

Diversified Opportunities, Inc.
Form 10-K
September 20, 2010

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

FORM 10-K

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the year ended June 30,
2010

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 000-23446

DIVERSIFIED OPPORTUNITIES, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or jurisdiction of
incorporation or organization)

94-3008888

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

1042 N. El Camino Real #261

Encinitas, California

(Address and of principal
executive offices)

92024

(Zip Code)

(858) 342-8155

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(Registrant's telephone number, including area code)

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

Common Stock, par value \$0.001 per share

(Title of class)

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes No

Indicate by check mark 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 reports), and (2) has been subject to such filing requirements for the past 90 days.. Yes No

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

Indicate by check mark if the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b(2) of the Exchange Act. (Check one).

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

State issuer's revenues for its most recent fiscal year: \$0

The aggregate market value of the voting and non-voting common equity on December 31, 2009 held by non-affiliates* of the registrant (based on the average bid and asked (\$0.15) was approximately \$29,879. (See definition of affiliate in Rule 12b-2 of the Exchange Act.) Shares of common stock held by each officer and director

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and by each person who owns 10% or more of the outstanding common stock of the registrant have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes. Without acknowledging that any individual director of registrant is an affiliate, all directors have been included as affiliates with respect to shares owned by them.

At September 17, 2010, there were 9,199,192 shares outstanding of the issuer's common stock, the only class of common equity.

DIVERSIFIED OPPORTUNITIES, INC.

FORM 10-K

FOR THE YEAR ENDED JUNE 30, 2010

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SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

In addition to historical information, this Annual Report on Form 10-K may contain statements relating to future results of Diversified Opportunities, Inc. (including certain projections and business trends) that are forward-looking statements. Our actual results may differ materially from those projected as a result of certain risks and uncertainties. These risks and uncertainties include, but are not limited to, without limitation, statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as *expects* or *does not expect*, *is expected*, *anticipates* or *does not anticipate*, *plans*, *estimates* or *intends*, or stating that certain actions, events or results *may* *could*, *would*, *might* or *will* be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or achievements of the Company to be materially different from any future results or achievements of the Company expressed or implied by such forward-looking statements. Such factors include, among others, those set forth herein and those detailed from time to time in our other Securities and Exchange Commission (SEC) filings. These forward-looking statements are made only as of the date hereof, and we undertake no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company disclaims any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. Also, there can be no assurance that the Company will be able to raise sufficient capital to continue as a going concern.

Item 1 - Description of Business

As used in this annual report, the terms "we", "us", "our", and the "Company" means Diversified Opportunities, Inc., a Delaware corporation or their management.

History

Diversified Opportunities, Inc., (the/our Company or DVOP), was originally incorporated on June 5, 1986 in California as Lab, Inc. and later the same month, on June 24, 1986, changed its name to Software Professionals, Inc. At the time of formation, the Company was authorized to issue 1,000,000 shares of no par value common stock. On October 16, 1992, the Company filed Amended Articles of Incorporation increasing its authorized common stock to 10,000,000 no par value shares and contemporaneously enacted a forward split of 25:1. On January 12, 1994, the Company filed Amended and Restated Articles of Incorporation creating a class of 1,000,000 shares of blank check preferred stock, no par value, and enacting a reverse split of 1:2.77778. On April 20, 1994, following the filing of a registration statement on Form S-1, the Company began quoting its stock on the NASDAQ National Market under the symbol SFTW .

During this time the Company was in the software solutions business, developing, marketing, and supporting software products designed to automate the management of computer systems for commercial concerns. On May 21, 1996, the Company filed a Certificate of Amendment to its Amended and Restated Articles of Incorporation changing its name to Enlighten Software Solutions, Inc. On October 23, 1998, the Company's common stock began trading on the NASDAQ Small Cap Market.

During August 2001, the Company filed a Form 15 for the purpose of deregistering its securities. On September 13, 2001, the Company filed a voluntary petition under Chapter 7, in the U.S. Bankruptcy Court, Northern District of California. On November 2, 2004, the Trustee filed its Report of Distribution and on January 4, 2005 a final decree was entered and the case was closed. As a result of the bankruptcy, we ceased all business operations and have not engaged in any business operations from that time through the present.

On July 2, 2007, Michael Anthony was appointed President, Secretary and Treasurer of DVOP. On or near July 10, 2007, Mr. Anthony filed the requisite documents with the State of California for the purpose of reinstating the corporate charter. In October 2007, Corporate Services International Profit Sharing Plan (CSIPSP) agreed to contribute \$30,000 as paid in capital to DVOP, the entire amount of which was contributed to DVOP in January 2008. In consideration for the capital contribution, in October 2007 DVOP issued to CSIPSP 225,000,000 shares of its common stock (pre-split, 9,000,000 post-split) representing approximately 97.83% of its common stock outstanding on that date. CSIPSP is an entity, for which Mr. Anthony is beneficiary.

On July 30, 2007, the Company through a series of transactions effectively reincorporated in the state of Delaware, while retaining the capital structure and number of shares outstanding of the previous California corporation. On

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January 14, 2008, the Company officially changed its name to Diversified Opportunities, Inc. On February 11, 2008, DVOP enacted a reverse split of its common stock on a 1:25 basis and concurrently increased its authorized capital stock to 310,000,000 shares comprised of 300,000,000 shares of common stock, \$.001 par value and 10,000,000 shares of blank check preferred stock, \$.001 par value. The shareholders of DVOP approved the amendment to the Articles of Incorporation to bring about the name change, reverse split, and increase its authorized capital stock, by consent.

Effective May 30, 2008, pursuant to the terms of a Stock Purchase Agreement dated May 16, 2008 (the Purchase Agreement) by and between QRSciences Holdings Limited, an Australian corporation (QRSciences) and CSIPSP, QRSciences purchased all of CSIPSP 's 9,000,000 shares of DVOP common stock (Common Stock) in exchange for the payment of \$650,000 by QRSciences to CSIPSP. The 9,000,000 shares of DVOP common stock constituted 97.83% of the 9,199,192 shares of Company common stock outstanding as of the date of this report. This purchase of CSIPSP 's shares by QRSciences resulted in a change of control. Prior to the closing under the Purchase Agreement, CSIPSP owned 97.83% of the DVOP 's outstanding common stock. After the closing under the Purchase Agreement, QRSciences owned 97.83% of DVOP 's outstanding common stock.

The Purchase Agreement required as a condition of closing that Michael Anthony, the sole shareholder and beneficiary of CSIPSP, appoint Kevin Russeth to the Company 's board of directors and that Mr. Anthony resign his position as a director and executive officer of the Company effective as of May 30, 2008. Mr. Russeth also was appointed the Chief Executive Officer, Chief Financial Officer and Secretary of DVOP, effective the same date.

On April 13, 2010, QRSciences completed the sale of the 9,000,000 shares of our Company's common stock which they owned to CT Partners, a California general partnership. CT Partners includes Kevin Russeth, our Chief Executive Officer and the sole director of our Company.

Current Business

As of the date of this report, our Company's ongoing operations consist primarily of expenditures to maintain our Company in compliance with SEC regulations, accounting and auditing expenditures.

