\$ -
Non-cash investing and financing activities:		
Property acquired through stock issuances, net of debt	\$ 1,077,974	\$ -
Investment in subsidiary through stock issuance, net of debt	\$ 343,610	\$ -
Conversion of note to stock	\$ 500,000	\$ -
Note receivable acquired in real estate sale transaction	\$ 425,000	\$ -
Assumption of note payable in real estate sale transaction	\$ 194,230	\$ -

</Table>

See accompanying notes

5

SECURED DIVERSIFIED INVESTMENT, LTD.
Formerly Book Corporation of America
Notes to Consolidated Statements
September 30, 2003

NOTE 1 - Going Concern

The Company's financial statements are prepared using generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company, since its inception has sustained continued losses. Currently, the Company does not have significant cash, nor does it have an established source of revenues sufficient to cover its operating costs and to allow it to continue as a going concern. The Company does not currently possess a financial institution source of financing and the Company cannot be certain that its existing sources of cash will be adequate to meet its liquidity requirements.

There are no assurances that the Company will be successful in any of its endeavors or will become financially viable.

NOTE 2 - Nature of Operations

The Company was incorporated under the laws of the state of Utah on November 22, 1978. For the purpose of (1) engaging primarily in the specific business of acquiring, developing, owning, selling, leasing, licensing, and otherwise dealing with literary properties and materials, copyrights, licenses, and to carry on a negotiation for, production of, properties in the entertainment industry, and (2) acting as principal, agent, joint venturer, partner, or in any other capacity which may be authorized or approved by the Board of Directors.

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 affected by merging the foreign corporation with and into a Nevada corporation. On August 9, 2002, a merger between Secured Diversified Investment, Ltd., and Book Corporation of America was completed. Upon completion of the merger Secured Diversified Investment, Ltd. became the surviving corporation and Book Corporation of America was dissolved. On September 18, 2002, the OTCBB symbol for the Company's common stock was changed for 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, par value \$.01.

On November 15, 2002, the Company notified the Securities and Exchange Commission of their change in fiscal year end from October to December. From this point forward the Company will be reporting on a regular quarterly and yearly basis.

Because of the Company's failure to develop its entertainment business, management of the Company decided to pursue the acquisition of ownership interest in real estate properties that are geographically and functionally diverse. The Company believes that by acquiring interests in properties that are geographically and functionally diverse its portfolio will be more

stable and less susceptible to devaluation resulting from regional economic downturns and market shifts. The Company is currently focusing on acquiring properties in markets with strong regional economies.

SECURED DIVERSIFIED INVESTMENT, LTD.
Formerly Book Corporation of America
Notes to Consolidated Statements
September 30, 2003

NOTE 3 - Significant Accounting Policies

-
- A. The accompanying consolidated financial statements include the accounts of the Company and all of its wholly owned subsidiaries. Intercompany transactions and balances have been eliminated.
 - B. Investments in companies in which the Company has 20% to 50% other than temporary ownership interest (Spencer Springs) are carried at cost, adjusted for the Company's proportionate share of undistributed earnings or losses. Investments in companies in which the Company owns less than 20% interest (Campus Drive Office Building) are carried at the lower of cost or fair value.
 - C. The Company uses the accrual method of accounting.
 - D. Revenues, currently consisting of rental revenues, are recognized in the period the rent is earned.
 - E. The Company considers all short term, highly liquid investments, that are readily convertible to known amounts within ninety days as cash equivalents. The Company currently has no such investments.
 - F. Basic Earnings per Shares are computed by dividing income available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted Earnings Per Share shall be computed by including contingently issuable shares with the weighted average shares outstanding during the period. When inclusion of the contingently issuable shares would have an antidilutive effect upon earnings per share no diluted earnings per share shall be presented.
 - G. The cost of property and equipment is depreciated over the estimated useful lives of the related assets. The cost of leasehold improvements is amortized over the lesser of the length of the lease of the related assets for the estimated lives of the assets. Depreciation and amortization is computed on the straight-line method.
 - H. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures; for example, the estimated useful lives of assets and the fair value of real property. Accordingly, actual results could differ from those estimates.

NOTE 4 Related Party Transactions

On August 1, 2003, the Company acquired the Hospitality Inn, a 149 room full service hotel complete with meeting and banquet rooms as well as a restaurant and bar on leased land. The hotel was purchased from Seacrest Hospitality I, a limited partnership ("Seacrest") for \$2,500,000. The Company also acquired Dickinson Management Inc., a wholly owned subsidiary of Seacrest which operated the inn, owns the liquor license and is the registered entity for various permits and licenses necessary to operate the inn. In acquiring Dickinson Management Inc, the Company has assumed certain tax liabilities. The purchase price was paid in stock consisting of 1,500,000 restricted shares of common stock and 2,500,000 restricted shares of Series A Preferred Stock. Certain officers, directors and shareholders of the Company, Clifford Strand, Sumiye Leonard, Robert Leonard, and Wayne Sutterfield, are limited partners of Seacrest. Additionally, the Company assumed the land lease. The land is owned by Robert Leonard, Sumiye Leonard, and the Akira and Hisako Imamura Family Trust which is managed by the sister of Sumiye Leonard. The lease has a term of 50 years that expires in 2053. The monthly ground lease payments are \$10,000, \$12,000, and \$14,000 for the first three years, respectively. Beginning with the fourth year, the ground lease payments will adjust annually based on the Consumer Price Index, with a floor of 2% and a ceiling of 3%. Pursuant to the terms of the ground lease, the Company may purchase the land.

