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SECURED DIVERSIFIED INVESTMENT LTD
Form 10-KT
April 15, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-KSB

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended _____
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from
November 1, 2002 to December 31, 2002

Commission File Number 0-30653

Secured Diversified Investment, Ltd.

(Name of small business issuer in its chapter)

Nevada

87-0375228

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer I.D. No.)

5030 Campus Drive, Newport Beach, California

92660

(Address of principal executive offices)

(Zip Code)

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

Securities registered pursuant to section 12(b) of the Exchange Act: None

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

\$.001 par value, common voting shares

(Title of class)

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. (1) Yes No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this form 10-KSB or any amendment to this Form 10-KSB.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act):

Yes No

The aggregate market value of the issuer's voting stock held as of March 31, 2003, by non-affiliates of the issuer was approximately \$10,486.

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As of March 31, 2003, the issuer had 5,979,540 shares of its \$.001 par value common stock outstanding.

Transitional Small Business Disclosure Format. Yes [] No [X]
Documents incorporated by reference: None

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This Form 10-KSB contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For this purpose any statements contained in this Form 10-KSB that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "estimate" or "continue" or comparable terminology is intended to identify forward-looking statements. These

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statements by their nature involve substantial risks and uncertainties, and actual results may differ materially depending on a variety of factors, many of which are not within the Company's control. These factors include but are not limited to economic conditions generally and in the industries in which the Company may participate; competition within the Company's chosen industry, including competition from much larger competitors; technological advances and failure by the Company to successfully develop business relationships.

Item 1. Description of Business

Book Corporation of America ("Book") 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 other tangible and intangible properties in connection with artistic ideas and endeavors, and to carry on a negotiation for, production of, purchase of, sale, licensing, distribution, advertising, and promotion of all rights, privileges, and properties in the entertainment industry, including, but not limited to, all types of theatrical motion pictures, theatrical stage plays, television films, programs and commercials, radio recordings, books, and music publications and music recordings 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 of Book. Book had no "parents" or "predecessors," as those terms are defined under the federal securities laws.

In 1979, Book conducted an intrastate public offering of its common stock. On October 10, 1988, the common stock of the Book was reverse split 50 to 1, and the par value was changed from \$0.01 to \$.005 per share. Also in October 1988, Book acquired Sun Television Entertainment, Inc., bringing assets of 36 motion picture screenplays (subsequently valued at \$-0-) and motion picture production equipment was transferred to Book by Visto International, Inc.

Book filed a Form 10-SB Registration Statement with the United States Securities and Exchange Commission ("SEC") on May 18, 2000, which registration became effective on July 18, 2000.

In March 2002, control of the Company was acquired by REIT Consultants, LLC. ("REIT"), when it acquired 2,000,000 shares of Company common stock from the then controlling shareholders. REIT is a manager managed limited liability company. Ronald Robinson is the manager of REIT. REIT has five members all of which are trusts. The trustees of the trusts, which are members of REIT, are as follows: William S. Biddle is the trustee of the William S. Biddle Family Trust, which owns a 16.7% interest in REIT; Sumyie Onodera-Leonard is the trustee of the Sumyie N. Onodera Family Trust, which owns a 25% interest in REIT; Robert J. Leonard is the trustee of the Robert J. Leonard Family Trust, which owns a 25% interest in REIT. Robert J. Leonard is the spouse of Sumyie Onodera-Leonard; Clifford L. Strand is the trustee of the C.L. Strand Trust, which owns a 16.7% interest in the LLC; and Myra and Wayne Sutterfield are the trustees of the Wayne Sutterfield Family Trust which owns a 16.6% interest in REIT.

At that time, REIT acquired the controlling interest in the Company, William Messerli, Philip Yordan and Daniel Yordan resigned as officers and directors of the Company. Ronald Robinson became the sole officer and director of the Company.

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On July 23, 2002, Book held a special shareholder meeting. At the meeting, the shareholders approved a proposal to redomicile Book from Utah to Nevada and to change its name. In accordance with Nevada corporate law, a change of domicile is affected by merging the foreign corporation with and into a Nevada corporation. For the sole purpose of changing domicile from Utah to Nevada, Book formed Secured Diversified Investment, Ltd., a Nevada corporation (the "Company"). On August 9, 2002, a merger between Secured Diversified Investment, Ltd., and Book was completed. Upon completion of merger Secured Diversified Investment, Ltd., became the surviving corporation and Book was dissolved.

On September 18, 2002, the OTCBB symbol for the Company's common stock was changed from BCAM to SCDI to reflect the name change.

In addition to approving the change of domicile, 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.

In September 2002, Ronald Robinson resigned as the sole officer and director of the Company and the current officers and directors were appointed to their respective positions.

Since its inception the Company has sustained continued losses and currently has liabilities in excess of current assets. In addition, through the end of the transition period, the Company had no revenue producing activities and was dependent upon its officers and directors to provide for its cash requirements. These factors indicate considerable doubt as to the Company's ability to continue as a going concern. To date the Company has been unsuccessful in its efforts to develop its entertainment business.

Because of the Company's failure to develop its entertainment business, management of the Company decided to pursue the acquisition of ownership interests in a portfolio of 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 and where a sufficient number of properties are available to help insure liquidity.

To this end, on March 31, 2003, the Company consummated an Asset Purchase Agreement with Seashore Diversified Investment Company ("Seashore"), a Maryland corporation, whereby the Company acquired certain real estate holdings from Seashore in exchange for restricted shares of its Preferred and Common Stock. Seashore is a real estate investment trust and is in the business of acquiring, selling and managing real estate holdings.

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Specifically, the Company acquired two properties, interests in two limited liability companies, and a general partnership interest in a limited partnership 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's Series A Convertible Preferred shares have the same voting rights as the Common Stock. The primary assets of the limited liability companies and the limited partnership are real estate holdings. Following is a brief description of the interests the Company has acquired.

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Katella Center, Orange, California

The Company has acquired a 100% ownership interest in a strip mall which consists of six retail rental units totaling approximately 9,500 square feet located on Katella Avenue in Orange, California. Currently, five of the six units are rented. The Company is currently trying to rent the final unit. The rental units are of varying sizes. One tenant, a clothing manufacturer, currently occupies 45% of the strip mall. The rental rates for the individual units range from \$1.04 to \$1.41 per square foot. The strip mall is currently generating monthly net cash flow of approximately \$3,535.