Item 1A Risk Factors

Investment in our common stock involves a high degree of risk. You should carefully consider the risks described below together with all of the other information included in this herein before making an investment decision. If any of the following risks actually occur, our business, financial condition or results of operations could suffer. In that case, the market price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Business

We have no operating history and no current business operations. We do not currently have any business operations other than maintaining our public company status. A substantial majority (9,000,000 shares) of the total shares of our 9,199,192 shares of common stock outstanding through the date this report was issued are owned and held by CT Partners. Because we have no operating history and no current business, our historical financial information is not a reliable indicator of future performance. Therefore, it is difficult to evaluate the business and prospects of our Company. Failure to correctly evaluate our Company's prospects could result in an investor's loss of a significant portion or all of his investment in our Company.

We continue to be without any business operations. Our Company at present does not have any business operations. Accordingly, we lack at present the capacity to generate future income and positive cash flows. Continued losses by our Company could result in an investor's loss of a significant portion or all of his investment in our Company.

Our failure to obtain additional adequate financing would materially and adversely affect our business. We do not currently have any revenues to cover our operating expenses and we are not profitable. We are currently dependent on CT Partners to fund the operating and working capital needs of our Company. If CT Partners decides to discontinue funding our Company and we cannot continue operations, an investor could suffer the loss of a significant portion or

all of his investment in our Company.

Financial Risks

Our financial statements have been prepared assuming that the Company will continue as a going concern. We currently project that our cash on hand and existing commitments for additional funds from CT Partners will be sufficient to maintain our Company's operations beyond one year from the date of this report, however there can be no assurance that CT Partners will not decide to terminate funding for our Company. Our financial statements do not include any adjustments that might result from this uncertainty. If we cannot obtain additional capital on acceptable terms, we will need to cease operations and an investor could suffer the loss of a significant portion or all of his investment in our Company.

We do not expect to pay dividends for the foreseeable future, and we may never pay dividends and, consequently, the only opportunity for investors to achieve a return on their investment is if a trading market develops and investors are able to sell their shares for a profit or if our business is sold at a price that enables investors to recognize a profit. We currently intend to retain any future earnings to support our business and do not anticipate paying cash dividends for the foreseeable future. Our payment of any future dividends will be at the discretion of our Board of Directors after taking into account various factors, including but not limited to our financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that we may be a party to at the time. In addition, our ability to pay dividends on our common stock may be limited by state law. Accordingly, we cannot assure investors any return on their investment, other than in connection with a sale of their shares or a sale of our business. At the present time there is a limited trading market for our shares. Therefore, holders of our securities may be unable to sell them. We cannot assure investors that an active trading market will develop or that any third party will offer to purchase our business on acceptable terms and at a price that would enable our investors to recognize a profit.

Our net operating loss carry-forward will be limited. We have recorded a valuation allowance amounting to our entire net deferred tax asset balance due to our lack of a history of earnings, possible limitations on the use of tax loss carry-forwards and the future expiration of the NOL. This gives rise to uncertainty as to whether our deferred tax asset is realizable. Internal Revenue Code Section 382 and similar California rules place a limitation on the amount of taxable income that can be offset by carry-forwards after a change in control (generally greater than a 50% change in ownership). Our inability to use our Company's historical NOL, or the full amount of the NOL, would limit our ability to offset any future tax liabilities with its NOL.

Corporate and Other Risks

Limitations on director and officer liability and indemnification of our officers and directors by us may discourage stockholders from bringing suit against an officer or director. Our Company's articles of incorporation and bylaws provide, with certain exceptions as permitted by governing state law, that a director or officer shall not be personally liable to us or our stockholders for breach of fiduciary duty as a director, except for acts or omissions which involve intentional misconduct, fraud or knowing violation of law, or unlawful payments of dividends. These provisions may discourage stockholders from bringing suit against a director for breach of fiduciary duty and may reduce the likelihood of derivative litigation brought by stockholders on our behalf against a director.

We are responsible for the indemnification of our officers and directors. Should our officers and/or directors require us to contribute to their defense, we may be required to spend significant amounts of our capital. Our articles of incorporation and bylaws also provide for the indemnification of our directors, officers, employees, and agents, under certain circumstances, against attorney's fees and other expenses incurred by them in any litigation to which they become a party arising from their association with or activities on behalf of our Company. This indemnification policy could result in substantial expenditures, which we may be unable to recoup. If these expenditures are significant, or involve issues which result in significant liability for our key personnel, we may incur expenses that would render us unable to continue operating as a going concern.

CT Partners beneficially own and control substantially all of our outstanding common stock, which may limit your ability and the ability of our other stockholders, whether acting alone or together, to propose or direct the management or overall direction of our Company. Additionally, this concentration of ownership could discourage or prevent a potential takeover of our Company that might otherwise result in you receiving a premium over the market price for your shares. A substantial portion of our outstanding shares of common stock is beneficially owned and controlled by a group of insiders, including our director and executive officer. Accordingly, any of our existing outside principal stockholders together with our directors, executive officers and insider shareholders would have the power to control the election of our directors and the approval of actions for which the approval of our stockholders is required. If you acquire shares of our common stock, you may have no effective voice in the management of our Company. Such concentrated control of our Company may adversely affect the price of our common stock. Our principal stockholders may be able to control matters requiring approval by our stockholders, including the election of directors, mergers or other business combinations. Such concentrated control may also make it difficult for our stockholders to receive a premium for their shares of our common stock in the event we merge with a third party or enter into different transactions which require stockholder approval. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock.

The requirements in connection with being a public company may put us at a competitive disadvantage. The complexity of operating in a public company environment could impair our ability to comply with legal and regulatory requirements such as those imposed by Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley Act). We may not be able to implement programs and policies in an effective and timely manner that adequately responds to the increased legal, regulatory compliance and reporting requirements associated with being a public company. Our failure to do so could lead to the imposition of fines and penalties and distract us from attending to the growth of our business. Also, it may be time consuming, difficult and costly for us to develop and implement the internal controls and reporting procedures required by the Sarbanes-Oxley Act. We may need to hire additional financial reporting, internal controls and other finance staff in order to develop and implement appropriate internal controls and reporting procedures. If we are unable to comply with the internal controls requirements of the Sarbanes-Oxley Act, we may not be able to obtain the independent auditor certifications that the Sarbanes-Oxley Act will in the future require publicly-traded companies with our capitalization to obtain.

Our internal controls over financial reporting may not be effective, and our independent auditors may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business. We are subject to various regulatory requirements, including the Sarbanes-Oxley Act. We, like all other public companies, must incur additional expenses and the diversion of our management's time in our efforts to comply with Section 404 of the Sarbanes-Oxley Act regarding internal controls over financial reporting. While we have evaluated our internal controls over financial reporting and concluded they are effective given

our current level of activity, there is no assurance that if the scope of our operations change, that such controls will remain effective. Furthermore, in the future our independent auditor(s) may be unable to attest to our conclusion concerning the effectiveness of our internal controls over financial reporting, as required (or as will be required) by Section 404 of the Sarbanes-Oxley Act and the rules and regulations of the SEC (collectively referred to as Section 404). The ongoing requirements of Section 404 may unduly divert management's time and resources from executing our future business plans. If in the future, management identifies one or more material weaknesses or our external auditors are unable to attest that our management's report is fairly stated or to express an opinion on the effectiveness of our internal controls, this could result in a loss of investor confidence in our financial reports, have an adverse effect on our stock price and/or subject us to sanctions or investigation by regulatory authorities.