7
SECURED DIVERSIFIED INVESTMENT, LTD.
Formerly Book Corporation of America
Notes to Consolidated Statements
September 30, 2003

NOTE 5 Related Party Long-Term Debt

The following is a summary of the Company's debt to related parties at September 30, 2003:

<S>	<C>
Convertible note payable, bearing interest at 9%, interest only, matured September 30, 2003	\$ 135,057
Note payable, due on demand	12,500
Note payable, bearing interest at 8%, interest only, maturing February 17, 2006	67,000
Note payable, bearing interest at 7.05%, maturing April 15, 2008, interest only, secured by first trust deed on T Rex Plaza Mall	100,000
Note payable, bearing interest at 10%, interest only maturing April 21, 2004	174,250

Total related party debt	\$ 488,807
Less current portion of related party debt	314,557

	\$ 174,250

</Table>

Following are maturities of related party long-term debt for each of the next five years:

YEAR	AMOUNT
----	-----
<S>	<C>
2003	\$ 247,557
2004	-
2005	-
2006	67,000
2007	-
2008	174,250

Total	\$ 488,807
	=====

</Table>

Following is a summary of the Company's debt at September 30, 2003:

<Table>

<Caption>

	2003

<S>	<C>
Note Payable, bearing interest at 9%, maturing June 20, 2005, interest only, unsecured.	\$ 19,980
Mortgage payable, bearing interest at 11.5%, maturing May 15, 2005, interest only, secured by first trust deed on Katella Center	370,000
Mortgage Payable, bearing interest at 15%, maturing July 1, 2005, interest only, secured by second trust deed on Katella Center	25,000
Mortgage payable, bearing interest at 9.719%, maturing April 1, 2008, amortized monthly payment \$20,245.74, secured by first trust deed on Spencer Springs, see Subsequent Events	2,250,000

Total Long-Term Debt	\$ 2,664,980
Less current portion of long-term debt	61,000

	\$ 2,603,980

</Table>

Following are maturities of long-term debt for each of the next five years:

<Table>

<Caption>

YEAR	AMOUNT
----	-----
<S>	<C>
2003	\$ 10,500
2004	61,000
2005	437,980
2006	45,000
2007	50,000
2008	2,060,500

Total	\$ 2,664,980

</Table>

SECURED DIVERSIFIED INVESTMENT, LTD.
Formerly Book Corporation of America
Notes to Consolidated Statements
September 30, 2003

NOTE 7 - Stockholders' Equity

In February 2003, the Company created three series of preferred stock as follows: (1) Series A consisting of 7,500,000 shares with a par value of \$0.01 and a liquidation preference of \$1.00 per share; (2) series B consisting of 20,000,000 shares with a par value of \$0.01 and a liquidation preference of \$0.50 per share; and (3) Series C consisting of 22,500,000 shares with a par value of \$0.01 and a liquidation preference of \$3.00 per share. The Company's Series A Convertible Preferred shares have the same voting rights as Common Stock and are convertible to common stock at no cost, at the option of the holder.

Private Placement. The Company is offering 18,447,520 shares of its Series

B preferred stock at \$0.50 per share in order to raise working capital. Additionally, the Company is offering 22,500,000 shares of its Series C preferred stock at \$3.00 per share in exchange for real estate acquisitions. Both Series B and Series C preferred stock is convertible to common stock at the option of the holder. During the quarter ended September 30, 2003, the Company sold 28,000 shares of Series B Preferred Stock for \$14,000.

NOTE 8 Financial Statements of Acquired Properties and Interests

Hospitality Inn. August 1, 2003, the Company acquired a 100% ownership interest in a full service hotel on leased land. The following represents the unaudited condensed financial statements of Hospitality Inn prior to the acquisition.

Hospitality Inn
Condensed Balance Sheet
July 31, 2003

<Table>		
<S>		<C>
ASSETS		
Cash	\$	60,019
Receivables		33,601
Inventory		22,016
Deposits		5,330
Real Estate, net		602,161
Furniture, Fixtures & Equipment, net		60,952

Total Assets	\$	784,079
LIABILITIES AND CAPITAL		
Liabilities		
Accounts Payable	\$	65,797
Taxes Payable		142,554
Other Liabilities		405,557

Total Liabilities	\$	613,908
Capital		
Retained Earnings	\$	(531,683)
Net Income		771,589

Total Capital	\$	170,171
		=====

</Table>

SECURED DIVERSIFIED INVESTMENT, LTD.
Formerly Book Corporation of America
Notes to Consolidated Statements
September 30, 2003

<Table>		
<S>		<C>
Hospitality Inn		
Condensed Statement of Operations		
July 31, 2003		
Revenues	\$	1,226,221
Expenses		(1,509,780)

Net Loss		(283,559)
Other Income		
Gain on Sale of Land		907,786
Other Income		147,362

Total Other Income	\$	1,055,148

Net Income	\$	771,589

</Table>

Note 9 Commitments and Contingencies

The Company entered into a 50-year ground lease for the land under T-Rex

Mall. The lease requires monthly payments of \$13,708, adjusted annually based on the Consumer Price Index, with a floor of 2% and a ceiling of 3%.

The Company assumed a 50-year ground lease for the land under the Hospitality Inn. The monthly ground lease payments are \$10,000, \$12,000, and \$14,000 for the first three years, respectively. Beginning with the fourth year, the ground lease payments will adjust annually based on the Consumer Price Index, with a floor of 2% and a ceiling of 3%.

NOTE 10 - Subsequent Events

On October 25, 2003, the Company acquired the remaining 50% of Spencer Springs, LLC for \$167,865 in cash and 3,100,000 restricted shares of Series B Preferred Stock. The former members of Spencer Springs include William S. Biddle Family Trust, managed by William Biddle an officer and director of the Company, and Anthony Giangrande Family Trust, Jack Dezen, Kellogg Business Center, Gill Biddle, Sally Podell all of whom are shareholders of the Company. Clifford Strand, William Biddle, and Anthony Giangrande received 124,000, 128,000, and 128,000 restricted shares of Series B Preferred Stock as fees.

Item 2. Management's Discussion and Analysis

Overview

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto of the Company appearing elsewhere in this report. Such financial statements have been prepared to reflect the Company's financial position as of September 30, 2003, together with the results of operations and cash flows for the periods ended September 30, 2003 and 2002.

Forward-Looking Statements

Historical results and trends are not necessarily indicative of future operations. Managements' statements contained in this report that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Actual results may differ materially from those included in the forward-looking statements. The Company intends 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 is including this statement for purposes of complying with such provisions. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies and expectations of management, are generally identifiable by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project," "prospects," or similar expressions. The Company's 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 the operations and future prospects of the Company include, but are not limited to: changes in general economic conditions and in the real estate market specifically (including those in the local economy of the regions where the Company's properties are located), legislative/regulatory changes, availability of capital, interest rates, competition and supply and demand for operating properties in the

Company's current and proposed market areas. These risks and uncertainties should be considered in evaluating forward-looking statements, and undue reliance should not be placed on any such statements. Further information concerning the Company and its business, including additional factors that could materially affect the Company's financial results, is included herein and in the Company's other filings with the Securities and Exchange Commission. The Company does not intend to update any of the forward-looking statements after the date this report is filed to conform these statements to actual results, unless required by law.