The strip mall is located on approximately 35,800 square feet of leased ground owned by a non-affiliated third party. The lease has a 52-year term that expires in March 2017. The ground lease payment is currently \$3,000 per month. Commencing June 1, 2007, the annual ground lease payment shall revert to 7% of the fair market value of the land. There is a first trust deed in the amount of \$350,000, which is due and payable on August 15, 2003. The current monthly payment, which covers only interest, is \$3,500. The interest rate is 12% per annum. Late charges on late payments in the amount of \$1,080 are also due. There is also a second trust deed in the amount of approximately \$15,500. The monthly payment is \$155 per month. This payment covers only the interest on the loan. The outstanding balance is approximately \$4,800. This note has matured. The lender has verbally agreed to extend the note and no late fees are being charged at this time. The Company is currently seeking to refinance both the first and second trust deeds.

As of January 31, 2003, delinquent real property taxes in the amount of approximately \$11,800 are owed. There are also additional penalties of approximately \$2,100 due and owing. Penalties accrue at a rate of \$104 per month.

The fair market value of this strip mall is estimated to be approximately \$600,000.

Shopping Mall, Dickinson, North Dakota

The Company has acquired a 100% ownership interest in the nearly 90,000 square foot enclosed T-Rex Mall Plaza in Dickinson, North Dakota. The T-Rex Mall is approximately 75% occupied at this time. The Mall was appraised at \$3,200,000 on April 24, 2002.

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The 6.66 acres of ground on which the Mall is located was recently sold to a third party for \$1,645,000 with a leaseback of the ground from the buyer. For the first year of the ground lease, the monthly lease payment will be \$13,708. Beginning the second year, the ground lease payment will be adjusted annually in step with the consumer pricing index, but such increases shall not exceed 3% nor be less than 2% in any given year. The term of the ground lease will be 50 years. Between the 24th month and the 48th month of the lease, the Company will have the option to repurchase the ground provided the lease is still in effect and the lessor is not in default. The price to buy back the ground will be \$1,745,000. Following the 48th month, the price to repurchase the ground lease will be \$1,845,000 or ten times the next year's lease amount from the date of the exercise of the option, whichever is greater. Clifford L. Strand, a Company officer and director was paid a commission of \$25,000 in connection with the sale of the 6.66 acres underlying the Mall and subsequent lease

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back of that property.

The \$1,645,000 was used to pay the outstanding obligations on the Mall structure, which is now unencumbered. In connection with the acquisition of the Mall, the Company assumed obligations of Seashore to pay \$567,000 in currently unsecured debts owed by Seashore. Of these debts, \$500,000 is due to a family trust that is managed by a director of the Company. The \$67,000 obligation is due to a director of the Company for funds advanced on behalf of Seashore in connection with the Mall.

The Company is currently seeking to retain the services of a management company in Dickinson, North Dakota to manage this property.

Currently, the average rent per square foot received is approximately \$.52.

Hospitality Inn, Dickinson, North Dakota

The Company has also acquired a general partnership interest in a limited partnership. The primary asset of the limited partnership is a Hospitality Inn, formerly a Travelodge Hotel, in Dickinson, North Dakota. The general partnership interest represents a 49% interest in the limited partnership. The Inn is a 149-unit full service hotel and has the largest meeting facilities in Dickinson. A 125-seat restaurant and a 110-seat cocktail lounge are located in the Inn. The Inn is approximately 318,500 square feet.

The Inn is located just off of I-94 at exit 61 and Highway 22, and is near such attractions as the Theodore Roosevelt National Park, the Badlands, Dickinson State University, Dakota Dinosaur Museum, and a golf course.

The limited partnership purchased the Inn for \$4,000,000 in 2001. There is a first trust deed on the Inn in the amount of \$800,000.00 and a second trust deed in the amount of \$400,000.00. These notes mature August and June 2003, respectively. Both the first and second trust deeds are currently in default and payments are not being made on either trust deed.

The Inn is losing money on a monthly basis. Currently, the outstanding accounts payable total approximately \$300,000. The Inn also owes approximately \$37,000 in federal taxes. The Inn also requires approximately \$250,000 in deferred maintenance in the immediate future.

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The limited partnership has entered into a contract to sell the Hospitality Inn to a third party for \$2,400,000. Following closing, the first and second trust deeds will be extinguished and the limited partnership will receive a residential lot in Poway, California valued at no less than \$1,200,000. The lot is vacant and unencumbered. Pursuant to the terms of the contract of sale, the limited partnership is required to cure the \$300,000 in accounts payable. The buyer of the Inn has agreed to help pay certain accounts payable, not to exceed \$50,000. The limited partnership will be responsible to resolve the remaining outstanding accounts payable. It is anticipated that the limited partnership will borrow against the Poway lot to raise the funds to pay this obligation.

Finally, the limited partnership agreement provides that the Company, as general partner, must buy out the limited partners for \$2,000,000 in June 2003. Some of the limited partners are officers and/or directors of the Company. At this time, the Company is negotiating a buyout of the limited partners with shares of the Company's Series B Convertible

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Preferred Stock. If the Company defaults on its obligation to buyout the limited partners, the Company's 49% interest in the limited partnership reverts back to the limited partnership.

Strip Mall, Spencer Springs, Las Vegas, Nevada

The Company has acquired a 50% interest in a limited liability company that owns a strip mall in the Spencer Springs area of Las Vegas, Nevada. The strip mall is located near McCarren International Airport in an area surrounded by new complexes, high end residential developments, apartments and condominium projects. It is the only retail center in the immediate area. Spencer Springs has 14 retail rental units totaling 24,336 square feet. Currently, approximately 23,136 square feet or 95% of the strip mall is occupied. The strip mall enjoys a mix of national, regional and local tenants.

The strip mall was built in the early 1990's and has been well maintained. No significant renovations are anticipated in the immediate future.