Capital Market Risks

Our common stock is thinly traded, so you may be unable to sell at or near ask prices or at all if you need to sell your shares to raise money or otherwise desire to liquidate your shares. There is limited market activity in our stock (especially given our current status as a shell company) and we lack the qualities to attract the interest of many brokerage firms and analysts. We cannot give you any assurance that in the future a broader or more active public trading market for our common stock will develop or be sustained. While we are trading on the OTC Bulletin Board, the trading volume we will develop may be limited by the fact that many major institutional investment funds, including mutual funds, as well as individual investors follow a policy of not investing in Bulletin Board stocks and certain major brokerage firms restrict their brokers from recommending Bulletin Board stocks because they are considered speculative, volatile, thinly traded and the market price of the common stock may not accurately reflect the underlying value of our Company. The market price of our common stock could be subject to wide fluctuations in response to quarterly variations in our revenues and operating expenses, announcements of new products or services by us, significant sales of our common stock, including short sales, the operating and stock price performance of other companies that investors may deem comparable to us, and news reports relating to trends in our markets or general economic conditions.

The application of the penny stock rules to our common stock could limit the trading and liquidity of the common stock, adversely affect the market price of our common stock and increase your transaction costs to sell those shares. As long as the trading price of our common stock is below \$5 per share, the open-market trading of our common stock will be subject to the penny stock rules, unless we otherwise qualify for an exemption from the penny stock definition. The penny stock rules impose additional sales practice requirements on certain broker-dealers who sell securities to persons other than established customers and accredited investors (generally those with assets in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 together with their spouse). These regulations, if they apply, require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the associated risks. Under these regulations, certain brokers who recommend such securities to persons other than established customers or certain accredited investors must make a special written suitability determination regarding such a purchaser and receive such purchaser's written agreement to a transaction prior to sale. These regulations may have the effect of limiting the trading activity of our common stock, reducing the liquidity of an investment in our common stock and increasing the transaction costs for sales and purchases of our common stock as compared to other securities. The stock market in general and the market prices for penny stock companies in particular, have experienced volatility that often has been unrelated to the operating performance of such companies. These broad market and industry fluctuations may adversely affect the price of our stock, regardless of our operating performance. Stockholders should be aware that, according to SEC Release No. 34-29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns

include (1) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (2) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (3) boiler room practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (4) excessive and undisclosed bid-ask differential and markups by selling broker-dealers; and (5) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the resulting inevitable collapse of those prices and with consequent investor losses. The occurrence of these patterns or practices could increase the volatility of our share price.

We may not be able to attract the attention of major brokerage firms, which could have a material adverse impact on the market value of our common stock. Security analysts of major brokerage firms may not provide coverage of our common stock since there is no incentive to brokerage firms to recommend the purchase of our common stock. The absence of such coverage limits the likelihood that an active market will develop for our common stock. It will also likely make it more difficult to attract new investors at times when we require additional capital.

We may be unable to list our common stock on NASDAQ or on any securities exchange. Although we may apply to list our common stock on NASDAQ or the American Stock Exchange in the future, we cannot assure you that we will be able to meet the initial listing standards, including the minimum per share price and minimum capitalization requirements, or that we will be able to

maintain a listing of our common stock on either of those or any other trading venue. Until such time as we qualify for listing on NASDAQ, the American Stock Exchange or another trading venue, our common stock will continue to trade on the OTC Bulletin Board or another over-the-counter quotation system, or on the pink sheets, where an investor may find it more difficult to dispose of shares or obtain accurate quotations as to the market value of our common stock. In addition, rules promulgated by the SEC impose various practice requirements on broker-dealers who sell securities that fail to meet certain criteria set forth in those rules to persons other than established customers and accredited investors. Consequently, these rules may deter broker-dealers from recommending or selling our common stock, which may further affect the liquidity of our common stock. It would also make it more difficult for us to raise additional capital.

Future sales of our equity securities could put downward selling pressure on our securities, and adversely affect the stock price. There is a risk that this downward pressure may make it impossible for an investor to sell his or her securities at any reasonable price, if at all. Future sales of substantial amounts of our equity securities in the public market, or the perception that such sales could occur, could put downward selling pressure on our securities, and adversely affect the market price of our common stock.

Item 1B Unresolved Staff Comments

None.

Item 2 Description of Property

Our corporate office mailing address is 1042 N. El Camino Real #261, Encinitas, CA 92024 and our books of record are maintained at 6118 Paseo Delicias, Rancho Santa Fe, California 92067. We currently have no outstanding leases or commitments to lease property.

Item 3 Legal Proceedings

On September 13, 2001, our Company filed a voluntary petition under Chapter 7, in the U.S. Bankruptcy Court, Northern District of California. On November 2, 2004, the Trustee filed its Report of Distribution and on January 4, 2005 a final decree was entered and the case was closed. From time to time and in the course of business, we may become involved in various other legal proceedings seeking monetary damages and other relief. The amount of the ultimate liability, if any, from such future claims cannot be determined at this time. However, in the opinion of our management, there are no legal claims currently pending or threatened against us that would be likely to have a material adverse effect on our financial position, results of operations or cash flows.

Item 4 (Removed and Reserved)

None.

Part II

Item 5 Market for Common Stock and Related Stockholder Matters

Our common stock began trading publicly on the OTC Bulletin Board under the symbol DVOP on May 8, 2008. The OTC Bulletin Board is a regulated quotation service that displays real-time quotes, last-sale prices and volume information in over-the-counter equity securities. The OTC Bulletin Board securities are traded by a community of market makers that enter quotes and trade reports. This market is extremely limited and any prices quoted may not be a reliable indication of the value of our common stock. The following table sets forth the high and low bid prices per share of our common stock by both the OTC Bulletin Board and the Pink Sheets for the periods indicated as reported on the OTC Bulletin Board.

| For the year ended June 30, 2010 | High | Low |
|---|-------------|------------|
| Fourth Quarter | \$0.60 | \$0.25 |
| Third Quarter | \$0.20 | \$0.15 |
| Second Quarter | \$5.00 | \$0.12 |
| First Quarter | \$0.95 | \$0.01 |

| For the year ended June 30, 2009 | High | Low |
|---|-------------|------------|
| Fourth Quarter | \$0.15 | \$0.01 |
| Third Quarter | \$0.51 | \$0.15 |
| Second Quarter | \$0.55 | \$0.25 |
| First Quarter | \$0.84 | \$0.10 |

The quotes represent inter-dealer prices, without adjustment for retail mark-up, markdown or commission and may not represent actual transactions. The trading volume of our securities fluctuates and may be limited during certain periods. As a result of these volume fluctuations, the liquidity of an investment in our securities may be adversely affected.