Critical Accounting Policies

The preparation of these financial statements in accordance with accounting principles generally accepted in the United States of America requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The Company believes that its critical accounting policies are those that require significant judgments and estimates such as those related to revenue recognition and allowance for uncollectible receivables and impairment of real estate assets and deferred assets. These estimates are made and evaluated on an on-going basis using information that is currently available as well as various other assumptions believed to be reasonable under the circumstances. Actual results could vary from those estimates and those estimates could be different under different assumptions or conditions.

12

Revenue Recognition and Allowance for Uncollectible Receivables

Base rental income is recognized on a straight-line basis over the terms of the respective lease agreements. Differences between rental income recognized and amounts contractually due under the lease agreements are credited or charged, as applicable, to rent receivable. The Company maintains, as necessary, an allowance for doubtful accounts for estimated losses resulting from the inability of tenants to make required payments that will result in a reduction to income. Management determines the adequacy of this allowance by continually evaluating individual tenant receivables considering the tenant's financial condition, security deposits, letters of credit, lease guarantees and current economic conditions.

Impairment of Real Estate Assets

The Company assesses the impairment of a real estate asset when events or changes in circumstances indicate that the net book value may not be recoverable. Indicators management considers important that could trigger an impairment review include the following:

- a significant negative industry or economic trend;
- a significant underperformance relative to historical or projected future operation results; and
- a significant change in the manner in which the asset is used.

Real Estate Investments

The following table presents a summary of the Company's wholly-owned properties and properties in which it owns interests through certain limited liability companies as of September 30, 2003:

<Table>

<Caption>

Property Name	Location	Company Ownership %	Square Feet	Date Acquired	Major Tenant (1)
<S>	<C>	<C>	<C>	<C>	<C>
Operating Properties					
Katella Center	Orange, CA	100	9,500	03/31/03	(2) Judith by Strings
T-Rex Mall	Dickinson, ND	100	89,642	03/31/03	(2) Newby's

Spencer Springs	Las Vegas, NV	50(3)	24,336	03/31/03	Amerident Chris's Place
Hospitality Inn	Dickinson, ND	100		08/31/03	

Investments in
Unconsolidated
Real Estate

Campus Drive	Newport Beach,				
Office Building	CA	19(4)	8,685	01/24/03	Borders

- </Table>
- (1) Tenant occupying largest space of property.
 - (2) The Company assumed operations of the property in February 2003.
 - (3) Owned by Spencer Springs limited liability company.
 - (4) Limited liability company membership interest.

13

Acquisitions

Pursuant to the terms and conditions of an Asset Purchase Agreement consummated on March 31, 2003, between the Company and Seashore Diversified Investment Company ("Seashore"), a Maryland corporation, the Company acquired certain real estate holdings from Seashore in exchange for restricted shares of the Company's Preferred and Common Stock. Seashore is a real estate investment trust in the business of acquiring, selling and managing real estate holdings. Specifically, in exchange for 3,630,000 shares of restricted common stock of the Company and 7,370,000 shares of Series A Convertible Preferred Stock of the Company, the Company was to acquire two properties, interests in two limited liability companies and the general partnership interest in Seacrest Hospitality I, a limited partnership, ("Seacrest").

During the quarter ended June 30, 2003, the Company and Seashore agreed to rescind the acquisition of the general partnership interest in Seacrest. The primary asset of Seacrest is the Hospitality Inn in Dickinson, North Dakota. Accordingly, the number of shares Seashore received in connection with the Asset Purchase Agreement was reduced by 1,168,393 shares of common stock and 2,371,193 shares of Series A Convertible Preferred Stock.

On August 1, 2003, the Company acquired from Seacrest the Hospitality Inn, on leased land, for \$2,500,000 payable in the Company's restricted shares of common stock and Series A Preferred Stock in the amount of 1,320,000 shares and 2,680,000 shares, respectively. The property is a 149 room, full service hotel and convention center with a restaurant and banquet rooms. The inn is located on 6.6 acres of land that is subject to a 50-year ground lease that expires in 2053. Seacrest sold the ground to a third party that includes Sumiye Onodera-Leonard, a director of the Company, her husband Robert J. Leonard, who manages the interest of a family trust which effectively owns 25% of the Company's outstanding common shares, and the Akira and Hisako Imamura Family Trust which is managed by the sister of Sumiye Onodera-Leonard (collectively "Landowners"). The Landowners purchased the ground from Seacrest on June 17, 2003 for \$1,300,000. The Landowners and Seacrest entered into a ground lease with monthly ground lease payments of \$10,000, \$12,000 and \$14,000 for the first three years, respectively. Beginning with the fourth year, the ground lease payment will adjust annually based on the Consumer Price Index, with a floor of 2% and a ceiling of 3%. The Company is assuming the ground lease payments. Pursuant to the terms of the ground lease, Seacrest may repurchase the ground or assign its' rights to repurchase the ground to the Company. Additionally, the Company also acquired Dickinson Management Company ("DMC"), a North Dakota corporation wholly owned by Seacrest, which operated the inn, owns the liquor license and is the registered entity for various licenses and permits necessary to operate the inn. In acquiring DMC, the Company will be assuming certain liabilities.

Certain of the Company's officers, directors and shareholders, Clifford L. Strand, Sumiye Onodera-Leonard, Wayne Sutterfield, and Robert J. Leonard, own limited partnership interests in Seacrest.

Subsequent Events

On October 25, 2003, the Company acquired the remaining 50% of Spencer Springs, LLC for \$167,865 in cash and 3,100,000 restricted shares of Series B Preferred Stock. The former members of Spencer Springs include William S. Biddle Family Trust, managed by William Biddle an officer and director of the Company, and Anthony Giangrande Family Trust, Jack Dezen, Kellogg Business Center, Gill Biddle, Sally Podell all of whom are shareholders of the Company. Clifford Strand, William Biddle, and Anthony Giangrande received 124,000, 128,000, and 128,000 restricted shares of Series B Preferred Stock as commissions.

