

**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): February 15, 2012

DIVALL INSURED INCOME PROPERTIES 2, L.P.
(Exact name of registrant as specified in its charter)

Wisconsin limited partnership
(State or Other Jurisdiction
of Incorporation)

000-17686
(Commission File Number)

(IRS Employer
Identification Number)

(Address of principal executive offices)

(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 (see General Instruction A.2. below):

- 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 2.02. Results of Operations and Financial Condition

Attached to this Form 8-K as Exhibit 99.1, is a copy of the 2011 Fourth Quarter Newsletter (“the Newsletter”) letter to be sent by DiVall Insured Income Properties 2, LP (“the Partnership”) to its limited partners (“the Limited Partners”) on or about February 15, 2012. The Newsletter informs the Limited Partners of certain financial and distribution information and other events relevant to the Partnership for the fourth quarter of 2011 and for the year-ended December 31, 2011, and for the upcoming fiscal year 2012.

Item 7.01. Regulation FD Disclosure

Attached to this Form 8-K as Exhibit 99.2, is a copy of a letter to be sent by the Partnership to its Limited Partners on or about February 15, 2012 from the General Partner, in connection with, among other things, the Partnership’s annual statement of the Net Unit Value (“NUV”) of each Limited Partner Unit (“Unit”), being the Partnership’s estimate of the NUV for purposes of the Employee Retirement Income Security Act, as amended (ERISA), which letter, is incorporated by reference in its entirety into this report.

In order for qualified plans to report account values as required by ERISA, we provide an estimated NUV on an annual basis. As of December 31, 2011, the annual statement of NUV for our Limited Partners subject to ERISA was estimated to approximate \$305 per Unit. The estimated NUV was determined by the use of a combination of different indicators and an internal assessment of value utilizing a common means of valuation, primarily under the direct capitalization method as of December 31, 2011. No independent appraisals were obtained or are planned to be obtained. The annual statement of estimated NUV for Limited Partners subject to ERISA and to certain other plan investors is only an estimate and may not reflect the actual NUV. It should be noted that ERISA plan fiduciaries and IRA custodians may use estimated NUV valuations obtained from other sources, such as prices paid for the Registrant’s units in secondary markets, and that such estimated unit valuations may well be lower than those estimated by the General Partner. The annual statement of estimated NUV is based on the estimated value of the Partnership’s Units as of the end of our fiscal year. As with any valuation methodology, the General Partner’s methodology is based upon a number of estimates and assumptions that may not be accurate or complete. Different parties with different assumptions and estimates could derive a different estimated NUV. Accordingly, with respect to the estimated NUV, the Partnership can give no assurance that:

- an investor would be able to resell his or her units at this estimated NUV;
- an investor would ultimately realize distributions per unit equal to the Partnership’s estimated NUV per Unit upon the liquidation of all of the Partnership’s assets and settlement of its liabilities;
- the Partnership’s units would trade at the estimated NUV in a secondary market; or
- the methodology used to estimate the Partnership’s NUV would be acceptable to FINRA or under ERISA for compliance with their respective reporting requirements.

The information furnished pursuant to this “Item 2.02 Results for Operations and Financial Condition” and “Item 7.01 Regulation FD Disclosure,” of Form 8-K and the information contained in Exhibits 99.1 and 99.2, shall not be deemed to be “filed” for the purposes of Section 18 of the Exchange Act (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.

Forward-Looking Statements

This current report on Form 8-K, and the information contained in Exhibit 99.1 and Exhibit 99.2 incorporated herein, 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, uncertainties related to tenant operations [insert other risks as appropriate].

All forward-looking statements contained in Exhibit 99.1 and Exhibit 99.2 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 publicly to update, revise or correct any forward-looking statement for any reason.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibits are included with this Report:

- 99.1 Fourth Quarter 2011 Newsletter of the Partnership.
- 99.2 Letter to Limited Partners of DiVall Insured Income Properties2, LP from General Partner, dated February 15, 2012.

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, LP
(Registrant)
By: The Provo Group, Inc., General Partner

Date: February 15, 2012

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

DiVall Insured Income Properties 2, L.P.