Spencer Springs is managed by Equity Group of Las Vegas, a professional property management group. The Company pays Equity Group a monthly fee of approximately \$1,740 to manage Spencer Springs. The Company anticipates the retention of Equity Group to manage the properties.

Spencer Springs has an estimated market value of \$3,750,000. The outstanding indebtedness on Spencer Springs was approximately \$2,135,000 on December 31, 2002. The note on the property matures in August 2008, with a balloon payment of approximately \$1,900,000 due on maturity. The annual interest rate on the note is 9.7%.

Pursuant to an agreement between Seashore and the other members of the limited liability company that own Spencer Springs, Seashore is required to purchase the other 50% interest in the limited liability company by August 2003 for \$1,000,000. The purchase price may be paid in cash or securities at the option of the other members, one of whom is an officer and director of the Company. If the Company is unable to meet this obligation by August 2003, the owners of the other 50% interest in the limited liability company are entitled to acquire the Company's 50% interest for \$100.

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For the year ended December 31, 2002, Spencer Springs generated net income of \$27,224. Pursuant to the limited liability company operating agreement, however, all of the depreciation on the property is retained by the managing members of the LLC, which did not include Seashore. This resulted in a taxable gain of approximately \$41,600 to Seashore even though there was only net income of \$27,224. If the Company is not successful in buying out the managing members of the limited liability company or renegotiating the operating agreement, it could be confronted with the same dilemma in the 2003 tax year of having to report a net income with no corresponding cash flow.

Decatur Square, Las Vegas, Nevada

The Company also acquired a 50% interest in a limited liability company that owns a strip mall known as Decatur Square. This strip mall is located on the corner of Decatur and Lake Mead Boulevard in Las Vegas, Nevada. It is in a prominent location with a high traffic count. Decatur Square is surrounded by mid to high end residential developments.

Decatur Square currently has 12 retail rental units totaling

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approximately 16,500 square feet. Currently, approximately 13,500 square feet or 82% of the strip mall is occupied. Upon acquisition, the Company will seek to lease the remaining unoccupied space. The units vary in size from 950 square feet to 2,000 square feet. Currently, there are three individual tenants that each rent more than 10% of our total square footage.

Decatur Square was built in 1990 and has been well maintained. No significant renovations are anticipated in the immediate future.

Decatur Square is also managed by Equity Group of Las Vegas, a professional property management group for a monthly fee of approximately \$1,000. The Company anticipates the retention of Equity Group to manage the properties.

The estimated fair market value of the property is \$1,500,000. As of December 31, 2002, the property was encumbered for approximately \$1,090,000. The rate of interest on this encumbrance is 9%.

Pursuant to the limited liability company operating agreement, the Company is required to purchase the remaining 50% interest in the limited liability company from its other five members by August 2003. The Company is negotiating an agreement with those other limited liability company members to acquire their interests for 1,552,480 shares of Series B Convertible Preferred Stock of the Company valued at \$.50 per share and \$123,760. One of the limited liability company members is the family trust which is managed by an officer and director of the Company. That trust will receive approximately 317,000 shares of the Series B Convertible Stock.

The Company is negotiating the sale of Decatur Square to an independent third party. If the property is sold, two officers and directors of the Company will receive commissions in connection with the sale in the amount of \$25,000 and \$30,000 respectively. It is anticipated that the commissions will be paid in Series B Convertible Preferred Stock valued at \$.50 per share.

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Office Building, Newport Beach, California

The Company also recently acquired a 18% interest in a limited liability company, Diversified Commercial Brokers, LLC for \$81,675. The remaining 82% interest in Diversified is owned by two directors of the Company. The primary asset of Diversified is an 8,685 square office building located at 5030 Campus Drive in Newport Beach, California. In November 2002, the office building was appraised at \$1,150,000. The building is currently subject to a first trust deed in the amount of \$740,000 and a second trust deed in the amount of \$110,000.

The land on which the office building sits is leased. The ground lease payment is currently \$2,340 per month. The ground lease adjusts to \$3,610 on July 1, 2004 and will adjust again to equal 8% of the market value of the leased premises on July 1, 2009. The lease expires on June 30, 2034, with two ten-year options which could extend the lease to June 30, 2054.

The office building contains twelve office suites, eleven of which are currently being rented out. It is anticipated that the final office suite will be rented in the near future. The average rent per square foot is approximately \$1.55.

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The property is managed by PSG Enterprises, an unrelated third party. PSG Enterprises charges Diversified \$750 a month in management fees

With the acquisition of these and other properties, the Company hopes to become a financially viable business. Currently, however, the Company has liabilities in excess of current assets. Moreover, through the end of the transition period, the Company had no revenue producing activities and was dependent upon its officers and directors to provide for its cash requirements. These factors indicate considerable doubt as to the Company's ability to continue as a going concern.

Employees

The Company currently has four full time employees including its officers. The Company anticipates hiring up to two additional employees during the next twelve months.

Reports to Security Holders

The public may read and copy any materials filed by the Company with the SEC at the SEC's Public Reference Room at 150 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The Company is an electronic filer and the SEC maintains an Internet site that contains reports and other information regarding the Company which may be viewed at <http://www.sec.gov>.

Item 2. Description of Property

The Company's executive offices are located at 5030 Campus Drive in Newport Beach, California. The Company pays \$1,000 per month for the space it leases. The Company's lease expires in January 2006.

As disclosed in Item 1 above, the Company recently acquired interests in six properties. For more information regarding these properties see Item 1, above.

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Item 3. Legal Proceedings.

To the knowledge of management, there is no material litigation pending or threatened against the Company or its management. Further, the Company is not aware of any material pending or threatened litigation to which the Company or any of its directors, officers or affiliates are or would be a party.

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

No matters were submitted to a vote of security holders during the transition period from November 1, 2002 to December 31, 2002.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters

Market Price of and Dividends on the Company's Common Equity and Other Shareholder Matters.

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The Company's shares are currently traded on the Over-the-Counter Bulletin Board ("OTCBB") under the symbol SCDI. As of March 31, 2003, the Company had approximately 248 shareholders holding 5,979,540 common shares. Of the issued and outstanding Common Stock, approximately 349,540 are free trading, the balance are "restricted securities" as that term is defined in Rule 144 promulgated by the Securities and Exchange Commission. The Company has never declared a dividend on its common shares.