14

Results of Operations

The comparability of the financial information discussed below is limited by acquisitions and dispositions completed during the nine months ended September 30, 2003. As discussed above, during the three months ended March 31, 2003, the Company acquired a 100% ownership interest in a 9,500 square foot strip mall in Orange, California and a 89,642 square foot enclosed mall in Dickinson, North Dakota. The Company purchased a 50% membership interest in two LLCs: one (Spencer Springs) owns a 100% interest in a 24,336 square foot, strip mall in Las Vegas, Nevada; and the other (Decatur Square) owned a 100% interest in a 16,500 square foot strip mall also located in Las Vegas, Nevada, which the Company subsequently sold. The Company also acquired a 19% membership interest in an LLC that owns an 8,685 square foot office building in Newport Beach, California.

Three Months Ended September 31, 2003 and 2002

Comparability of the financial information discussed below is materially impacted by the Company's acquisition of properties beginning in the first quarter of 2003.

Income.

Income consists of rental income from commercial properties pursuant to tenant leases and income from the operation of a full service hotel. As a result of these operations, income increased to \$559,880 for the three months ended September 30, 2003. The Company realized no income in the comparable period 2002.

Operating and Administrative 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 increased \$789,820 to \$810,572 for the three months ended September 30, 2003, compared to \$20,752 for the three months ended September 30, 2002. The increase is attributable to the operation of acquired real estate. Additionally, payroll increased as a result of employment agreements being executed by certain members of management effective May 1, 2003. These agreements result in a monthly expense of \$30,000 of which \$19,000 is being paid and the balance accrued (See Part II Item 5. Other Information). Management anticipates that operating and administrative expenses will continue to increase throughout the remainder of 2003 as the Company seeks to acquire additional real estate holdings and expand its operations.

Depreciation.

Depreciation for the three months ended September 30, 2003 was \$29,026 compared to no depreciation for the three months ended September 30, 2002. The depreciation was attributable primarily to the Katella Center, Hospitality Inn and Spencer Springs.

Interest and Other Expense.

Interest expense consists of mortgage interest paid on the Company's properties. Interest expense of \$54,545 for the three months ended September 30, 2003 was attributable to the Katella Center, T-Rex Plaza Mall and Spencer Springs properties. The Company recognized impairment with respect to the T-Rex property in the amount of \$448,000. The Company paid nothing in interest and other expense during the comparable period ended September 30, 2002.

Net Income.

The net loss was \$326,623 or \$(0.07) per share basic and diluted for the three months ended September 30, 2003 compared to a net loss of \$20,752 or \$(0.01) per share basic and diluted for the three months ended September 30, 2002.

Nine Months Ended September 31, 2003 and 2002

Comparability of the financial information discussed below is materially impacted by the Company's acquisition of properties beginning in the first quarter of 2003.

Income.

Income consists of rental income from commercial properties pursuant to tenant leases and income from the operation of a full service hotel. As a result income increased to \$809,258 for the nine months ended September 30, 2003. The Company realized no income in the comparable period 2002.

Operating and Administrative 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 increased \$1,880,674 to \$1,925,279 the nine months ended September 30, 2003, compared to \$44,605 for the nine months ended September 30, 2002. The increase in payroll was attributable to the execution of employment agreements for certain members of management effective May 1, 2003. These agreements result in a monthly expense of \$30,000 of which only \$19,000 is being paid and the balance accrued (See Part II Item 5. Other Information). Management anticipates operating and administrative expenses to continue to increase throughout the remainder of 2003 as the Company seeks to acquire additional real estate holdings and expand its operations.

Depreciation.

Depreciation for the nine months ended September 30, 2003 was \$61,596 compared to no depreciation for the nine months ended September 30, 2002. The depreciation was attributable primarily to the Katella Center, Spencer Springs, Hospitality Inn, and a new phone system.

Interest and Other Expense.

Interest expense consists of mortgage interest paid on the Company's properties and the amortization of deferred financing fees. Interest expense of \$137,471 for the nine months ended September 30, 2003 was attributable to the Katella Center, T-Rex Plaza Mall and Spencer Springs properties. The Company recognized impairment in the amount of \$448,000 with respect to the T-Rex Plaza Mall. The Company paid nothing in interest and other expense during the comparable period ended September 30, 2002.

Net Loss.

The net loss was \$1,043,267 or \$(0.22) per share basic and diluted for the nine months ended September 30, 2003 compared to a net loss of \$44,605 or \$(0.02) per share basic and diluted for the nine months ended September 30, 2002.

Liquidity and Capital Resources

Capital Resources

As stated in financial statement Note 7 Going Concern, the Company does not have significant cash or other liquid assets, nor does it have an established source of revenues sufficient to cover its operating costs and to allow it to continue as a going concern. Moreover, the Company does not currently possess a financial institution source of financing. The Company anticipates that it will be dependent for a significant period of time on

additional investment capital to fund operating expenses, to meet debt service obligations, and to fund additional property acquisitions before achieving profitability. Since its inception, the Company has covered its capital requirement shortfall through additional financing from its control shareholders. Because of the Company's current negative equity position, fund-raising from non-affiliated third parties may be difficult resulting in continued reliance upon funding from its control shareholders. These control shareholders, however, are under no obligations and have made no commitments to continue to fund the Company.

At September 30, 2003, the Company had \$135,476 of cash and cash equivalents as compared to \$6,000 of cash and cash equivalents at December 31, 2002 to meet its immediate short-term liquidity requirements. This increase in cash and cash equivalents resulted primarily from the cash proceeds from the sale of Decatur Square.

Operating cash flows are expected to increase as additional properties and investments in unconsolidated real estate are added to the Company's portfolio. Cash and cash equivalents decreased since December 31, 2002 principally as a result of acquisition of real estate investments.

To date, the Company has paid no dividends and does not anticipate paying dividends into the foreseeable future.

Cash Flows from Operating Activities

Net cash used by operating activities was \$35,257 for the nine months ended September 30, 2003 compared to net cash used by operating activities of \$61,000 for the nine months ended September 30, 2002. This increase in cash provided by operating activities relative to the prior period was primarily due to the Company's acquired real estate holdings and expenses relating to audit, legal and expanded compliance with federal and state securities laws. The Company had no operations during the same quarter of 2002.

Management expects cash flows from operating activities to increase due to the acquisitions of the Katella Center, T-Rex Mall, and the limited liability company membership interest in Spencer Springs and the Campus Drive Office Building as well as the acquisition of additional properties and investments in unconsolidated real estate during the remainder of the year as the Company strategically builds its real estate portfolio. Management is currently considering other potential opportunities to acquire real estate. The decision to acquire one or more properties or investments in unconsolidated real estate will generally depend upon (i) receipt of a satisfactory environmental survey and property appraisal, (ii) an absence of any material adverse change relating to the property, its tenants, or local economic conditions, and (iii) adequate financing. There is no assurance that any of these conditions will be satisfied or, if satisfied, that the Company will purchase any additional properties or make any further investments in unconsolidated real estate.