Effective as of February 2008, the SEC adopted new rules relating to the sale of restricted securities under Rule 144 of the Securities Act of 1933, as amended, with respect to the resale of such securities by shareholders of a shell company such as the Company. The new rules provide that shareholders of a shell company are not eligible to sell under Rule 144 unless the company (i) is subject to the reporting requirements of section 13 or 15(d) of the Exchange Act; (ii) has filed all reports and other materials required to be filed by section 13 or 15(d) of the Exchange Act, as applicable, during the preceding 12 months (or for such shorter period that the issuer was required to file such reports and materials), other than Form 8-K reports; and (iii) has filed current Form 10 information with the SEC reflecting that it is no longer a shell company and one year has elapsed from the date of that filing. The Company does not meet all of these requirements and shareholders of the Company are therefore not currently eligible to sell their shares under Rule 144.

The ability of individual shareholders to trade their shares in a particular state may be subject to various rules and regulations of that state. A number of states require that an issuer's securities be registered in their state or appropriately exempted from registration before the securities are permitted to trade in that state.

Holders of Record

As of September 17, 2010, 9,199,192 shares of our common stock were issued and outstanding.

Transfer Agent

Our transfer agent is Island Stock Transfer, St. Petersburg, Florida; telephone (727) 289-0010.

Dividends

We have never declared or paid any cash dividends on our common stock. For the foreseeable future, we intend to retain any earnings to finance the development and expansion of our business, and we do not anticipate paying any cash dividends on our common stock. Any future determination to pay dividends will be at the discretion of our Board of Directors.

Securities Authorized for Issuance under Equity Compensation Plans

At present, our Company has no Equity Compensation Plans.

Recent Sales of Unregistered Securities

None.

Item 6 Selected Financial Data

Disclosure not required as a result of our Company's status as a smaller reporting company.

Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis is intended as a review of significant factors affecting our financial condition and results of operations for the periods indicated. The discussion should be read in conjunction with our consolidated financial

statements and the notes presented herein. In addition to historical information, the following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. Our actual results could differ significantly from those anticipated in these forward-looking statements as a result of certain factors discussed in this prospectus. See SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS above.

Overview and Financial Results

As described above, effective May 30, 2008, 9,000,000 shares of our Company's 9,199,192 shares of common stock were purchased by QRSciences. On April 13, 2010, QRSciences completed the sale of the 9,000,000 shares of our Company's common stock which they owned to CT Partners, a California general partnership. Our Chief Executive Officer and sole director, Kevin Russeth, is a member of CT Partners. During all periods included in this Annual Report, our Company has not had any significant operations. As of the date of this report, our Company's ongoing operations have and will consist primarily of expenditures to maintain our Company in compliance with Securities and Exchange Commission regulations, accounting and auditing expenditures as well as expenditures for investor relations activities.

We had no revenues in the two years ended June 30, 2010. Our operating expenses for the years ended June 30, 2010 and 2009 totaled \$16,257 and \$111,809 respectively. All of our operating expenses were general and administrative expenses. Additionally during the years ended June 30, 2010 and 2009, we incurred interest expense on borrowings from QRSciences totaling \$7,647 and \$5,621, respectively.

Our net loss for the years ended June 30, 2010 and 2009 totaled \$23,904 and \$117,430, respectively. Our loss per share was \$0.00 for the year ended June 30, 2010 (\$0.01 for the year ended June 30, 2009).

Liquidity and Capital Resources

With no revenues or gross margin, our Company is currently dependent for funding of its continued operations on the holder of 97.83% of the outstanding shares of its common stock, CT Partners and its partners. While CT Partners has indicated a continuing willingness to fund the capital needs of our Company, there can be no assurance that they will not discontinue our funding at some date in the future.

Our sole asset as of June 30, 2010 was a cash balance of \$4,130 in a single bank account. Our liabilities at June 30, 2010 totaled \$20,385 (all current) and consisted of accruals for professional services rendered on our behalf by a member of CT Partners through that date (\$11,400), amounts due to CT Partners (totaling \$7,484) and other current payables and accruals totaling \$1,500. Our shareholders' deficit totaled \$16,255 at June 30, 2010 and included an accumulated deficit of \$262,608 that reflects net losses incurred from September 14, 2001 through June 30, 2010 (see also discussion of Fresh Start accounting in the notes to our financial statements included herein).

Plan of Operations

During the next twelve months, our Company has no definite plans to purchase or sell any plant or significant equipment. We currently have no employees as of the date of this Annual Report.

Critical Accounting Policies Involving Management Estimates and Assumptions

Our discussion and analysis of our financial condition and results of operations is based on our financial statements.

In preparing our financial statements in conformity with accounting principles generally accepted in the United States of America, we must make a variety of estimates that affect the reported amounts and related disclosures. Such significant accounting policies are described as follows. If actual results differ significantly from our estimates and projections, there could be a material effect on our financial statements.

Revenue Recognition. Any future revenues will be recognized on the accrual basis of accounting when earned. We will recognize revenue for products sold at the time that product has been shipped, the selling price is fixed, collection is reasonably assured and when both title and risk of loss transfer to the customer, provided no significant obligations remain. We will recognize revenues from the provision of services at the time they are rendered, the selling price is fixed and collection is reasonably assured, provided no significant obligations remain. The SEC's Staff Accounting Bulletin (SAB) No. 104, *Revenue Recognition*, provides

guidance on the application of generally accepted accounting principles to selected revenue recognition issues. We believe that our revenue recognition policy is appropriate and in accordance with generally accepted accounting principles and SAB No. 104.

Stock Based Compensation. We will account for employee stock-based compensation costs in accordance with Statement of Financial Accounting Standards (SFAS), No. 123R, *Share-Based Payment*, which requires all share-based payments to employees, including grants of employee stock options, to be recognized in our statements of operations based on their fair values. We expect to utilize the Black-Scholes option pricing model to estimate the fair value of employee stock based compensation at the date of grant, which requires the input of highly subjective assumptions, including expected volatility and expected life. Changes in these inputs and assumptions can materially affect the measure of estimated fair value of our stock based compensation.

Use of Estimates. 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. Accordingly, actual results could differ from those estimates.

Deferred Tax Valuation Allowance. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Valuation allowances are established when necessary to reduce deferred tax assets to the amount more likely than not to be realized. Income tax expense is the total of tax payable for the period and the change during the period in deferred tax assets and liabilities.

Fair Value Accounting On July 1, 2008, we adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157) (as amended by FSP No. 157-2), which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. SFAS 157 does not require any new fair value measurements, and has been partially deferred for non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), until our fiscal year beginning July 1, 2009, and interim periods within those fiscal years. The partial adoption of SFAS 157 for financial assets and liabilities did not have a material impact on our consolidated financial position, results of operations or cash flows.

In addition, on July 1, 2008, we adopted Statement of Financial Accounting Standards No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (SFAS 159). Under SFAS 159, companies may elect to measure certain financial instruments and certain other items at fair value. The standard requires that unrealized gains and losses on items for which the fair value option has been elected be reported in earnings. We did not elect to use the fair value option. Therefore, the adoption of SFAS 159 did not impact our consolidated financial position, results of operations or cash flows.