The published bid and ask quotations for the Company's Common Stock from the first available date through the first available price are included in the chart below. These quotations represent prices between dealers and do not include retail markup, markdown or commissions. In addition, these quotations do not represent actual transactions.

	Closing Bid		Closing Ask	
	High	Low	High	Low
2001				
Oct. 4 (First Available) thru Dec. 31	.07	.03	None	None
2002				
Jan. 2 thru Mar. 28	.07	.05	None	None
Apr. 1 thru June 28	.06	.06	None	None
July 1 thru Sept. 30	.08	.06	None	None
Oct. 1 thru Dec 31	.08	.08	None	None

The above information was obtained from Pink Sheets, LLC, located at 304 Hudson Street, 2nd Floor, New York, New York 10013.

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Currently, none of the Company's common shares are subject to outstanding options or warrants to purchase common equity of the Company. The Company's common shares are subject to conversion of the Company's outstanding convertible preferred stock. The Company's currently outstanding 7,370,000 shares of Series A Convertible Preferred Stock cannot be converted to common shares of the Company for 36 months from the date they were issued. Thereafter, they may be converted at any time on a one share for one share basis so long as the average closing bid price per share of the Company's common stock for the five trading days immediately preceding the date of conversion is greater than or equal to the purchase price per share originally paid for the Series A shares. If the average bid price per share is lower than the purchase price paid per share, the holder of the Series A shares shall be entitled to convert at a rate equal to the purchase price divided by the common stock price. The Company has not yet issued, but anticipates issuing at least 1,552,480 shares of Series B Convertible Preferred shares. The Series B shares cannot be converted until 24 months from the date they are issued. The Series B shares are converted at the same rate as the Series A shares.

The Company has no agreements to register shares on behalf of shareholders currently holding unregistered securities. The Company has not paid, nor declared, any dividends since its inception and does not intend to declare any such dividends in the foreseeable future. The

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Company's ability to pay dividend is subject to limitations imposed by Nevada law.

Recent Sales of Unregistered Securities

On March 31, 2003, the Company issued 3,630,000 restricted Common shares and 7,370,000 restricted Series A Convertible Preferred shares to Seashore Diversified Investment Company in exchange for interests in two properties, membership interests in two limited liability companies and a general partnership interest in a limited partnership. The shares were issued without registration under the Securities Act of 1933 in reliance on an exemption from registration provided by 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. No funds were received by the Company for these shares.

Item 6. Plan of Operations

Our plan of operations for the next twelve months is to operate the properties we recently acquired and to acquire additional ownership interests in a portfolio of properties that are geographically and functionally diverse. The Company believes that by acquiring 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 and where a sufficient number of properties are available to help insure a liquid market.

In addition to real estate holdings the Company acquired from Seashore, it will seek to acquire up to twelve additional real estate properties in the next twelve months. The Company has identified potential acquisition properties in Newport Beach, California, Bismark North Dakota, Wichita, Kansas and Texas. The Company will primarily seek to acquire properties either through the issuance of its preferred and common stock or through the use of tenants in common agreements. The Company will rely on the experience and contacts of current management and the board of directors to assist it in identifying suitable acquisition candidates.

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As of December 31, 2002, the Company had \$6,058 cash on hand and has experienced losses from inception. As of December 31, 2002, the Company had total current liabilities amounting to \$68,111. Since inception the Company has sustained continued losses and has an accumulated operating loss since inception of \$3,425,066. As of December 31, 2002, the Company had no revenue producing activities and is completely dependent upon its officers and directors to provide for its cash requirements. These factors indicate considerable doubt as to the Company's ability to continue as a going concern. Moreover, while the Company hopes to be successful in its efforts to acquire and manage real estate holdings, there is no guarantee that the Company will be successful. Many factors, some of which may be beyond the control of the Company, may make it difficult or impossible for the Company to be successful in its new business pursuits. These factors include, but are not limited to the ability of the Company to locate, identify and acquire properties that can be operated or sold at a profit; the ability of the Company to acquire properties for its securities or pursuant to tenants in common agreements, as noted herein, the Company has very limited cash or other assets available to it to use for the acquisition of properties; the ability of management to efficiently manage and operate the properties it acquires, particularly given that the Company

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will seek to acquire properties in diverse markets; changes in interest rates; regional economic downturns in markets where the Company owns properties or a general economic downturn across the country; and the inability of the to liquidate properties in downturning markets.

Item 7. Financial Statements

[This space intentionally left blank.]

SECURED DIVERSIFIED INVESTMENT, LTD.
Formerly Book Corporation of America
Financial Statements
December 31, 2002

/Letterhead/

INDEPENDENT AUDITOR'S REPORT

Stockholders and Directors
Secured Diversified Investment, Ltd.

We have audited the accompanying balance sheet of Secured Diversified Investment, Ltd., as of December 31, 2002, and the related statements of operations, stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Secured Diversified Investment, Ltd., at December 31, 2002, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles, in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 6, the Company's recurring operating losses and lack of working capital raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to those matters are also described in Note 6. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/S/ Bierwolf, Nilson & Associates
Bierwolf, Nilson & Associates
Salt Lake City, UT
March 28, 2003

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SECURED DIVERSIFIED INVESTMENT, LTD.
Formerly Book Corporation of America
Balance Sheet

December 31,
2002

Assets

Current Assets

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Cash	\$	6,058

Total Assets	\$	6,058
		=====
		Liabilities & Stockholders' Equity
		Current Liabilities

Accounts Payable	\$	21,347
Related Party Note Payable (Note #3)		46,764

Total Current Liabilities		68,111
		Stockholders' Equity
Preferred Shares 50,000,000 Authorized; \$0.01 Par Value, Zero Issued & Outstanding		-
Common Shares 100,000,000 Authorized; \$0.001 & \$0.005 Par Value Respectively 2,349,540 Shares Issued & Outstanding		2,350
Paid In Capital		3,051,109
Contributed Capital		61,189
Accumulated Deficit		(3,176,701)

Total Stockholders' Equity		(62,053)