17

Cash Flows From in Investing Activities

Net cash from in investing activities amounted to \$58,941 for the nine months ended September 30, 2003 compared to \$0 for the nine months ended September 30, 2002, primarily from the sale of Decatur Square offset by an investment in the Campus Drive office building and various capital expenditures.

At September 30, 2003, the Company does not have any material planned capital expenditures resulting from any known demand based on existing trends. However, management may conclude that expenditures to improve properties are necessary and/or desirable.

Cash Flows from Financing Activities

Cash provided by financing activities amounted to \$117,850 for the nine months ended September 30, 2003 compared to \$61,000 for the quarter ended September 30, 2002. The primary reason for the increase was proceeds from notes and the sale of preferred stock.

The Company intends to acquire additional properties and make additional investments in unconsolidated real estate and may seek to fund these acquisitions through proceeds received from a combination of subsequent equity offerings, debt financings or asset dispositions.

Item 3. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures.

The Company's Chief Executive Officer and Chief Financial Officer have conducted an evaluation of the Company's disclosure controls and procedures as of a date (the "Evaluation Date") within 90 days before the filing of this quarterly report. Based on their evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the applicable Securities and Exchange Commission rules and forms.

PART II OTHER INFORMATION

Item 2 Changes in Securities

No instruments defining the rights of the holders of any class of registered securities were materially modified, limited or qualified during the quarter ended September 30, 2003.

18

Recent Sales of Unregistered Securities

On August 1, 2003, the Company issued 62,000 restricted shares of Series B Convertible Preferred Stock for a total consideration of \$31,000 to the following individuals: (1) Harlan Morrison, 40,000 shares; Jay & Alicia Kister, 5,000 shares; Matt Kister, 5,000 shares; and Thomas Kister, 12,000 shares. Jay Kister is a director of the Company and the Chairman of its Audit Committee. Matt Kister and Thomas Kister are the brother and father, respectively, of Jay Kister. On August 26, 2003, the Company issued 6,000 restricted shares of Series B Convertible Preferred Stock for \$3,000 to Marilyn Jacobs. The shares were issued without registration under the Securities Act of 1933 in reliance on an exemption from registration provided under Section 4(2) of the Securities Act, and from similar applicable state securities laws, rules and regulations exempting the offer and sale of these securities by available state exemptions. No general solicitation was made in connection with the offer or sale of these securities.

On September 30, 2003, the Company issued 400,000 restricted shares of common stock, of which 200,000 shares will eventually be registered, to Mark Taggatz, President of Wall Street Marketing Group, Inc. Mr. Taggatz would represent, advise, and assist the Company in corporate development, investor and public relations, and assist with shareholder relations. The shares were issued without registration under the Securities Act of 1933 in reliance on an exemption from registration provided under Section 4(2) of the Securities Act, and from similar applicable state securities laws, rules and regulations exempting the offer and sale of these securities by available state exemptions. No general solicitation was made in connection with the offer or sale of these securities. The Company received no cash for these shares.

Item 4 Submission of Matters to a Vote of Security Holders

Subsequent to quarter end, on November 13, 2003, the Company held its Annual Meeting of Stockholders. Proxies were not solicited by the Company. At the Annual Meeting of Stockholders a quorum of shares was present. A number of matters were considered and voted upon at the meeting. Following is a brief description of the matters voted upon and the results of the shareholder votes:

The shareholders of the Company were asked to elect members to the

board of directors of the Company for a one-year term or until their successors are elected. Clifford L. Strand, William Biddle, Sumyie Leonard, Jay Kister, Pamela Padgett and Wayne Sutterfield were nominated to serve as directors. Each of the aforementioned individuals received the affirmative vote of 11,337,214 shares, with no votes against or abstaining. The biographical information of each of the aforementioned individuals provided in the Definitive Information Statement filed on October 22, 2003, is incorporated herein by this reference.

19

The shareholders were also asked to adopt and approve the 2003 Employee Stock Incentive Plan and the 2003 Non-Employee Director Stock Incentive Plan, (collectively the "2003 Plans") which were adopted by the Company's Board of Directors on August 16, 2003, subject to shareholder approval. The purpose of the 2003 Plans is to enable the Company to retain and attract key employees, consultants, members of its Board of Directors who will contribute to its success by their ability, ingenuity and industry, and to enable such individuals to participate in the Company's long-term success and growth by giving them a proprietary interest in the Company. The 2003 Plans authorize the grant of stock options, restricted stock awards, stock in lieu of cash compensation and stock purchase rights covering up to a total of 15,000,000 shares of common stock to key employees, consultants, and members of the Company's Board of Directors and also provides for ongoing automatic grants of stock options to non-employee directors. Other than the automatic annual grants to non-employee directors and the grants and awards agreed to in the employment agreements with our executive officers, the number and type of awards that will be granted under the 2003 Plans shall be determined by the Board in its sole discretion. The shareholders voted 11,337,214 shares in favor of the adoption of the 2003 Plans, with no shares voting against or abstaining.

Finally, the shareholders voted 11,337,214 shares in favor of ratification of the appointment of Cacciamatta Accountancy Corporation as independent public accountants to audit the consolidated financial statements of the Company for the fiscal year ending December 31, 2003, and to perform other accounting services as requested by the Company.

Item 6 Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 10.1	2003 Employee Stock Incentive Plan
Exhibit 10.2	2003 Non-Employee Director Stock Incentive Plan
Exhibit 31.1	Certification of Principal Executive Officer
Exhibit 31.2	Certification of Principal Financial Officer
Exhibit 32.1	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

None.

20

SIGNATURES

In accordance with the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf, thereunto duly authorized.

SECURED DIVERSIFIED INVESTMENT, LTD.

Date: November 18, 2003

By: /S/ Clifford L. Strand

Clifford L. Strand, Principal Executive Officer

Date: November 18, 2003

By: /S/ Munjit Johal

Munjit Johal, Principal Financial Officer

SECURED DIVERSIFIED INVESTMENT, LTD.

