

## Submission Data File

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ABS Asset Class Type	
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Sponsor CIK	
Emerging Growth Company	No
Elected not to use extended transition period	No
(End General Information)	

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**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):** October 13, 2020

**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)

**1900 W 75<sup>th</sup> Street, Suite 100**  
**Prairie Village, KS 66208**  
(Address of principal executive offices)

**816-421-7444**  
(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))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## **Item 8.01 Other Events.**

On October 13, 2020, DiVall Insured Income Properties 2, L.P. (the “Partnership”) became aware 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 \$285 per Unit. Although the Partnership remained neutral in response to most prior “mini-tender offers”, the Partnership recommends that the Limited Partners reject Peachtree’s current mini-tender offer, as disclosed in the Partnership’s letter to the Limited Partners dated October 20, 2020 (the “Letter to Limited Partners”) providing further information regarding the mini-tender offer by Peachtree.

A copy of the Letter to Limited Partners 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 Limited Partners is also posted on the Partnership’s website, which can be accessed at <http://www.divallproperties.com/newsletter.php>. The Partnership is electing to file this Current Report on Form 8-K under this Item 8.01 to disclose the information required to be disclosed by Regulation FD.

## **Forward-Looking Statements**

This Current Report on Form 8-K, and the information contained in Exhibit 99.1 incorporated herein, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include statements about the expected timing, completion and effects of the proposed sale of assets and liquidation, as well as 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: changes in general economic conditions, changes in commercial real estate conditions and markets, inability of current tenants to meet financial obligations, inability to obtain new tenants upon the expiration of existing leases, the potential need to fund tenant improvements or other capital expenditures out of operating cash flow, and effects of the on-going Covid-19 pandemic.

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 publicly to update, revise or correct any forward-looking statement for any reason.

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

### **(d) Exhibits**

99.1 [Letter to Limited Partners](#)

**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: October 26, 2020

By: /s/ Bruce A. Provo

Bruce A. Provo,  
President

**Exhibit 99.1**

October 20, 2020

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

Ladies and Gentlemen:

On or about October 13, 2020, Peachtree Partners (the "Bidder") distributed an unsolicited "postcard" offer to Purchase to an unknown number of limited partners ("Limited Partners") of DiVall Insured Income Properties 2, L.P. (the "Partnership"). The offer agreed to purchase an unspecified number of the outstanding limited partnership units of the Partnership ("Units"), at a purchase price equal to \$285 per Unit (the "Offer").

Pursuant to Rule 14e-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Partnership is obligated to take a position with respect to the Offer. Historically, the Partnership remained neutral in response to "mini-tender offers" prior to November 2017. **In contrast, the Partnership does not recommend or endorse the current Offer, nor can the Partnership legally transfer any Units tendered to the Bidder.**

The Partnership strongly believes that the Bidder is not permitted to conduct this "mini tender offer" because the Bidder, together with its affiliates, beneficially owns more than 5% of the outstanding Units prior to the Offer. Based on a public filing with the SEC, the Partnership reasonably believes the controlling person of the Bidder already is the beneficial owner of over 5% of the outstanding Units. The Partnership has also previously advised the Bidder of the foregoing. In a lawful mini tender offer, the bidder may not beneficially own more than 5% of the subject class of securities upon completion of the mini tender offer. The Partnership further notes that the Bidder, and its affiliate whom the Partnership reasonably believes is the controlling person of the Bidder, are the subject of SEC cease-and-desist orders permanently enjoining them from committing any future violations of the federal securities laws and regulations relating to tender offers. In view of the foregoing, the Partnership has determined, upon the advice of its legal counsel, that the Partnership may not be permitted to process the transfer of any Units to the Bidder pursuant to its Offer.

The Partnership believes it is important that its Limited Partners understand the following information when considering the Offer or any other unsolicited offer.

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### 1. Third-Party Sales:

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 could lead to confusion is who is entitled to receive (or get credit for) any distributions that occur before the sale is completed and any Unit is transferred to the Bidder.

The SEC has information for investors pertaining to mini-tender offers and has issued warnings about mini-tender offers. One 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.” Information from the SEC on min-tender offers can be found at [www.sec.gov/answers/miniten.htm](http://www.sec.gov/answers/miniten.htm) and <https://www.sec.gov/investor/pubs/minitend.htm>.

### 2. Purchase Price of Offer:

The Offer is based on a purchase price equal to \$285 per Unit.

As the Partnership informed Limited Partners in a letter dated December 31, 2019, the Partnership estimated the NUV to approximate \$390 at December 31, 2019. That estimated NUV of approximately \$390 per Unit is approximately 27% greater than the purchase price offered by the Bidder, before deducting transfer fees and any distributions paid. This valuation is subject to a number of limitations, which are disclosed in more detail in the Form 8-K the Partnership furnished to the SEC on February 15, 2020.

In addition, 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 \$330 to \$339 per Unit. The Partnership, however, makes no representation that these prices are fair or reasonable.

### 3. Current Cash Yield on Net Unit Value:

Since the Partnership’s initial “investable” capital raise of \$39 million (net of \$7 million of syndication fees) in the early 1990’s, the Partnership has distributed approximately \$79 million to investors, from both operations and strategic sales.

With the consummation of the six lease extensions on our Wendy’s properties during 2020, we expect to be able to level out distributions in future years as \$518,000 of previous percentage rents (received annually) are expected to be received ratably as fixed rent monthly. Please refer to our website [www.divallproperties.com](http://www.divallproperties.com) for more information from the last two quarters’ newsletters.

Our appraised values will likely increase based on long-term lease extensions and the conversion of variable rent (percentage rent) to fixed minimum rent. We expect the annual appraisals to be completed later this year with all the significant new lease activity factored into the appraised values.

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Percentage Rents Earned in 2020 and Expected to Be Distributed February 2021

The Partnership earns a significant amount of percentage rents annually, but receives payment from the respective tenants in the following January. The Partnership's distribution of these significant amounts is expected to occur with the 2020 fourth quarter distribution payable February 2021. The Partnership expects the February 2021 distribution to represent a substantial percentage of the entire distributions related to 2020.

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, 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 with competitive bidding.

**Once again, you are not required to tender your Units to the Bidder, and the Partnership recommends that you not tender your Units. If you have agreed to tender your Units, we recommend that you contact the Bidder immediately and withdraw and rescind your tender in writing.**

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-(844)-932-1769

**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*

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Bruce A. Provo, President

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### **Additional Information and Where to Find It**

The General Partner and the principal executive of the General Partner do not have beneficial ownership in any equity interests in the Partnership. Other information about the General Partner and the principal executive of the General Partner is set forth in the Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, which was filed with the SEC on March 23, 2020.

### **Forward-Looking Statements**

This letter contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include statements about the expected timing, completion and effects of the proposed sale of assets and liquidation, as well as 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: changes in general economic conditions, changes in commercial real estate conditions and markets, inability of current tenants to meet financial obligations, inability to obtain new tenants upon the expiration of existing leases, the potential need to fund tenant improvements or other capital expenditures out of operating cash flow, and on-going effects of the Covid-19 pandemic.

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