Total Liabilities & Stockholders' Equity	\$	6,058
		=====

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

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SECURED DIVERSIFIED INVESTMENT, LTD.
Formerly Book Corporation of America
Statement of Operations

	December	October	October	
	31, 2002	31, 2002	31, 2001	Accumulated
	-----	-----	-----	-----

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Revenues	\$	-	\$	-	\$	-	\$	250,000

Total Revenues		-		-		-		250,000
Operating Expenses								

Bad Debt		-		-		-		200,000
Depreciation		-		-		-		200,000
Failed Offering Costs		-		-		-		5,917
General & Administrative		2,117		14,473		21,229		55,373
Production Costs		-		-		-		132,448
Professional Fees		3,200		64,381		-		67,581
Write Down of Film Inventory		-		-		-		2,563,500
Write Off of Investments & Other Assets		-		-		-		200,247

Total Operating Expenses		5,317		78,854		21,229		3,425,066

Operating Income (Loss)		(5,317)		(78,854)		(21,229)		(3,425,066)
Other Income (Expense)								

Interest (Expense)		(852)		(433)		-		(1,285)

Total Other (Expense)		(852)		(433)		-		(1,285)

Income Tax Expense		-		-		250		350

Net (Loss)	\$	(6,169)	\$	(79,287)	\$	(21,479)	\$	(3,176,701)
=====								
Basic and Diluted Income (Loss) per Share	\$	(0.00)	\$	(0.03)	\$	(0.00)		

Weighted Average Common Shares		2,349,540		2,349,540		2,349,540		

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

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SECURED DIVERSIFIED INVESTMENT, LTD.
Formerly Book Corporation of America
Statements of Stockholders' Equity
For the Period November 1, 2000 to December 31, 2002

Common Shares	Common Stock	Paid in Capital	Contributed Capital	Accumulated Deficit
------------------	-----------------	--------------------	------------------------	------------------------

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Balance, November 1, 2000	2,349,540	\$ 11,748	\$3,041,711	\$ -	\$ (3,069,766)
Net Loss for the Year Ended October 31, 2001	-	-	-	-	(21,479)
Balance, October 31, 2001	2,349,540	11,748	3,041,711	-	(3,091,245)
Contributions to Capital	-	-	-	61,189	-
Change in Par Value from \$.005 to \$.001	-	(9,398)	9,398	-	-
Net Loss for the Year Ended October 31, 2002	-	-	-	-	(79,287)
Balance, October 31, 2002	2,349,540	2,350	3,051,109	61,189	(3,170,532)
Net Loss for the Transition Period Ended December 31, 2002	-	-	-	-	(6,169)
Balance, December 31, 2002	2,349,540	\$ 2,350	\$3,051,109	\$ 61,189	\$ 3,176,701

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

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SECURED DIVERSIFIED INVESTMENT, LTD.
Formerly Book Corporation of America
Statement of Cash Flows

December October October

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	31, 2002	31, 2002	31, 2001	Accumulated
	-----	-----	-----	-----
Cash Flows from Operating Expenses				

Net (Loss)	\$ (6,169)	\$ (79,287)	\$ (21,479)	\$ (3,176,701)
Contributions to Capital	-	61,189	-	61,189
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities				
Depreciation	-	-	-	200,000
Write Down of Film Inventory	-	-	-	2,593,500
Changes in Operating Assets & Liabilities				
Increase in Interest Payable	(426)	426	-	-
Increase (Decrease) in Accounts Payable	815	(17,254)	21,479	21,347
	-----	-----	-----	-----
Net Cash (Used) by Operating Expenses	(5,780)	(34,926)	-	(300,665)
Cash Flows from Investing Activities				

Net Cash Flows from Investing Activities	-	-	-	-
Cash Flows from Financing Activities				

Proceeds from the Sale of Common Stock	-	-	-	127,500
Contributed Capital	-	-	-	60,517
Debt to Equity Conversion	-	-	-	71,942
Payments on Note Payable - Related Party	(8,236)	-	-	(8,236)
Issuance of Note Payable - Related Party	-	55,000	-	55,000
	-----	-----	-----	-----
Net Cash Provided (Used) by Financing Activities	(8,236)	55,000	-	306,723

Increase (Decrease) in Cash	(14,016)	20,074	-	6,058
Cash at Beginning of Period	20,074	-	-	-

Cash at End of Period	\$ 6,058	\$ 20,074	\$ -	\$ 6,058
=====				
Disclosures for Operating Activities				

Interest	\$ -	\$ 7	\$ -	\$ 7
Taxes	-	-	-	-
Significant Noncash Transactions				

Acquisition of Films and Video Cassettes as Contributed Capital	\$ -	\$ -	\$ -	\$ 2,447,000

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

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December 31, 2002

NOTE 1 - Nature of Operations

The Company was incorporated under the laws of the state of Utah on November 22, 1978. The Company amended its Articles of Incorporation, authorizing 100,000,000 shares of common stock having a par value of \$0.001 per share.

The Articles of Incorporation grants the Company unlimited power to engage in and to do any lawful act concerning any and all lawful businesses for which corporations may be organized. The Company currently seeks to license films to television and to engage in market-by-market exploitation of the films it holds in its film inventory.

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

In accordance with FASB 7 the Company is considered to be a development stage company.

NOTE 2 - Significant Accounting Policies

-
- A. The Company uses the accrual method of accounting.
 - B. Revenues and directly related expenses are recognized in the period in which the sales are finalized with customers.
 - C. 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 cash equivalents.
 - D. 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.
 - (e) Operating expenses and all type of income are recognized in the period in which the activities occur.
 - F. Depreciation: 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.

Continued

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SECURED DIVERSIFIED INVESTMENT, LTD.

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Formerly Book Corporation of America
Notes to Financial Statements
December 31, 2002

NOTE 3 - Related Party Note Payable

During the year, the Company issued a promissory note to a company whose shareholders are directors of Secured Diversified Investment, Ltd. The principal sum of the unsecured note is \$55,000. The note is due and payable on September 30, 2003 together with interest accruing on the outstanding principal balance at the rate of 9% per annum. The accrued interest is included in the principal amount of the note.