QUARTERLY NEWS

February 15, 2012

A Publication of The Provo Group, Inc.

FOURTH QUARTER

FOURTH QUARTER OF 2011 DISTRIBUTION...

The Partnership is distributing \$640,000 for the Fourth Quarter of 2011, which is \$13.83 per unit. This includes \$196,000 (\$4.24 per unit) from adjusted operating and other investment cash flows, which is \$54,000 (\$1.17 per unit) less than the original budgeted amount due primarily to the China Super Buffet vacancy; and \$444,000 (\$9.59 per unit) from the sale of the Denny's property in November of 2011, which we did not budget at the beginning of the year.

ADDITIONAL FINANCIAL INFORMATION CAN BE ACCESSED...

For further Quarterly 2011 unaudited financial information, see the Partnership's interim financial reports filed on Form 10-Q. A copy of the First, Second and Third Quarter 2011 10-Q's and other public reports can be viewed and printed free of charge at the Partnership's website at www.divallproperties.com or at the SEC's website at www.sec.gov. The Partnership's 2011 Annual Report on Form 10-K is anticipated to be filed with the SEC by March 31, 2012, at which time the report can also be accessed via the websites.

DISTRIBUTION HIGHLIGHTS

- **\$640,000 (\$13.83 per unit)** distributed for the **fourth** quarter of 2011, (see **Adjusted Condensed Statements of Cash Flows attached**).
- **\$1,390,000 (\$30.03 per unit)** distributed for the **first through fourth** Quarters of 2011, (see **Adjusted Condensed Statements of Cash Flows attached**).

Between \$1,591.75 and \$1,442.57 is the range of cumulative total distributions per unit from the *first* unit sold to the *last* unit sold before the offering closed (3/90), respectively. (Distributions are from both adjusted cash flow from operations and "net" cash activity from financing and investing activities).

PARTNERSHIP OUTLOOK for 2012...

As of December 31, 2011, 12 of the 13 Partnership properties were leased and all operating tenants were continuing to abide by the terms of their leases. The Applebee's lease is set to expire during the fourth quarter of 2012, and Management projects that the lease will be extended. Management plans to continue its objective to preserve capital and sustain property values, while selectively working to dispose of weaker investment properties, such as the Denny's, Phoenix, AZ property which was sold in November of 2011 (see Property Sold and Other Property Highlights on page 2 for further information).

Based on current projections, the Partnership anticipates distributing an aggregate of \$1.07 million (\$23.12 per unit) from adjusted operating cash flows and "net" cash activity from investing and financing activities for the four quarters of 2012. \$210,000 (\$4.54 per unit) is projected to be distributed in relation to each of the first through third quarters estimated activity and \$440,000 (\$9.51 per unit) is projected to be distributed for the fourth quarter estimated activity (includes anticipated fourth quarter of 2012 Buyer's Note balloon payment collection of \$233,000 from the 2009 installment sale of the Grand Forks, ND property).

FORWARD LOOKING STATEMENTS

Forward-looking statements that were true at the time made may ultimately prove to be incorrect or false. Investors are cautioned not to place undue reliance on forward-looking statements, which reflect the Partnership's management's view only as of February 1, 2012, the date this newsletter was sent for printing and mail assembly. The Partnership undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results. Factors that could cause actual results to differ materially from any forward-looking statements made in this newsletter include changes in general economic conditions, changes in real estate conditions and markets, inability of current tenants to meet financial obligations, inability to obtain new tenants upon the expiration of existing leases, and the potential need to fund tenant improvements or other capital expenditures out of operating cash flow.

SEE INSIDE

Property Highlights	2
Questions & Answers.....	2
Contact Information	2

PROPERTY SOLD

- **Denny's, Phoenix, AZ property sold:** Management entered into a Marketing and Agency Agreement ("Marketing and Agency Agreement") in late September of 2011 for the live sale auction of the Denny's property. The auction took place on October 18, 2011 and resulted in the sale of the Denny's property for the high bid price of \$475,000. Closing occurred on November 23, 2011, and the net cash sale proceeds of approximately \$444,000 are included with the fourth quarter of 2011 investor distributions.