Recently Issued Accounting Pronouncements

Accounting standards promulgated by the Financial Accounting Standards Board (FASB) are subject to change. Changes in such standards may have an impact on the Company's future financial statements. The following are a summary of recent accounting developments.

In May 2009, the FASB issued additional guidance concerning subsequent events that requires that management must evaluate, as of each reporting period, events or transactions that occur for potential recognition or disclosure in the financial statements and the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date through the date that the financial statements are issued or available to be issued. It also requires the disclosure of the date through which an entity has evaluated subsequent events. We adopted the FASB guidance during the year ended June 30, 2010 and the required disclosures are included herein.

In April 2009, the FASB issued additional guidance defining fair value, establishing a framework for measuring fair value and expanding disclosure requirements. The new guidance emphasizes that even if there has been a significant decrease in the volume and level of activity, the objective of a fair value measurement remains the same. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants. The guidance provides a number of factors to consider when evaluating whether there has been a significant decrease in the volume and level of activity for an asset or liability in relation to normal market activity. In addition, when transactions or quoted prices are not considered orderly, adjustments to those prices based on the weight of available information may be needed to

determine their appropriate fair values. We adopted the new guidance for the year ended June 30, 2010 with no resulting impact on the Company's financial statements.

In June 2009, the FASB issued additional guidance which requires an enterprise to determine whether its variable interest or interests give it a controlling financial interest in a variable interest entity. The primary beneficiary of a variable interest entity is that the enterprise that has both (1) the power to direct the activities of a variable interest entity that most significantly impact the entity's economic performance, and (2) the obligation to absorb losses of the entity that could potentially be significant to the variable interest entity or the right to receive benefits from the entity that could potentially be significant to the variable interest entity. The guidance also requires ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. The new guidance is effective for our Company beginning January 1, 2010. The Company is evaluating the impact of this pronouncement but does not expect the adoption to have a material impact on its financial statements.

Item 7A - Quantitative and Qualitative Disclosures About Market Risk

Disclosure not required as a result of our Company's status as a smaller reporting company.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements at June 30, 2010 or 2009 nor at any time during the years then ended.

Item 8 Financial Statements

Report of Independent Registered Public Accountant

Balance Sheets at June 30, 2010 and 2009

Statements of Operations for the years ended June 30, 2010 and 2009

Statements of Changes in Shareholders' Deficit for the years ended June 30, 2010 and 2009

Statements of Cash Flows for the years ended June 30, 2010 and 2009

Notes to Financial Statements

To the Board of Directors and Shareholders:

Diversified Opportunities, Inc.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANT

I have audited the accompanying balance sheets of Diversified Opportunities, Inc. as of June 30, 2010 and 2009 and the related statements of operations, stockholders' deficiency and cash flows for the year and six months then ended, respectively. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with the standards of the Public Company Accounting Oversight Board (UNITED STATES). Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor was I engaged to perform, an audit of its internal control over financial reporting. My audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, I express no such opinion. 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Diversified Opportunities, Inc. as of June 30, 2010 and 2009 and the results of its operations, its cash flows and changes in stockholders' deficiency for the year and the six months then ended, respectively, in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that Diversified Opportunities, Inc. will continue as a going concern. The Company had immaterial assets consisting entirely of cash at June 30, 2010 and, as discussed in the notes to the financial statements, is dependent on future additional funding in order to meet its obligations. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are described in the notes to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Michael F. Cronin

Michael F. Cronin, Certified Public Accountant

Orlando, Florida

September 17, 2010

DIVERSIFIED OPPORTUNITIES, INC.
BALANCE SHEETS

June 30, 2010 and 2009

| | 2010 | 2009 |
|---|-----------------|------------------|
| ASSETS | | |
| Current assets: | | |
| Cash | \$ 4,130 | \$ 4,072 |
| LIABILITIES AND SHAREHOLDERS DEFICIT | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 1,500 | \$ 76,066 |
| Amounts due to related parties, including accrued interest | 18,885 | 114,511 |
| Total current liabilities | 20,385 | 190,577 |
| Shareholders deficit: | | |
| Preferred stock; \$0.001 par value; 10,000,000 shares authorized; no shares issued or outstanding | - | - |
| Common stock; \$0.001 par value; 300,000,000 shares authorized; 9,199,192 shares issued and outstanding | 9,199 | 9,199 |
| Additional paid-in capital | 237,154 | 43,000 |
| Accumulated deficit | (262,608) | (238,704) |
| Total shareholders' deficit | (16,255) | (186,505) |
| | \$ 4,130 | \$ 4,072 |

See accompanying notes.

DIVERSIFIED OPPORTUNITIES, INC.

STATEMENTS OF OPERATIONS

Years ended June 30, 2010 and 2009

| | 2010 | 2009 |
|---|-------------|--------------|
| General and administrative expenses | \$ 16,257 | \$ 111,809 |
| Interest expense in connection with borrowings from related parties | 7,647 | 5,621 |
| Net loss | \$ (23,904) | \$ (117,430) |
| Basic and diluted net loss per share | \$ (0.00) | \$ (0.01) |
| Basic and diluted weighted average common shares outstanding | 9,199,192 | 9,199,192 |

See accompanying notes.

DIVERSIFIED OPPORTUNITIES, INC.**STATEMENTS OF STOCKHOLDERS DEFICIT****Years ended June 30, 2010 and 2009**

| | Common stock | | Additional | Accumulated | Total |
|---|--------------|----------|--------------------|--------------|-------------------------|
| | Shares | Amount | paid-in capital | deficit | stockholders deficit |
| Balance at June 30, 2008 | 9,199,192 | \$ 9,199 | \$ 43,000 | \$ (121,274) | \$ (69,075) |
| Net loss | - | - | - | (117,430) | (117,430) |
| Balance at June 30, 2009 | 9,199,192 | 9,199 | 43,000 | (238,704) | (186,505) |
| Extinguishment of repayment obligations to QRSciences | - | - | 131,654 | - | 131,654 |
| Assumption of liability by related parties | - | - | 62,500 | - | 62,500 |
| Net loss | - | - | - | (23,904) | (23,904) |
| Balance at June 30, 2010 | 9,199,192 | \$ 9,199 | \$ 237,154 | \$ (262,608) | \$ (16,255) |

DIVERSIFIED OPPORTUNITIES, INC.**STATEMENTS OF CASH FLOWS****Years ended June 30, 2010 and 2009**

| | 2010 | | 2009 |
|--|-------------|----|-----------|
| Cash flows from operating activities: | | | |
| Net loss | \$ (23,904) | \$ | (117,430) |
| Adjustments to reconcile net loss to net cash flows from operating activities: | | | |
| Fair value of services provided by related parties | 11,133 | | - |
| Expenses paid by related parties | 11,576 | | - |
| Changes in accounts payable and accrued expenses | (666) | | 6,991 |
| Net cash flows from operating activities | (1,861) | | (110,439) |
| Cash flows from financing activities: | | | |
| Proceeds from related party borrowings | 4,000 | | 114,511 |
| Repayments of related party borrowings | (2,081) | | - |
| Net cash flows from financing activities | 1,919 | | 114,511 |
| Change in cash | 58 | | 4,072 |
| Cash, beginning balance | 4,072 | | - |
| Cash, ending balance | \$ 4,130 | \$ | 4,072 |

Noncash investing and financing transactions:

| | | | | |
|---|----|---------|----|---|
| Extinguishment of repayment obligations to QRSciences | \$ | 131,654 | \$ | - |
| Assumption of liability by related party | \$ | 62,500 | \$ | - |

1.