The Company has the following notes payable obligations:	December 31, 2002	October 31, 2002
	-----	-----
Convertible note payable to investor is due on demand plus accrued interest at a rate of 9% per annum.	\$ 46,764	\$ 55,000
	-----	-----
Totals	\$ 46,764	\$ 55,000
Less Current Maturities	(46,764)	(55,000)
	-----	-----
Total Long-Term Notes Payable	\$ -	\$ -
	=====	=====

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

Year	Amount

2003	\$ 46,764
2004	-
2005	-
2006	-
Thereafter	-

Total	\$ 46,764
	=====

NOTE 4 - Stockholders' Equity

During the year, the Company changed it's Articles of Incorporation to change the par value of the Company's common stock from \$.005 to \$.001 and authorized 50,000,000 shares of Preferred Stock at a par value of \$.01.

NOTE 5 - Contributed Capital

During the quarter ended April 30, 2002, an unrelated party contributed \$61,189 in cash to the Company which was used to satisfy debts incurred during the course of business, accordingly this amount has been charged to contributed capital.

Continued
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SECURED DIVERSIFIED INVESTMENT, LTD.
Formerly Book Corporation of America

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Notes to Financial Statements
December 31, 2002

NOTE 6 - 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. Currently, the Company does not have significant cash or other material 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. 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.

NOTE 7 - Subsequent Events

While the parties have not finalized all the terms of the agreement, it is anticipated that the Company will acquire two properties, interests in two limited liability companies, and a general partnership interest in a limited partnership in exchange for 3,630,000 shares of restricted common stock of the Company and 7,370,000 shares of Preferred Convertible Stock of the Company. The Preferred shares will have the same voting rights as the Common Stock. The primary assets of the limited liability companies and the limited partnership are real estate holdings.

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

None.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons.

The following table sets forth the name, age and position of each director and executive officer and the term of office of each.

NAME	AGE	DIRECTOR OR POSITION	OFFICER SINCE
-----	----	-----	-----
William Biddle	73	Director Vice President	September 2002 September 2002
Munjit Johal	47	Chief Financial Officer	September 2002

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		Secretary	September 2002
Jay Kister	28	Director	September 2002
Sumyie Onodera-Leonard	74	Director	September 2002
Pamela Padgett	47	Director	September 2002
Clifford L. Strand	56	Chairman of the Board	September 2002
		Chief Executive Officer	September 2002
		President	September 2002
Wayne Sutterfield	66	Director	February 2003
Gernot Trolf	59	Vice President	September 2002
		Chief Operating Officer	September 2002

Each director serves for a period of one year or until his successor is duly elected and qualified. Officers serve at the will of the Board of Directors.

William S. Biddle. Director and Vice President, Marketing. Mr. Biddle has over 37 years experience in the real estate industry, he is a member of the Society of Exchange Counselors. Mr. Biddle is a past recipient of the Clifford P. Weaver Memorial Award a national award for the most creative exchange. He is also a past president of National Exchange Counselors. In 1979, he received the designation of Certified Commercial Investment Member from the National Association of Realtors. Mr. Biddle currently owns two brokerages. He purchased Commercial Brokers, a commercial real estate brokerage firm in Las Vegas, Nevada, in 1993. He founded Friendly Hills Realty, a brokerage specializing in high end residential real estate in 1987. Friendly Hills Realty's principal office is located in Whittier, California.

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

Jay Kister. Director. Since June 2001, Mr. Kister has been employed with Blossom Valley Mortgage, Inc. Mr. Kister currently serves as a Loan Broker. From April 1999 to June 2001, Mr. Kister was a Personal Banker for San Diego National Bank. He was primarily responsible opening and servicing commercial accounts and commercial loans. From May 1998 to April 1999, Mr. Kister worked for Bank of America performing essentially the same functions as he performed for San Diego National Bank. Mr. Kister earned a Bachelor of Arts degree in Spanish from Weber State University in Ogden, Utah in August 1997.

Sumyie Onodera-Leonard. Director. From 1967 to 1986, Mrs. Onodera-Leonard served as a professor at California State University, Los Angeles,

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specializing in the areas in family finance and home management. She has a BA in Business Administration and a Masters degree in Secondary Education in 1957 and 1967 respectively from California State University, Los Angeles. Mrs. Onodera-Leonard also earned a Masters degree in Home Management from Michigan State University in East Lansing, Michigan in 1961. She is also a senior gold medalist, U.S. National Champion and world-record holder in her age group in the 800 meter run.

Pamela Padgett. Director. Since 1994, Ms. Padgett has worked as a real estate broker. Since March 2002, Ms. Padgett has been affiliated with The Phoenix Group Realtors as an independent real estate agent. From 2000 through March 2002, she was affiliated as Keller Williams Realty. Ms. Padgett also works as an independent agent for Uncommon Sense Enterprises a company she founded in 1994 and continues to own.

Clifford L. Strand. Chairman of the Board of Directors, President and Chief Executive Officer. Mr. Strand has 35 years experience in the real estate industry as a broker, investor and strategist. Since January 2001, Mr. Strand has served as Senior Vice President, Interim President and President of Seashore Diversified Investment Company, a Maryland real estate investment trust, where he has been primarily responsible for managing and directing the affairs of the Company. Seashore specializes in the acquisition, disposition and management of real estate and investment properties. From 1984 to 2001, Mr. Strand was self employed as an independent real estate broker. During that time, Mr. Strand represented a diverse clientele consisting of banks, savings and loan institutions, universities, celebrities and corporations. From 1979 to 1984, Mr. Strand served as president of Capital Newport Mortgage Company, which became part of the Capital Companies. Mr. Strand has a Certificate in Real Estate from East Los Angeles Community College.

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Wayne Sutterfield. Director. For the past 35 years Mr. Sutterfield has been self employed in the real estate industry as a manager, property owner and contractor. Mr. Sutterfield has owned and managed properties in Arizona, California and North Dakota. Mr. Sutterfield is a member of the Contractors Association of America and the Plumbing, Heating and Cooling Contractors Association. Mr. Sutterfield is a graduate of California L.A. Technical College-Mechanical Engineering, Construction. Mr. Sutterfield has been a director of Seashore Diversified Investment Company since 2001.