2003 NON-EMPLOYEE DIRECTORS STOCK INCENTIVE PLAN

As Adopted August 16, 2003

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

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

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

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

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

6. Eligibility and Award Formula.

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

6.2 Initial Award. Each non-employee Director, when he or she first

becomes a member of the Board, will automatically be granted an Award for 100,000 Shares (an "Initial Award") on the date such Recipient becomes a member of the Board.

- 6.3 Initial Option Grant. Each non-employee Director, when he or she first becomes a member of the Board of Directors, will automatically be granted an Option to purchase 500,000 shares (the "Initial Grant") on the date such Director becomes a member of the Board. Such options shall vest as set forth below.
- 6.4 Succeeding Grants. If a Director remains in continual service on the Board of Directors for a period in excess of three years, then on each annual anniversary of a Recipient's Initial Grant commencing in the fourth year the Recipient will automatically be granted an Option for 125,000 Shares (a "Succeeding Grant").

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

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

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

- 8.1 Form of Option Grant. Each Option granted under this Plan shall be evidenced by a written Stock Option Grant ("Grant") in such form (which need not be the same for each Recipient) as the Committee shall from time to time approve, which Grant shall comply with and be subject to the terms and conditions of this Plan.
- 8.2 Vesting. The date a Recipient receives an Initial Grant or a Succeeding Grant is referred to in this Plan as the "Start Date" for such Option.

2

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

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

- 8.3 Exercise Price. The exercise price of an Option shall be the Fair Market Value (as defined in Section 18.4) of the Shares, at the time that the Option is granted.
- 8.4 Termination of Option. Except as provided below in this Section, each Option shall expire ten (10) years after its Start Date (the "Expiration Date"). The Option shall cease to vest when the Recipient ceases to be a member of the Board or, as determined by the Board in the Initial Grant or the Succeeding Grant, a consultant of the Corporation. The date on which the Recipient

ceases to be a member of the Board or, as determined by the Board in the Initial Grant or the Succeeding Grant, a consultant of the Corporation shall be referred to as the "Termination Date". An Option may be exercised after the Termination Date only as set forth below:

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

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

3

9. Exercise of Options.

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

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

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

commits upon receipt of such Shares to forward the exercise price directly to the Corporation; or (f) by any combination of the foregoing.

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

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

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

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

4

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

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

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

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

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

15. Acceleration of Awards and Options on Certain Corporate Transactions. In the event of (a) a dissolution or liquidation of the

Corporation, (b) a merger or consolidation in which the Corporation is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Corporation in a different jurisdiction, or other transaction in which there is no substantial change in the stockholders of the Corporation or their relative stock holdings and the Options and Awards granted under this Plan are assumed, converted or replaced by the successor corporation, which assumption, conversion or replacement will be binding on all Recipients),

5

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

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

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

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

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

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

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

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

6

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

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

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

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

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

SECURED DIVERSIFIED INVESTMENT, LTD.

2003 STOCK INCENTIVE PLAN
SECURED DIVERSIFIED INVESTMENT, LTD.
2003 STOCK INCENTIVE PLAN

ARTICLE ONE
GENERAL PROVISIONS

PURPOSE OF THE PLAN

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

STRUCTURE OF THE PLAN

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

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

purchase shares of Common Stock, and

- The Stock Issuance Program under which eligible persons may, at the

discretion of the Plan Administrator, be issued shares of Common Stock directly, either through the immediate purchase of such shares or as a bonus for services rendered the Corporation (or any Parent or Subsidiary) or the attainment of designated milestones.

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

ADMINISTRATION OF THE PLAN

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

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

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

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

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

ELIGIBILITY

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

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

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

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

STOCK SUBJECT TO THE PLAN

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

reduce the number of shares of Common Stock available for issuance under the 2003 Non-Employee Director and Consultant Stock Incentive Plan.

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

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

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

4

ARTICLE TWO
DISCRETIONARY OPTION GRANT PROGRAM

OPTION TERMS

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

A. EXERCISE PRICE.

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

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

- i. cash or check made payable to the Corporation,
- ii. shares of Common Stock held for the requisite period necessary to avoid a charge to the Corporation's earnings for financial reporting purposes and valued at Fair Market Value on the Exercise Date, or
- iii. to the extent the option is exercised for vested shares,

through a special sale and remittance procedure pursuant to which the Optionee shall concurrently provide irrevocable instructions to (a) a brokerage firm (reasonably satisfactory to the Corporation for purposes of administering such procedure in compliance with the Corporation's pre-notification/pre clearance policies) to effect the immediate sale of the purchased shares and remit to the Corporation, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate exercise price payable for the purchased shares plus all applicable income and employment taxes required to be withheld by the Corporation by reason of such exercise and (b) the Corporation to deliver the certificates for the purchased shares directly to such brokerage firm in order to complete the sale. Except to the extent such sale and remittance procedure is utilized, payment of the exercise price for the purchased shares must be made on the Exercise Date.

B. EXERCISE AND TERM OF OPTIONS.

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

5

C. EFFECT OF TERMINATION OF SERVICE.

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

2. The Plan Administrator shall have complete discretion, exercisable either at the time an option is granted or at any time while the option remains outstanding, to: (i) extend the period of time for which the option is to remain exercisable following the Optionee's cessation of Service from the limited exercise period otherwise in effect for that option to such greater period of time as the Plan Administrator shall deem appropriate, but in no event beyond the expiration of the option term, and/or (ii) permit the option to be exercised, during the applicable post-Service exercise period, not only with respect to the number of vested shares of Common Stock for which such option is exercisable at the time of the Optionee's cessation of Service but also with respect to one or more additional installments in which the Optionee would have vested had the Optionee continued in Service.

D. STOCKHOLDER RIGHTS.

The holder of an option shall have no stockholder rights with respect

to the shares subject to the option until such person shall have exercised the option, paid the exercise price and become a holder of record of the purchased shares.

