

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 29, 2011

**DIVALL INSURED INCOME PROPERTIES 2, L.P.**

(Exact name of registrant as specified in its charter)

**Wisconsin**  
(State or Other Jurisdiction  
of Incorporation)

**000-17686**  
(Commission File Number)

**39-1606834**  
(IRS Employer  
Identification Number)

**1100 Main Street, Suite 1830**  
**Kansas City, MO 64105**  
(Address of principal executive offices)  
**816-421-7774**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## **Item 7.01. Regulation FD Disclosure**

The information provided in Item 8.01 of this current report on Form 8-K is incorporated herein by reference.

The information being furnished pursuant to Item 8.01 in this current report on Form 8-K and the information contained in Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (as amended, the "Exchange Act") or otherwise subject to the liabilities of that section. Such information may only be incorporated by reference in another filing under the Exchange Act or the Securities Act of 1933 if such subsequent filing specifically references this current report on Form 8-K. In addition, the furnishing of information in this current report on Form 8-K is not intended to, and does not, constitute a determination or admission by the Partnership that the information is material or complete.

## **Item 8.01. Other Events**

On August 29, 2011, DiVall Insured Income Properties 2, L.P. (the "Partnership") received notice of an unsolicited mini-tender offer from Peachtree Partners ("Peachtree") to purchase units of the Partnership (the "Units") from limited partners of the Partnership (the "Limited Partners") at a price of \$215.00 per Unit, less transfer fees of \$175 per investor and less any distributions paid after August 22, 2011. The Partnership expresses no opinion and is remaining neutral towards Peachtree's tender offer. The Partnership has drafted a letter to the Limited Partners dated August 31, 2011 providing further information regarding the tender offer by Peachtree.

A copy of the letter to the Limited Partners dated August 31, 2011 is attached to this current report on Form 8-K as Exhibit 99.1, which is incorporated herein by this reference.

A copy of the letter to the Limited Partners is also posted on the Partnership's website, which can be accessed at <http://www.divallproperties.com/newsletter.php>.

## **Item 9.01 Financial Statements and Exhibits**

### **(d) Exhibits**

99.1 Letter to Limited Partners.

## **Forward-Looking Statements**

This current report on Form 8-K and the information contained in Exhibit 99.1 incorporated herein may contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include statements describing the objectives, projections, estimates or future predictions of the Partnership's operations. These statements may be identified by the use of forward-looking terminology such as "anticipates," "believes," "could," "estimate," "expect," "will," or other variations on these terms. The Partnership cautions that by their nature forward-looking statements involve risk or uncertainty and that actual results may differ materially from those expressed in any forward-looking statements as a result of such risks and uncertainties, including but not limited to: future economic and market conditions; changes in the commercial real estate markets, and uncertainties related to tenant operations.

All forward-looking statements contained in Exhibit 99.1 incorporated herein are expressly qualified in their entirety by this cautionary notice. The reader should not place undue reliance on such forward-looking statements, since the statements speak only as of the date that they are made and the Partnership has no obligation and does not undertake any obligation to publicly update, revise or correct any forward-looking statement for any reason.

## SIGNATURES

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

**DiVall Insured Income Properties 2, L.P.**

By: The Provo Group, Inc., General Partner

Date: August 31, 2011

By: /s/Bruce A. Provo  
Bruce A. Provo, President, Chief  
Executive Officer and Chief Financial  
Officer

August 31, 2011

**RE: DiVall Insured Income Properties 2, L.P.  
Third Party Tender Offer**

Ladies and Gentlemen:

On or about August 22, 2011, Peachtree Partners and its affiliates (collectively, the “Bidder”) mailed a Repurchase Agreement to limited partners (“Limited Partners”) of DiVall Insured Income Properties 2, L.P. (the “Partnership”), for the purposes of making a third-party tender offer for up to 4.9% (2,268 Units) of the Partnership, including those already owned by the Bidder, at a purchase price equal to \$215 per Unit less transfer fees of \$175 per investor and less any distributions paid after August 22, 2011 (the “Offer”). Due to the Offer constituting only 4.9% of units in the Partnership, the Bidder did not file a Schedule TO with the Securities and Exchange Commission (“SEC”).

Pursuant to Rule 14e-2 of the Securities and Exchange Act of 1934 (as amended, the “Exchange Act”), the Partnership is obligated to take a position with respect to the Offer. To that end, in accordance with the terms of Rule 14e-2(a)(2) of the Exchange Act, the Partnership expresses no opinion and is remaining neutral toward the Offer because the decision to accept the Offer is purely an economic decision that will depend on each Limited Partner’s particular circumstance. Therefore, it would be inappropriate for the Partnership to substitute its judgment for that of the Limited Partners. However, the Partnership believes it is important that its Limited Partners understand the following information when considering selling Units to the Bidder or any other unsolicited offer.