OTHER PROERTY HIGHLIGHTS

- **Vacant Phoenix, AZ property:** The property was reclassified to property held for sale during the third quarter of 2011 upon the execution of the Marketing and Agency Agreement in late September of 2011 for the live sale auction of the vacant property. The auction took place on October 18, 2011 and did not result in the sale of the property. Management continues to market the property for sale.

QUESTIONS & ANSWERS

- ❖ ***When can I expect to receive my next distribution mailing?***
Your distribution correspondence for the First Quarter of 2012 is scheduled to be mailed on May 15, 2012.
- ❖ ***When can I expect to receive my Partnership K-1?***
According to IRS regulations, Management is not required to mail K-1's until April 15th, 2012. The 2011 K-1's are projected to be mailed in March of 2012.
- ❖ ***What was the estimated December 31, 2011 Net Unit Value ("NUV")?***
Management's had estimated the December 31, 2011 Net Unit Value of each interest of the Partnership to approximate \$305, as noted in the letter mailed to investors on February 15, 2012. Please note that the estimated year-end NUV should be adjusted (reduced) for any subsequent property sale(s) or applicable impairment write-downs during the following year. As with any valuation methodology, the General Partner's methodology is based upon a number of estimates and assumptions that may not be accurate or complete. Different parties with different assumptions and estimates could derive a different estimated NUV. Accordingly, with respect to the estimated NUV, the Partnership can give no assurance that:
 - an investor would be able to resell his or her units at this estimated NUV;
 - an investor would ultimately realize distributions per unit equal to the Partnership's estimated NUV per unit upon the liquidation of all of the Partnership's assets and settlement of its liabilities;
 - the Partnership's units would trade at the estimated NUV per unit in a secondary market; or
 - the methodology used to estimate the Partnership's NUV per unit would be acceptable to FINRA or under ERISA for compliance with their respective reporting requirements.
- ❖ ***How can I obtain hard copies of Quarterly and Annual Reports or other SEC filings?***
Please visit the Investor Relations page at the Partnership website at www.divallproperties.com or the SEC website at www.sec.gov to print a copy of the report(s) or contact Investor Relations.
- ❖ ***What is the meaning of the word "Insured" in the name of this investment?***
In the offering materials from the late 1980's, sponsored by the former general partners, there was a representation (but no "guarantee") that the Partnership would seek to insure rents from vacant properties. Although, there was some initial availability of very restrictive and limited (one year) insurance, that availability vanished in the early 1990's.
In other words, the former general partners were "fast and loose" with professing the concept of "Insured" and the next and final partnership they sold did not use the term in the investment's name.
- ❖ ***How do I have a question answered in the next Newsletter?***
Please e-mail your specific question to Diane Conley at dconley@theprovgroup.com by Wednesday, April 4, 2012 or visit the Investor Relations page at www.divallproperties.com.
- ❖ ***I've moved. How do I update my account registration?***
Please mail or fax to DiVall Investor Relations a signed letter stating your new address and telephone number. Updates cannot be accepted over the telephone or via voicemail messages.
- ❖ ***If I have questions or comments, how can I reach DiVall Investor Relations?***
You can reach DiVall Investor Relations at the address and/or number(s) listed below.