Basis of Presentation

Diversified Opportunities, Inc. (hereinafter referred to as DVOP, we or the/our Company) is incorporated in the state of Delaware. Our Company is controlled by CT Partners pursuant to the April 13, 2010 purchase by CT Partners of 9,000,000 shares of common stock from QRSciences. The 9,000,000 shares of DVOP common stock constitute 97.83% of the 9,199,192 shares of Company common stock outstanding as of June 30, 2010. This purchase of QRSciences' shares by CT Partners resulted in a change of control.

Going concern

Our financial statements have been prepared assuming that we will continue as a going concern. While we currently project that our cash on hand and existing commitments for additional investment will be sufficient to maintain our Company's operations beyond one year from the date of this annual report, we are dependent on CT Partners to fund our on-going operations that include primarily general and administrative expenses required to maintain our Company compliant with the requirements of a fully reporting public company. While we believe that CT Partners will continue to fund our operations for the foreseeable future, there is no requirement for CT Partners to maintain this funding.

Our dependence on CT Partners for the maintenance of our operations raises a substantial doubt about our ability to continue as a going concern due to uncertainties that could arise should CT Partners decide to no longer continue funding our Company. Our financial statements do not include any adjustments that might result from this uncertainty. We believe at present that CT Partners will continue to fund our operations. In the event of their discontinuation of funding our Company, our management could seek the capital we require from other sources.

However, there can be no assurance as to whether, when, or upon what terms we would be able to consummate any such financing.

2.

Summary of Significant Accounting Policies

Basis of Presentation

Our financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America. We adopted fresh-start accounting as of September 14, 2001 in accordance with the guidance specified by American Institute of Certified Public Accounts Statement of Position (SOP) 90-7, *Financial Reporting by Entities in Reorganization under the Bankruptcy Code*. Our accumulated deficit for all periods presented reflects our losses to date since September 14, 2001 in accordance with SOP 90-7.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash and investments that are readily convertible into cash and have original maturities of three months or less. We had no cash equivalents at either June 30, 2010 or 2009.

Income Tax Expense Estimates and Policies

As part of the income tax provision process of preparing our financial statements, we are required to estimate our liabilities for income taxes. This process involves estimating our current tax expenses together with assessing temporary differences resulting from differing treatments of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities. Management then assesses the likelihood that our deferred tax assets will be recovered from future taxable income and to the extent believed that recovery is not likely, a valuation allowance is established. Further, to the extent a valuation allowance is established and changes occur to this allowance in a financial accounting period, such changes are recognized in our tax provision in our consolidated statement of

operations. We use our judgment in making estimates to determine our provision for income taxes, deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets.

There are various factors that may cause these tax assumptions to change in the near term, and we may have to record a future valuation allowance against our deferred tax assets. We recognize the benefit of an uncertain tax position taken or expected to be taken on our income tax returns if it is more likely than not that such tax position will be sustained based on its technical merits.

We account for uncertainties in income taxes in accordance with FIN 48, *Accounting for Uncertainty in Income Taxes an Interpretation of FASB No. 109* (FIN 48) which prescribes a recognition threshold and measurement process for recording in the financial statements uncertain tax positions taken or expected to be taken in a tax return.

Additionally, FIN 48 provides guidance on recognition, classification, accounting in interim periods and disclosure requirements for uncertain tax positions.

Share-Based Compensation

We account for share-based compensation arrangements in accordance with the provisions of Statement of Financial Accounting Standards No. 123R (SFAS 123R) *Share-Based Payment*, which requires the measurement and recognition of compensation expense for all share-based payment awards to employees and directors based on estimated fair values. We use the Black-Scholes option valuation model to estimate the fair value of our stock options and warrants. The Black-Scholes option valuation model requires the input of subjective assumptions to calculate the value of stock options. We use historical data among other information to estimate the expected price volatility, the expected option life and the expected forfeiture rate.

Net loss per share

Basic net loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted net loss per common share is computed using the weighted average number of common dilutive and dilutive equivalent shares outstanding during the period. Dilutive common equivalent shares consist of options and warrants to purchase common stock (only if those options and warrants are exercisable at prices below the existing market price) and shares issuable upon the conversion of preferred stock. We had no common equivalent shares outstanding during any period included herein and accordingly, dilutive loss per share was equivalent to basic loss per share. All share and per share amounts have been restated for the effect of the 25 for 1 reverse stock split in February

2008.

Litigation

From time to time, we may become involved in disputes, litigation and other legal actions. We estimate the range of liability related to pending litigation where the amount and range of loss can be estimated. We record our best estimate of a loss when the loss is considered probable. Where a liability is probable and there is a range of estimated loss with no best estimate in the range, we record a charge equal to at least the minimum estimated liability for a loss contingency when both of the following conditions are met: (i) information available prior to issuance of the financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements and (ii) the range of loss can be reasonably estimated.

Recently Issued Accounting Pronouncements

Accounting standards promulgated by the Financial Accounting Standards Board (FASB) are subject to change. Changes in such standards may have an impact on the Company's future financial statements. The following are a summary of recent accounting developments.

In May 2009, the FASB issued additional guidance concerning subsequent events that requires that management must evaluate, as of each reporting period, events or transactions that occur for potential recognition or disclosure in the financial statements and the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date through the date that the financial statements are issued or available to be issued. It also requires the disclosure of the date through which an entity has evaluated subsequent events. We adopted the FASB guidance during the year ended June 30, 2010 and the required disclosures are included herein.

3.

Related party transactions

Effective as of July 29, 2008, our Company also entered into a Loan Agreement with QRSciences, which agreement was subsequently amended on November 25, 2008. The Loan Agreement provided that the Company was entitled to borrow up to \$500,000 from QRSciences, provided the purposes of the requested funds were approved by QRSciences. The amount borrowed by the Company under the Loan Agreement accrued interest at 8% and was due and payable as agreed by the parties.

Through April 13, 2010, QRSciences advanced to our Company funds for operating expenses and working capital requirements totaling \$131,654 (including accrued interest). Interest expense from borrowings from QRSciences totaled \$7,647 and \$5,621 for the years ended June 30, 2010 and 2009, respectively. Effective April 13, 2010, we terminated our Loan Agreement with QRSciences and in connection with the termination, QRSciences extinguished all outstanding repayment obligations of our Company under the Loan Agreement. We accounted for the extinguishment of the repayment obligations as an addition to additional paid in capital.