6

E. REPURCHASE RIGHTS.

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

F. LIMITED TRANSFERABILITY OF OPTIONS.

During the lifetime of the Optionee, Incentive Options shall be exercisable only by the Optionee and shall not be assignable or transferable other than by will or the laws of inheritance following the Optionee's death. Non-Statutory Options shall be subject to the same restriction, except that the Plan Administrator may structure one or more Non-Statutory Options under the Discretionary Option Grant Program so that each such option may be assigned in whole or in part during the Optionee's lifetime to one or more members of the Optionee's family or to a trust established exclusively for one or more such family members or to Optionee's former spouse, to the extent such assignment is in connection with the Optionee's estate plan or pursuant to a domestic relations order. The assigned portion may only be exercised by the person or persons who acquire a proprietary interest in the option pursuant to the assignment. The terms applicable to the assigned portion shall be the same as those in effect for the option immediately prior to such assignment and shall be set forth in such documents issued to the assignee as the Plan Administrator may deem appropriate. Notwithstanding the foregoing, the Optionee may also designate one or more persons as the beneficiary or beneficiaries of his or her outstanding options under this Article Two, and those options shall, in accordance with such designation, automatically be transferred to such beneficiary or beneficiaries upon the Optionee's death while holding those options. Such beneficiary or beneficiaries shall take the transferred options subject to all the terms and conditions of the applicable agreement evidencing each such transferred option, including (without limitation) the limited time period during which the option may be exercised following the Optionee's death.

INCENTIVE OPTIONS

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

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

7

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

Options shall be applied on the basis of the order in which such options are granted.

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

CHANGE IN CONTROL/HOSTILE TAKE-OVER

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

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

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

8

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

N. The Plan Administrator shall have the discretionary authority to structure one or more outstanding options under the Discretionary Option

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

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

9

P. The Plan Administrator shall have the discretionary authority to structure one or more outstanding options under the Discretionary Option Grant Program so that those options shall, immediately prior to the effective date of a Hostile Take-Over, become exercisable for all the shares of Common Stock at the time subject to those options and may be exercised for any or all of those shares as fully vested shares of Common Stock. In addition, the Plan Administrator shall have the discretionary authority to structure one or more of the Corporation's repurchase rights under the Discretionary Option Grant Program so that those rights shall terminate automatically upon the consummation of such Hostile Take-Over, and the shares subject to those terminated rights shall thereupon vest in full. Alternatively, the Plan Administrator may condition the automatic acceleration of one or more outstanding options under the Discretionary Option Grant Program and the termination of one or more of the Corporation's outstanding repurchase rights under such program upon the subsequent termination of the Optionee's Service by reason of an Involuntary Termination within a designated period (not to exceed eighteen (18) months) following the effective date of such Hostile Take-Over.

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

ARTICLE THREE STOCK ISSUANCE PROGRAM

R. STOCK ISSUANCE TERMS

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

upon the attainment of designated performance goals or the satisfaction of specified Service requirements.

ISSUE PRICE.

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

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

10

VESTING PROVISIONS.

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

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

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

6. Any new, substituted or additional securities or other property (including money paid other than as a regular cash dividend) which the Participant may have the right to receive with respect to the Participant's unvested shares of Common Stock by reason of any stock dividend, stock split, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration shall be issued subject to (i) the

same vesting requirements applicable to the Participant's unvested shares of Common Stock and (ii) such escrow arrangements as the Plan Administrator shall deem appropriate.

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

11

8. Should the Participant cease to remain in Service while holding one or more unvested shares of Common Stock issued under the Stock Issuance Program or should the performance objectives not be attained with respect to one or more such unvested shares of Common Stock, then those shares shall be immediately surrendered to the Corporation for cancellation, and the Participant shall have no further stockholder rights with respect to those shares. To the extent the surrendered shares were previously issued to the Participant for consideration paid in cash or cash equivalent (including the Participant's purchase-money indebtedness), the Corporation shall repay to the Participant the LOWER of (i) the cash consideration paid for the surrendered shares or (ii) the Fair Market Value of those shares at the time of cancellation and shall cancel the unpaid principal balance of any outstanding purchase-money note of the Participant attributable to the surrendered shares by the applicable clause (i) or (ii) amount.

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

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

II. CHANGE IN CONTROL/HOSTILE TAKE-OVER

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

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

12

The Plan Administrator shall also have the discretionary authority to

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

III. SHARE ESCROW/LEGENDS

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

ARTICLE FOUR MISCELLANEOUS

I. TAX WITHHOLDING

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

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

II. EFFECTIVE DATE AND TERM OF THE PLAN

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

13

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

III. AMENDMENT OF THE PLAN

The Board shall have complete and exclusive power and authority to amend or modify the Plan in any or all respects. However, no such amendment or modification shall adversely affect the rights and obligations with respect to stock options or unvested stock issuances at the time

outstanding under the Plan unless the Optionee or the Participant consents to such amendment or modification. In addition, stockholder approval shall be required for any amendment which (i) increases the number of shares of Common Stock reserved for issuance under the Plan, (ii) materially modifies the eligibility requirements for participation in the Plan or (iii) materially increases the benefits accruing to Optionees or Participants under the Plan.

IV. USE OF PROCEEDS

Any cash proceeds received by the Corporation from the sale of shares of Common Stock under the Plan shall be used for general corporate purposes.

V. REGULATORY APPROVALS

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

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

NO EMPLOYMENT/SERVICE RIGHTS

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

APPENDIX

The following definitions shall be in effect under the Plan:

BOARD shall mean the Corporation's Board of Directors.

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

the acquisition of outstanding securities held by one or more of the Corporation's stockholders.

CODE shall mean the Internal Revenue Code of 1986, as amended.

COMMON STOCK shall mean the Corporation's common stock.

CORPORATION shall mean Secured Diversified Investment, Ltd., a Nevada corporation, and any corporate successor to all or substantially all of the assets or voting stock of Secured Diversified Investment, Ltd. which shall by appropriate action adopt the Plan.

DISCRETIONARY OPTION GRANT PROGRAM shall mean the discretionary option grant program in effect under Article Two of the Plan.

EMPLOYEE shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

EXERCISE DATE shall mean the date on which the Corporation shall have received written notice of the option exercise.

15

FAIR MARKET VALUE per share of Common Stock on any relevant date shall be determined in accordance with the following provisions: (i) If the Common Stock is at the time traded on the Nasdaq National Market, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question, as such price is reported by the National Association of Securities Dealers on the Nasdaq National Market and published in THE WALL STREET JOURNAL. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists. (ii) If the Common Stock is at the time listed on any Stock Exchange, then the Fair Market Value shall be the closing selling sale price per share of Common Stock on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange and published in THE WALL STREET JOURNAL. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

HOSTILE TAKE-OVER shall mean a change in ownership or control of the Corporation effected through either of the following transactions: (i) a change in the composition of the Board over a period of thirty-six (36) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (A) have been Board members continuously since the beginning of such period or (B) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (A) who were still in office at the time the Board approved such election or nomination, or (ii) the acquisition, directly or indirectly, by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation) of beneficial ownership (within the meaning of Rule 13d-3 of the 1934 Act) of securities possessing more than thirty percent (30%) of the total combined voting power of the Corporation's outstanding securities pursuant to a tender or exchange offer made directly to the Corporation's stockholders which the Board does not recommend such stockholders to accept.