CONTACT INFORMATION

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
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DIVALL INSURED INCOME PROPERTIES 2 L.P.
ADJUSTED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 and 2009
(Unaudited)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Cash Flows Provided by Operating Activities	\$907,476 ***	\$1,014,481 **	\$964,218 **
Adjustments:			
Changes in working capital (a)	33,382	9,375	73,279
Net Cash flows advanced from past or current cash flows (reserved for future) (b)	(16,659)	4,025	(5,717)
Cash distributions to General Partner	(3,081) ***	(3,260) **	(3,290) **
Net Adjusted Cash Flows Provided by Operating Activities	\$921,118	\$1,024,621	\$1,028,490
Cash Flows provided by Investing Activities	\$468,882	\$40,379	\$111,510
Total Adjusted Cash Flows Provided by Operating Activities and Cash Flows Provided by Investing Activities	\$1,390,000	\$1,065,000	\$1,140,000
	(1)	(2)	(3)
	2011	2010	2009
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
4th Quarter Cash Distribution	\$640,000 ***	\$280,000 *	\$390,000 *
4th Quarter Cash Distribution per Limited Partner Unit	\$13.83	\$6.05	\$8.43
Date Mailed	2/15/2012	2/15/2011	2/15/2010
3rd Quarter Cash Distribution	\$230,000 *	\$275,000 **	\$245,000 **
3rd Quarter Cash Distribution per Limited Partner Unit	\$4.97	\$5.94	\$5.29
Date Mailed	11/15/2011	11/15/2010	11/13/2009
2nd Quarter Cash Distribution	\$265,000 *	\$305,000 **	\$275,000 **
2nd Quarter Cash Distribution per Limited Partner Unit	\$5.73	\$6.59	\$5.94
Date Mailed	8/15/2011	8/13/2010	8/14/2009
1st Quarter Cash Distribution	\$255,000 *	\$205,000 **	\$230,000 **
1st Quarter Cash Distribution per Limited Partner Unit	\$5.51	\$4.43	\$4.97
Date Mailed	5/13/2011	5/14/2010	5/15/2009
Total Cash Distributions for 1st through 4th Quarters	\$1,390,000	\$1,065,000	\$1,140,000
Total Cash Distributions per Limited Partner unit	\$30.03	\$23.01	\$24.63
Number of outstanding Limited Partner units*	46,280.30	46,280.30	46,280.30

- (1) Each quarter's distributions includes the Buyer's Note receivable payments related to the 2009 installment sale of the Panda Buffet, Grand Forks, ND property. The 4th quarter distribution also includes the \$444,000 in net sale proceeds from the November of 2011 sale of the Denny's, Phoenix, AZ property.
(2) Each quarter's distributions includes the Buyer's Note receivable payments related to the 2009 installment sale of the Panda Buffet, Grand Forks, ND property.
(3) 4th quarter distribution includes the initial net sale installment proceeds from the sale of the Panda Buffet, Grand Forks, ND property.

* As reported in applicable Annual Report filed on 10-K with the SEC

** As reported in applicable Quarterly Report filed on 10-Q with the SEC

*** Unaudited preliminary information. Annual report filed on 10-K yet to be filed with the SEC

- (a) Timing differences arising from the payment of certain liabilities in a period other than that in which the expense is recognized in determining net income may distort the actual cash flow that operations generate. Therefore, Management adjusts the Partnership's GAAP cash flow provided by operations to record such amounts in the period in which the liability was actually incurred and reserved for payment.
(b) As deemed necessary, Management adjusts the Partnership's GAAP cash flow provided by operations for cash flows advanced from past cash flows or current cash flows reserved for future distributions to allow the Partnership to operate normally.

Non-GAAP Financial Disclosure

Adjusted cash flow provided by operating activities is a non-GAAP financial measure that represents cash flow provided by operating activities on a GAAP basis adjusted for certain timing differences and cash flow advances (deferrals) as described above. Management believes that adjusted cash flow from operating activities is a useful supplemental measure for assessing the cash flow generated from the Partnership's period and is used in evaluating quarterly cash distributions to limited partners. Adjusted cash flow from operating activities should not be considered as an alternative for cash flow from operating activities computed on a GAAP basis as a measure of our liquidity.

February 15, 2012

**Re: DiVall Insured Income Properties 2, L.P.
(the “Partnership”)**

Dear Limited Partner:

Each limited partner who has a qualified plan is subject to annual reporting requirements under the Employee Retirement Income Security Act of 1974 (ERISA).

To assist you in filing this information for your investment in DiVall Insured Income Properties 2 Limited Partnership, we have estimated the **Net Unit Value** of each interest of the Partnership to approximate \$305 at December 31, 2011.

Because no formal market exists for the Partnership’s interest, actual sales prices of interests may vary. In addition, there is no assurance that these values will be obtained upon the future sale of the Partnership’s assets.

If you have any questions or need additional assistance, please contact Investor Relations at 800-547-7686.

Sincerely,
The Provo Group, Inc., General Partner

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