Gernot Trolf. Vice President and Chief Operating Officer. Since 1996, Mr Trolf has served as the Chief Operating Officer of Seashore Diversified Investment Company, a real estate investment trust. As the Chief Operating Officer, Mr. Trolf was primarily responsible for overseeing the day-to-day operations of the company. In 1993, he founded and continues to own AATIC a private commodity brokerage. From 1994 to 1997, Mr. Trolf owned The Stagecoach Restaurant a continental restaurant specializing in Austrian, German and continental fare in Alpine, California. From 1994 to 1996, Mr. Trolf was the Director of Food and Beverage for the Algonquin Hotel in New York and held to same position at the Regency Hotel in New York from 1991 to 1994. Mr. Trolf was the General Manager of the Nova Park Hotel in New York from 1979 to 1982. Mr. Trolf is a former vice president of the Food & Beverage Association of America and a member of the Board of Directors of The 400,000 Committee for Austrians living abroad. Mr. Trolf speaks German, French, English, Spanish and Norwegian.

To the knowledge of management, during the past five years, no present or former director, executive officer or person nominated to become a

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director or an executive officer of the Company:

- (1) filed a petition under the federal bankruptcy laws or any state insolvency law, nor had a receiver, fiscal agent or similar officer appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;
- (2) was convicted in a criminal proceeding or named subject of a pending criminal proceeding (excluding traffic violations or other minor offenses);
- (3) was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting, the following activities:
 - (i) acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, associated person of any of the foregoing, or as an investment advisor, underwriter, broker or dealer in securities, or as an affiliate person, director or employee of any investment company, or engaging in or continuing any conduct or practice in connection with such activity;
 - (ii) engaging in any type of business practice; or
 - (iii) engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodities laws;

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- (4) was the subject of any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any federal or state authority barring, suspending, or otherwise limiting for more than 60 days the right of such person to engage in any activity described above under this Item, or to be associated with persons engaged in any such activity;
- (5) was found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities law, and the judgment in such civil action or finding by the Securities and Exchange Commission has not been subsequently reversed, suspended, or vacated
- (6) was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated.

Compliance with Section 16(a) of the Exchange Act

Directors and executive officers are required to comply with Section 16(a) of the Securities Exchange Act of 1934, which requires generally that such persons file reports regarding ownership of and transactions in securities of the Company on Forms 3, 4, and 5. A Form 3 is an initial statement of ownership of securities, which is to be filed by the officers

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and directors owning shares in the Company within 10 days after the effective date of the Company's filing on Form 10-SB. Form 4 is to report changes in beneficial ownership and is due on or before the tenth day of the month following any month in which they engage in any transaction in the Company's common stock. Form 5 covers annual statement of changes in beneficial ownership which is due 90 days after the fiscal year end of the Company.

Based solely on a review of Forms 3 and 4 and amendments thereto furnished to the Company during its most recent fiscal year, and Forms 5 and amendments thereto furnished to the Company with respect to the most recent fiscal year, it appears that the officers and directors of the Company inadvertently failed to timely file Form 5s for the fiscal year ended October 31, 2002. Those forms have been or are currently being filed.

Item 10. Executive Compensation

The following chart sets forth certain summary information concerning the compensation paid or accrued for each of the Registrant's last two completed fiscal years to the Registrant's or its principal subsidiaries' chief executive officers and each of its other executive officers that received compensation in excess of \$100,000 during such period and the expected compensation for the next twelve months.

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SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long Term Compensation			All Other Compan sation
		Salary	Bonus \$	Other Annual Compen sation	Awards Restr icted Stock Awards	Options /SARs	Payouts LTIP Payout	
Clifford L. Strand President & Chairman of the Board of Directors	2002	-0-	-0-	-0-	-0-	-0-	-0-	-0-
William Messerli Former CEO	2002	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Former Director	2001	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2000	-0-	-0-	-0-	-0-	-0-	-0-	-0-

Compensation of Directors

None.

Employment Contracts and Termination of Employment and Change in Control Arrangements.

Currently, there are no employment contracts between the Company and any of its officers or directors. The Company, however, has formed a compensation committee and is in the process of finalizing employment with the officers of the Company.

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There are no compensatory plans or arrangements, including payments to be received from the Company, with respect to any person named in Cash Compensation set out above which would in any way result in payments to any such person because of his resignation, retirement, or other termination of such person's employment with the Company or its subsidiaries, or any change in control of the Company, or a change in the person's responsibilities following a change in control of the Company.

The Company has no retirement, pension, profit-sharing, insurance, or medical reimbursement plan covering its officers and directors, and does not contemplate implementing any such plan at this time. None of the officers or directors of the Company has any options or warrants to purchase shares of the Company's common stock.

Item 11. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth as of March 31, 2003, the name and the number of shares of the Registrant's Common Stock, par value of \$0.001 per share, held of record or beneficially by each person who held of record, or was known by the Registrant to own beneficially, more than 5% of the 5,979,540 issued and outstanding shares of the Company's Common Stock, and the name and shareholdings of each director and of all officers and directors as group. The following table also sets forth as of March 31, 2003, the name and the number of shares of the Registrant's Series A Convertible Preferred Stock, par value of \$.01 per share, held of record or beneficially by each person who held of record, or was known by the Registrant to own beneficially, more than 5% of the 7,370,000 issued and outstanding shares of the Company's Series A Convertible Preferred Stock. The Company's Series A Convertible Preferred Stock has the same voting rights as the Company's Common Stock.