1. Third-Party Sales:

The Partnership is not affiliated in any way with the Bidder and the money that may be tendered for the Offer does not come from or through the Partnership. Once the Partnership receives sufficient evidence of a sale from both the seller and buyer directing the Partnership to transfer the Units, the Units are transferred to the buyer upon the approval of the General Partner, The Provo Group, Inc (“TPG”). The Partnership will not be responsible for making sure the seller is paid. However, under the IRS Safe Harbor rules, in one year TPG can only approve the transfers of Units sold up to 2% of the total number of Partnership Units outstanding (46,280.30). We have already approved transfers aggregating approximately 1.98% in 2011. Accordingly, the Partnership does not have the ability to approve the transfer of any additional Partnership Units until the year 2012, except for Units sold and transferred through a Qualified Matching Service (see item 4 below).

With any unsolicited offer, it is important to thoroughly evaluate the terms and conditions. The fine print may be difficult to understand. For example, one area that seems to lead to confusion is who is entitled to receive (or get credit for) any distributions that occur before the sale is completed and the Unit is transferred.

The SEC has information for investors pertaining to mini-tender offers and has issued warnings about mini-tender offers. The SEC notice states: “Some bidders make mini-tender offers at below-market prices, hoping that they will catch investors off guard if the investors do not compare the offer price to the current market price.” The SEC notice can be found at [www.sec.gov/answers/miniten.htm](http://www.sec.gov/answers/miniten.htm).

## 2. Purchase Price of Offer:

The Offer is based on a purchase price equal to \$215 per Unit of Limited Partnership Interest, less transfer fees of \$175 per investor.

The Bidder’s purchase price is also subject to downward adjustment in the event of any distributions paid after August 22, 2011. As we understand the Offer, distributions paid after August 22, 2011 will reduce the \$215 per Unit purchase price.

Comparative transfer price information is available upon request to our Investor Relations Department. The Partnership’s records indicate that Units have recently traded in a range from \$250 to \$270 per Unit. The Partnership, however, makes no representation that these prices are fair or reasonable.

## 3. Current Rate of Return; Improved Portfolio:

The Partnership continues its efforts to eliminate weak performing properties and strengthen tenant quality, to provide greater stability. The Partnership’s aggregate distributions for the First and Second Quarters of 2011 were approximately \$520,000 (\$11.24 per Unit). The approximate annualized adjusted “operating return” for the First and Second Quarters of 2011 would be approximately 7.02%, based on the internal estimated Net Unit Value of \$320 per Unit as of December 31, 2010. Former tenant Chinese Super Buffet vacated its Phoenix, AZ property in late June of 2011 and therefore minimum monthly operating rental collections are anticipated to be approximately \$6,000 lower in the Third and Fourth Quarters of 2011. The carrying value of the vacant Phoenix, AZ property was reduced by \$540,118, to its estimated fair value of \$0 as of June 30, 2011. Therefore, as of June 30, 2011, the adjusted December 31, 2010 internal estimated Net Unit Value would be approximately \$12 lower at \$308 per Unit. Management is currently evaluating its options as to the vacant Phoenix, AZ property.

## 4. Qualified Matching Service:

Within the last several years, the Partnership instituted a “Qualified Matching Service” as defined in Section 1.7704-1(g) of the Treasury Regulations promulgated under Section 7704

of the Internal Revenue Code of 1986 (the “Code”), which facilitates the transfer of up to 10% of the total interest in the Partnership’s capital or profits provided certain requirements are met. This Qualified Matching Service provides for some liquidity, outside of a tender offer scenario, through which Units may be bought and sold.

5. Termination Scheduled for 2020:

The Partnership is currently scheduled to liquidate in 2020, although it is possible this liquidation deadline may be extended if the limited partners vote to amend the Limited Partnership Agreement of the Partnership. It is also possible that the Partnership would elect to sell its assets and liquidate prior to 2020.

In the event you have questions or require additional information, please feel free to contact DiVall Investor Relations at the address or number(s) below:

**MAIL:** DiVall Investor Relations  
C/O Phoenix American Financial Services, Inc.  
2401 Kerner Blvd.  
San Rafael, CA 94901

**PHONE:** 1-(800)-547-7686

**FAX:** 1-(415)-485-4553

Sincerely,

The Provo Group Inc., As General Partner of  
DiVall Insured Income Properties 2, LP

By: /s/Bruce A. Provo  
Bruce A. Provo, President