Effective April 1, 2010, CT Partners assumed our Company's liability totaling \$62,500 for the future issuance of 208,333 shares of our common stock in connection with Finders' fees incurred during the year ended June 30, 2008. CT Partners expects to satisfy the liability with cash payments to the Finders totaling \$3,000. CT Partners assumption of the liability was accounted for as a capital contribution of the carrying value of the liability at March 31, 2010.

4.

Stockholders' equity

Common stock

We are currently authorized to issue up to 300,000,000 shares of \$0.001 par value common stock. All issued shares of common stock are entitled to vote on a one share/one vote basis.

Preferred stock

We are currently authorized to issue up to 10,000,000 shares of \$0.001 preferred stock.

Stock options and warrants

There are no employee or non-employee options or warrant grants outstanding.

5.

Income taxes

We estimate that our net operating loss carryforwards incurred prior to May 30, 2008 that would be available to reduce future income taxes were significantly reduced or eliminated through our change of control in accordance with Internal Revenue Code Section 382 (Section 382) and similar California rules. Our operating loss carry-forwards generated subsequent to May 30, 2008 total slightly in excess of \$200,000 through June 30, 2010. Our net operating loss carryforwards will be subject to expiration as to their future use beginning in 2023. Also, Section 382 and similar California rules place limitations on the amount of taxable income that can be offset by net operating loss carryforwards (NOL) after a change in control (generally greater than a 50% change in ownership). Future transactions such as sales of our preferred and/or common stock may be included in determining such a change in control.

Our deferred tax assets arise entirely as the result of our net operating loss carryforwards and at June 30, 2010 total approximately \$80,000. We have recorded a valuation allowance against our entire deferred tax asset balance due because we believe that a substantial doubt exists that we will be unable to realize the benefits of our net operating loss carryforwards due to our lack of a history of earnings and due to possible limitations under Section 382.

Item 9 Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A Controls and Procedures

Evaluation of Disclosure Controls and Procedures. We conducted an evaluation under the supervision and with the participation of our management consisting of our Chief Executive Officer (who is also our acting principal financial officer) of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) of the Exchange Act. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by our Company in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures also include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on this evaluation, our Chief Executive Officer has concluded that our disclosure controls and procedures were effective as of June 30, 2010. Taken into consideration in this evaluation were the current size and scope of our operations, lack of transactions, financial activity and complexity.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with the authorization of our management and directors; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

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

Management assessed the effectiveness of our internal control over financial reporting as of June 30, 2010. In making this assessment, management used the framework set forth in the report entitled *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. The COSO framework summarizes each of the components of a company's internal control system, including (i) the control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, and (v) monitoring. Based on that assessment under such criteria, management concluded that the Company's internal control over financial reporting was effective as of June 30, 2010.

Our Company currently operates as a shell company (as defined in Rule 12b-2 of the Exchange Act) and accordingly its operations, volume and complexity of transactions is slight. Management's conclusion concerning the effectiveness of our internal control over financial reporting as of June 30, 2010 was strongly influenced by our Company's current status as a shell company.

Management's Remediation Initiatives

None as of the date of this Annual Report.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Changes in Internal Controls over Financial Reporting

None.

Attestation Report of the Registered Public Accounting Firm

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. We were not required to have, nor have we, engaged our independent registered public accounting firm to perform an audit of internal control over financial reporting pursuant to the rules of the Commission that permit us to provide only management's report in this annual report.

Item 9B Other Information

None.

Item 10 Directors and Executive Officers of the Registrant

Our directors are elected by our shareholders to a term of one year and to serve until his successor is duly elected and qualified, or until his death, resignation or removal. Each of our officers is appointed by our Board of Directors to a term of one year and serves until his successor is duly elected and qualified, or until his death, resignation or removal from office.

The number of Directors is determined by resolution of our Board of Directors or by our stockholders at our annual meeting. Our current Board of Directors consists of one Director who was elected to serve on our Board on May 30, 2008.

Name

Age

Position

Kevin Russeth

President, Chief Executive Officer, Chief Financial Officer, Secretary and a Director of the Company

Mr. Kevin Russeth has been the Company's Chief Executive Officer, President, Chief Financial Officer and Secretary and a director since May 2008. He is currently a partner with Rancho Santa Fe Partners a boutique investment advisory firm based in San Diego, California. Mr. Russeth was previously the Managing Director of QRSciences Holdings Limited, a public company headquartered in Melbourne, Australia from March 2002 until February 2010. He was the Chief Executive Officer and Executive Director of QRSciences Holdings Limited's subsidiary, QRSciences Pty Ltd from June 2002 until February 2010 and President of QRSciences Corp from March 2004 until February 2010. Mr. Russeth was a director of Spectrum SDI from February 2006 until its sale to Science Applications International Corporation in December 2009. Mr. Russeth acted as Executive Chairman and Chief Executive Officer of QRSciences Holdings Limited from June 2002 until December 2007. Prior to his tenure at QRSciences, Mr. Russeth spent several years in the financial services industry in a variety of rolls with E. F. Hutton, Shearson Lehman and Merrill Lynch. Mr. Russeth started his career as a Systems Engineer with Electronic Data Systems graduating from their SED program in 1984. Mr. Russeth holds a Bachelor of Arts degree in Business Administration from Gustavus Adolphus College.

Audit Committee

Our entire Board of Directors serves as our Audit Committee. Our sole member of our Board of Directors is not independent as defined by item 401(e) (ii) of regulation S-B.

Director Qualifications

In addition to the information above regarding Mr. Russeth's business experience and previous service on the boards of directors of other companies, our board of directors considered experience, qualifications or skills which include the following in concluding that Mr. Russeth is qualified to serve as a director:

Mr. Russeth has significant experience serving as a founder, chief executive officer or a senior executive of various public and private companies. He brings his experience in operations, finance and investment banking to our board.

Our board of directors currently consists of only one member. The Company anticipates adding additional members as such time as appropriate, if such additional members can be identified and agree to join our board of directors. In evaluating potential director nominees, our board of directors will consider, among others, the following factors:

- Integrity

- Independence

- Diversity of viewpoints and backgrounds

- Extent of experience

- Length of service

- Number of other board and committee memberships

- Leadership qualities

- Ability to exercise sound judgment

Leadership Structure

The chairman of our board of directors also serves as our chief executive officer. Our board of directors does not have a lead independent director. Our board of directors has determined that its leadership structure is appropriate and effective in light of the fact that the Company only has one director and executive officer at this time. Our board of directors believes that having a single individual serve as both chairman and chief executive officer provides clear leadership, accountability and promotes strategic development and execution of the Company's limited operations.

Risk Management

Our board of directors oversees the risk management of our Company. Our board of directors regularly reviews information provided by the Company's auditor and consultants to oversee the risk identification, risk management and risk mitigation strategies. Additionally, our board of directors considers, as appropriate, risks among other factors in reviewing any potential business opportunity for the Company.