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Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
Common	William S. Biddle(1)(2)(4) 5030 Campus Drive Newport Beach, California 92660	-0-	-0-
Common	Munjit Johal(1) 5030 Campus Drive Newport Beach, California 92660	-0-	-0-
Common	Jay Kister(1)(4) 5030 Campus Drive Newport Beach, California 92660	-0-	-0-
Common	Sumyie Onodera-Leonard(1)(2)(4) 5030 Campus Drive Newport Beach, California 92660	-0-	-0-
Common	Pamela Padgett(1)(4) 5030 Campus Drive Newport Beach, California 92660	-0-	-0-
Common	REIT Consultants, LLC(2) 1725 East Warm Springs Road	2,000,000	33%

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Suite 10
Las Vegas, Nevada 89119

Common	Clifford L. Strand(1) (2) (4) 5030 Campus Drive Newport Beach, California 92660	-0-	-0-
Common	Seashore Diversified Investment Co.(3) (4) 1000 Quail Street, Suite 190 Newport Beach, California 92660	3,630,000	61%
Common	Wayne Sutterfield(1) (2) (4) 5030 Campus Drive Newport Beach, California 92660	-0-	-0-
Common	Gernot Trolf(1) (4) 5030 Campus Drive Newport Beach, California 92660	-0-	-0-
<hr/>			
Series			
A Preferred	Seashore Diversified Investment Co.(3) (4) 1000 Quail Street, Suite 190 Newport Beach, California 92660	7,370,000	100%
<hr/>			
Officers, Directors and Nominees as a Group: (6 people)		-0-	-0-
<hr/>			

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(1) Officer and/or director of the Company.

(2) The term "beneficial owner" refers to both the power of investment (the right to buy and sell) and rights of ownership (the right to receive distributions from the Company and proceeds from sales of shares). REIT Consultants, LLC ("REIT") is the registered owner of 2,000,000 shares of Company common stock. REIT is a manager managed limited liability company. Ronald Robinson is the manager of REIT. The profits and losses of the limited liability company are allocated according to the percentage ownership of the total member interests. No member has the right to demand or receive any distribution from a limited liability company in any form other than cash.

REIT has five members all of which are trusts. The trustees of the trusts, which are members of REIT, are as follows: William S. Biddle is the trustee of the William S. Biddle Family Trust, which owns a 16.7% interest in REIT; Sumyie Onodera-Leonard is the trustee of the Sumyie N. Onodera Family Trust, which owns a 25% interest in REIT; Robert J. Leonard is the trustee of the Robert J. Leonard Family Trust, which owns a 25% interest in REIT. Robert J. Leonard is the spouse of Sumyie Onodera-Leonard; Clifford L. Strand is the trustee of the C.L. Strand Trust, which owns a 16.7% interest in the LLC; and Myra and Wayne Sutterfield are the trustees of the Wayne Sutterfield Family Trust which owns a 16.6% interest in REIT. These individuals, in their capacity as trustees, or spouses of trustees, could be deemed to have beneficial ownership in the number of shares of the Company owned by REIT that corresponds to the trust's percentage ownership in REIT because of the respective trust's rights of ownership.

(3) Clifford L. Strand, the President, Chief Executive Officer and a director of the Company, is also the President of Seashore Diversified Investment Company. As such, he may be deemed to be the beneficial owner

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of all shares held by Seashore.

(4) Based upon representations made by Seashore, with the exception of Munjit Johal, the other officers and directors of the Company may be deemed to be the beneficial owners of at least 50% of the outstanding shares of Seashore. Therefore, each could be deemed to have an indirect beneficial ownership interest in a corresponding percentage of the Company Common and Preferred Stock owned by Seashore.

There are no contracts or other arrangements that could result in a change of control of the Company.

Item 12. Certain Relationships and Related Transactions

During the transition period from November 1, 2002 to December 31, 2002, the Company used one-half of a 600 square foot office condominium located at 1000 Quail Street, Suite 190, in Newport Beach California for its corporate offices. The Company paid no rent for this space pursuant to a verbal agreement with its chief executive officer, Clifford L. Strand, who held the lease on the office condominium. This free rent was of nominal value. The Company has since moved its offices and entered into a lease agreement.

Subsequent to the end of the transition period, the Company paid \$25,000 in commission to Clifford L. Strand, its CEO, President and director for services rendered in connection with the land sale and ground lease back of the 6.66 acres underlying the T-Rex Mall acquired by the Company on March 31, 2003.

Subsequent to the end of the transition period, the Company completed an Asset Purchase Agreement with Seashore. As consideration for the assets acquired, Seashore was issued 3,630,000 shares of restricted Common Stock and 7,370,000 shares of restricted Series A Convertible Preferred Stock. Seashore may be deemed to a related party to the Company through common management and control.

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PART IV

Item 13. Exhibits and Reports on Form 8-K

(a) Reports on Form 8-K.

On November 18, 2002, the Company filed an Amended Current Report on Form 8-K/A disclosing the reports the Company would be filing to fulfill its reporting obligations during the transition period.

(b) Exhibits. The following exhibits are included as part of this report:

Exhibit 10.1	Asset Purchase Agreement by and among Secured Diversified Investment, Ltd. and Seashore Diversified Investment Company
Exhibit 99.1	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Item 14. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures. The Company's Chief Executive Officer and Chief Financial Officer has 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 transition report. Based on his evaluation, the Company's Chief Executive Officer and

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Chief Financial Officer 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.

(b) Changes in Internal Controls and Procedures. Subsequent to the Evaluation Date, there were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls, nor were any corrective actions required with regard to significant deficiencies and material weaknesses.

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SIGNATURES

In accordance with Section 12 of the Securities Exchange Act of 1934, the registrant caused this registration statement to be signed on its behalf, thereunto duly authorized.

Secured Diversified Investment, Ltd.

Date: April 15, 2003

/S/ Clifford L. Strand

Clifford L. Strand, Chief Executive Officer

Date: April 15, 2003

/S/ Munjit Johal

Munjit Johal, Chief Financial Officer

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

I, Clifford L. Strand, hereby, certify that:

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

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

(3) Based on my knowledge, the financial statements, and other financial information included in this transition 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 transition 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 transition 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 transition report (the "Evaluation Date"); and

(c) presented in this transition 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

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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 transition 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: April 15, 2003

/S/ Clifford L. Strand

Clifford L. Strand, Chief Executive Officer

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

I, Munjit Johal, hereby, certify that:

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

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

(3) Based on my knowledge, the financial statements, and other financial information included in this transition 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 transition 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 transition 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 transition report (the "Evaluation Date"); and

(c) presented in this transition 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

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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 transition 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: April 15, 2003

/S/ Munjit Johal

Munjit Johal, Chief Financial Officer