INCENTIVE OPTION shall mean an option which satisfies the requirements of Code Section 422.

INVOLUNTARY TERMINATION shall mean the termination of the Service of any individual which occurs by reason of: (i) such individual's involuntary dismissal or discharge by the Corporation for reasons other than Misconduct, or (ii) such individual's voluntary resignation following (A) a change in his or her position with the Corporation which materially

reduces his or her duties and responsibilities or the level of management to which he or she reports, (B) a reduction in his or her aggregate level of base salary and target bonus under any corporate-performance based bonus or incentive program by more than fifteen percent (15%) or (C) a relocation of such individual's place of employment by more than fifty (50) miles, provided and only if such change, reduction or relocation is effected by the Corporation without the individual's consent.

16

MISCONDUCT shall mean the commission of any act of fraud, embezzlement or dishonesty by the Optionee or Participant, any intentional unauthorized use or disclosure by such person of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any other intentional misconduct by such person adversely affecting the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner. The foregoing definition shall not in any way preclude or restrict the right of the Corporation (or any Parent or Subsidiary) to discharge or dismiss any Optionee, Participant or other person in the Service of the Corporation (or any Parent or Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan, to constitute grounds for termination for Misconduct.

1934 ACT shall mean the Securities Exchange Act of 1934, as amended.

NON-STATUTORY OPTION shall mean an option not intended to satisfy the requirements of Code Section 422.

OPTIONEE shall mean any person to whom an option is granted under the Discretionary Option Grant Program.

PARENT shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

PARTICIPANT shall mean any person who is issued shares of Common Stock under the Stock Issuance Program.

PERMANENT DISABILITY OR PERMANENTLY DISABLED shall mean the inability of the Optionee or the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment expected to result in death or to be of continuous duration of twelve (12) months or more.

PLAN shall mean the Corporation's 2003 Stock Incentive Plan, as set forth in this document.

PLAN ADMINISTRATOR shall mean the particular entity, whether the Primary Committee, the Secondary Committee or the Board, which is authorized to administer the Discretionary Option Grant and Stock Issuance Programs with respect to one or more classes of eligible persons, to the extent such entity is carrying out its administrative functions under those programs with respect to the persons under its jurisdiction.

PLAN EFFECTIVE DATE shall mean the date the Plan becomes effective and shall be coincidental with the date the Plan is approved by the Corporation's stockholders. The Plan Effective Date shall accordingly be the date of the 2003 Annual Stockholders Meeting, provided the stockholders approve the Plan at such meeting.

PRIMARY COMMITTEE shall mean the committee of two (2) or more non-employee Board members appointed by the Board to administer the Discretionary Option Grant and Stock Issuance Programs with respect to Section 16 Insiders.

SECONDARY COMMITTEE shall mean a committee of one or more Board members appointed by the Board to administer the Discretionary Option Grant and Stock Issuance Programs with respect to eligible persons other than Section 16 Insiders.

SECTION 16 INSIDER shall mean an officer or director of the Corporation subject to the short-swing profit liabilities of Section 16 of the 1934 Act.

SERVICE shall mean the performance of services for the Corporation (or any Parent or Subsidiary) by a person in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor, except to the extent otherwise specifically provided in the documents evidencing the option grant or stock issuance. Service shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Corporation; provided, however, that for a leave which exceeds ninety (90) days, Service shall be deemed, for purposes of determining the period within which any outstanding option held by the Optionee in question may be exercised as an Incentive Option, to cease on the ninety-first (91st) day of such leave, unless the right of that Optionee to return to Service following such leave is guaranteed by law or statute. Except to the extent otherwise required by law or expressly authorized by the Plan Administrator, no Service credit shall be given for vesting purposes for any period the Optionee or Participant is on a leave of absence.

STOCK EXCHANGE shall mean either the American Stock Exchange or the New York Stock Exchange.

STOCK ISSUANCE AGREEMENT shall mean the agreement entered into by the Corporation and the Participant at the time of issuance of shares of Common Stock under the Stock Issuance Program.

STOCK ISSUANCE PROGRAM shall mean the stock issuance program in effect under Article Four of the Plan.

SUBSIDIARY shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

10% STOCKHOLDER shall mean the owner of stock (as determined under Code Section 424(d)) possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Corporation (or any Parent or Subsidiary).

WITHHOLDING TAXES shall mean the applicable income and employment withholding taxes to which the holder of an option or shares of Common Stock under the Plan may become subject in connection with the grant, vesting or exercise of those options or other taxable event or the issuance or vesting of those shares.

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Clifford L. Strand, certify that:

(1) I have reviewed this quarterly report on Form 10-QSB of Secured Diversified Investment, Ltd., (the "Company");

(2) Based on my knowledge, this quarterly 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 quarterly report;

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

(4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Company and have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) evaluated the effectiveness of the Company's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

(5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation, to the Company's auditors and the audit committee of the Company's board of directors (or persons fulfilling the equivalent function):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls; and

(6) The Company's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 18, 2003 By: /S/ Clifford L. Strand

Clifford L. Strand, Principal Executive Officer

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Munjit Johal, certify that:

(1) I have reviewed this quarterly report on Form 10-QSB of Secured Diversified Investments, Ltd., (the "Company");

(2) Based on my knowledge, this quarterly 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 quarterly report;

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

(4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Company and have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) evaluated the effectiveness of the Company's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

(5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation, to the Company's auditors and the audit committee of the Company's board of directors (or persons fulfilling the equivalent function):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls; and

(6) The Company's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 18, 2003

By: /s/ Munjit Johal

Munjit Johal, Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Secured Diversified Investment, Ltd., on Form 10-QSB for the period ending September 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Clifford L. Strand, Chief Executive Officer and Munjit Johal, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report 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 Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 18, 2003 /S/ Clifford L. Strand

Clifford L. Strand, Chief Executive Officer

Date: November 18, 2003 /S/ Munjit Johal

Munjit Johal, Chief Financial Officer