Code of Ethics

The Company has adopted a Code of Business Ethics and Conduct (the Code) that applies to the every officer of and Director to the Company. The Code is attached an exhibit to this Annual Report. The Code is also available free of charge upon request by mailing a request to the Company at 1042 N. El Camino Real, B261, Encinitas, California 92024, Attn: Kevin Russeth, CEO.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our Company's directors and officers, and persons who own more than ten-percent (10%) of the company's common stock, to file with the Securities and Exchange Commission reports of ownership on Form 3 and reports of changes in ownership on Forms 4 and 5. Such officers, directors and ten-percent stockholders are also required to furnish our Company with copies of all Section 16(a) reports they file. Based solely on our review of the copies of such forms received by the company and on written representations from certain reporting persons, we believe that all Section 16(a)

reports applicable to our officers, directors and ten-percent stockholders with respect to the fiscal year ended June 30, 2010 were timely filed.

Item 11 - Executive Compensation

For the two years ended June 30, 2010, our executive officer has elected to forego all forms of compensation.

Executive compensation was determined through decisions undertaken by our Board of Directors. Our Company does not have a formal Compensation Committee. We expect that should our Company change its status as a shell company, our corporate policies with respect to compensation will be significantly upgraded and expanded.

The following table summarizes the compensation to the present and former officers and directors of the Company for the last two fiscal years. Mr. Russeth was appointed to his positions within our Company on May 30, 2008.

SUMMARY COMPENSATION TABLE

Change in

Pension

Value and

Non-Qual.

Deferred

Stock

Option

Non-equity

Compens.

All Other

Salary

Bonus

Awards

Awards

Incentive

Earnings

Compensation(1)

Total

Position

Period⁽¹⁾

(\$)

(\$)

(\$)

(\$)

Comp (\$)

(\$)

(\$)

(\$)

Kevin Russeth

2010

0

0

0

0

0

0

0

0

2009

0

0

0

0

0

0

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CEO/CFO/Secretary/Director

(1) Twelve months ended June 30, 2010 and 2009

There were no option grants or exercises by any of the executive officers named in the Summary Compensation Table above.

The Company has no employment agreements.

Our current director is an employee of the Company and is not compensated in his capacity as director.

Item 12 - Security Ownership of Certain Beneficial Owners and Management

As of September 17, 2010, we had 9,199,192 shares of common stock issued and outstanding. The following table sets forth as of that date information regarding the beneficial ownership of our common stock with respect to (i) our officers and directors; (ii) by all directors and executive officers as a group; and (iii) all persons which the Company, pursuant to filings with the Securities and Exchange Commission (the "SEC") and our stock transfer record by each person or group known by our management to own more than 5% of the outstanding shares of our common stock. Under the rules of the Securities and Exchange Commission, a person (or group of persons) is deemed to be a beneficial owner of a security if he or she, directly or indirectly, has or shares the power to vote or to direct the voting of such security, or the power to dispose of or to direct the disposition of such security. Accordingly, more than one person may be deemed to be a beneficial owner of the same security. A person is also deemed to be a beneficial owner of any security, which that person has the right to acquire within sixty (60) days, such as warrants or options to purchase shares of our common stock. Unless otherwise noted, each person has sole voting and investment power over the shares indicated below subject to applicable community property law.

| Name and Address of Beneficial Owner (1) | Amount and Nature of Beneficial Ownership | Percentage of Class Beneficially Owned |
|--|---|---|
| Officers and Directors | | |
| Kevin Russeth | 4,525,234 | 49.2% |
| Greater than 5% Shareholders | | |
| Steven Davis | 2,257,500 | 24.5% |
| Jonathan Shultz | 2,250,000 | 24.5% |

(1) Unless otherwise noted, the address is c/o Diversified Opportunities, Inc. 1042 N. El Camino Real #261, Encinitas, California, 92024.

Item 13 - Certain Relationships and Related Party Transactions

Related Transactions. Our Company closely reviews transactions between the Company and persons or entities considered to be related parties (collectively "related parties"). Transactions of this nature require the approval of our management and our Board of Directors. In the event of a transaction of a sufficiently material nature, our Company's policy is to solicit approval from our shareholders. Since January 1, 2006, we have not had any transactions in which any of our related parties had or will have a direct or indirect material interest, nor are any such transactions currently proposed, except as noted below.

Through April 13, 2010, QRSciences advanced to our Company funds for operating expenses and working capital requirements (along with accrued interest) totaling \$131,654, all of which was extinguished as of that date. Amounts advanced to our Company by QRSciences were pursuant to a loan agreement (as subsequently amended on November 25, 2008). The agreement provided that the Company may borrow up to \$500,000 from QRSciences, provided the purposes of the requested funds were approved by QRSciences. Amounts borrowed by the Company under the agreement accrued interest at 8% and were due and payable on the future date so agreed by the parties.

Through June 30, 2010, we owe members of CT Partners a total of \$18,884 for cash advanced and services provided on our Company's behalf.

On April 1, 2010, the members of CT Partners assumed the previously recorded liability of the Company to the Finders, with a stated value of \$62,500 on March 31, 2010.

Parent Companies. None.

Director Independence. Our sole member of our Board of Directors is not independent under the definition of independent director promulgated by the NASDAQ.

Item 14 Principal Accountant Fees and Services

Principal Accountant Fees and Services

(1) Audit Fees

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The aggregate fees billed for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements and review of financial statements included in the registrant's Form 10-K or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for two years ended June 30, 2010 and 2009 were \$4,000 and \$4,450, respectively.

(2) Audit-Related Fees

There were no fees billed during the two years ended June 30, 2010 for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the registrant's financial statements and are not reported under item (1).

(3) Tax Fees

No aggregate fees were billed for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning for two years ended June 30, 2010.

(4) All Other Fees

No aggregate fees were billed for professional services provided by the principal accountant, other than the services reported in items (1) through (3) for the two years ended June 30, 2010.

(5) Audit Committee

The Registrant's Audit Committee, or officer performing such functions of the Audit Committee, have approved the principal accountant's performance of services for the audit of the registrant's financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for the two years ended June 30, 2010. Audit-related fees, tax fees, and all other fees, if any, were approved by the officers performing the functions of the Audit Committee.

(6) Work Performance by others

The percentage of hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was less than 50 percent.

Item 15 Exhibits

Num.

Description

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Certification pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act, as amended, by Chief Executive Officer and principal financial officer (1)

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Certification pursuant to 18 U.S.C. §1350 by Chief Executive Officer and principal financial officer (1)

(1)

Filed as an Exhibit to this report.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Diversified Opportunities, Inc., a Delaware corporation

By: /s/ KEVIN RUSSETH

Kevin Russeth, President, Chief Executive Officer, Chief Financial Officer, Director and Secretary

September 17, 2010

Power of Attorney

I, the undersigned director and officer of Diversified Opportunities, Inc. hereby severally constitute and appoint Kevin Russeth, acting individually, his true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this annual report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

In accordance with the requirements of the Securities Act of 1934, this registration statement has been signed by the following persons in the capacities and on the dates stated.

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|---|--|--------------------|
| <u>/s/ KEVIN RUSSETH</u> Kevin Russeth | Kevin Russeth, President, Chief Executive Officer, Chief Financial Officer, Director and Secretary (Principal Executive Officer) | September 17, 2010 |

