YOLLES, TOAL & POST
DIVERSIFIED
PORTFOLIOS, INC.

Yolles, Toal & Post - Diversified Portfolios, Inc.
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This brochure provides you information about the qualifications and business practices of Yolles, Toal & Post – Diversified Portfolios, Inc. If you have any questions about the contents of this brochure, please contact us at (248) 644-3030. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

We are a registered investment adviser. Registration of an adviser does not imply any level of skill or training.

Additional information about Yolles, Toal & Post – Diversified Portfolios, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

SUMMARY OF MATERIAL CHANGES

This brochure was last updated on March 30, 2011. Since then there have been no material changes to this brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

You may request a copy of our Brochure by contacting Robert E. Toal, our Chief Compliance Officer, at 248-644-3030 or rtoal@diversifiedportfolios.net.

Additional information about us is also available via the SEC's website www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with us who are registered, or are required to be registered, as one of our investment adviser representatives of our firm.

TABLE OF CONTENTS

COVER PAGE i

SUMMARY OF MATERIAL CHANGES ii

TABLE OF CONTENTS iii

ADVISORY BUSINESS 1

FEES AND COMPENSATION 2

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT 3

TYPES OF CLIENTS 3

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS 4

DISCIPLINARY INFORMATION 5

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS 6

CODE OF ETHICS 6

BROKERAGE PRACTICES 6

REVIEW OF ACCOUNTS 8

CLIENT REFERRALS AND OTHER COMPENSATION 8

CUSTODY 9

INVESTMENT DISCRETION 9

VOTING CLIENT SECURITIES 9

FINANCIAL INFORMATION 9

ADVISORY BUSINESS

Our Owners and Principals

We are a Michigan corporation formed in 1993. We are required to disclose the persons owning twenty-five percent (25%) or more of our firm's common stock. Robert Toal, Ronald Yolles and Thomas Post, each a Partner of our firm, each own more than twenty-five percent (25%) of our firm's common stock.

Our Advisory Services

Investment Management for Individual Accounts

We offer personalized discretionary investment management services to you based on your investment goals, financial objectives and risk tolerance. If you engage us to provide you with investment management services, we will work with you to establish reasonable and appropriate investment objectives and expectations. We use this information to build a portfolio of investments for you based on the principles of broad diversification and a long-term allocation of assets among stocks, bonds and cash, consistent with your written objectives. We choose specific investments within your portfolio keeping minimization of transaction costs as a key goal. Once the portfolio is established, we monitor and reconcile your account with your custodian on a regular basis.

We perform our investment management service for you pursuant to the terms and conditions we establish in our written investment advisory agreement that we both sign at the beginning of our relationship. As described in further detail below in the "**INVESTMENT DISCRETION**" section beginning on page 9, we manage your accounts on a discretionary basis, which means that we determine the securities to buy and sell for your account without obtaining your specific consent prior to each transaction. However, you may place reasonable restrictions on our discretionary authority or place limitations on the types of investments for your account in writing.

Investment Management for Qualified Plans

We also provide investment management services to qualified retirement plans which are subject to the Employee Retirement Income Security Act of 1974, as amended, on a discretionary basis. As part of our services to qualified plans, we may act as an ERISA 3(38) fiduciary advisor. As a 3(38) advisor, you give us discretionary authority to manage your plan's assets. This means that you shift your fiduciary responsibility to us for the selection of your investments.

For qualified plan clients, we assist you with creating and maintaining your investment policy statement. Your investment policy statement may place restrictions on the types of investments the plan assets may invest in. We may adjust the asset allocation to ensure that the investment mix reflects the objectives of the chosen strategy. We continually monitor the performance of all investment options.

Financial & Retirement Planning

Commensurate with our investment management services, we may also advise you on issues related to your retirement planning or wealth management. To implement our advice, we may also recommend that you work with other professionals, such as attorneys or accountants, or utilize various financial products, such as insurance or securities, to implement our recommendations and to obtain your financial goals.

Assets Under Management

We manage your assets on a discretionary basis. As of December 31, 2010, we had $374,800,000 in client assets managed on a discretionary basis.

FEES AND COMPENSATION

Investment Management Fee Schedule

Although our fees for our services may be negotiated under certain circumstances, our standard fee schedule for all investment management services is as follows:

Market Value of Assets	Annual Fee
For the first $1,000,000	0.90%
For the next $1,000,000	0.75%
For the next $2,000,000	0.60%
Any amount over $4,000,000	0.50%

We establish with you the specific manner in which we charge our fees in the written investment advisory agreement signed with us prior to beginning our relationship.

Generally, we bill our fees on a quarterly basis based on the market value of your assets under our management, including cash and cash equivalents, as reported by your account custodian on the last day of the preceding quarter. We determine fees based on your initial account value, as reported by your account custodian and the value of your account at the end of each subsequent billing period. You may elect to be billed in advance or arrears each calendar quarter. We prorate our fee for accounts initiated or terminated during a calendar quarter. We also prorate our management fees for each capital contribution and withdrawal greater than $30,000 made during the applicable calendar quarter.

In certain circumstances, fees may be negotiated. Negotiated fees may be higher or lower than those described in this Brochure. In these circumstances, we will establish the negotiated fee schedule in your investment advisory agreement. As set forth in the "**TYPES OF**

CLIENTS" section beginning on page 3, we generally require you to have a minimum of $1,000,000 in assets to open an account for investment advisory services.

Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses incurred in connection with providing investment advisory services to you. Mutual funds and ETFs also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are in addition to our fee. For information that we consider when selecting Charles Schwab & Co., Inc. as the broker-dealer for client transactions and determining the reasonableness of their compensation (e.g., commissions) please see the "**BROKERAGE PRACTICES"** section beginning on page 6.

Either of us may terminate the agreement at any time by providing the other party with written notice. Upon termination, you will remain obligated for the payment of any services performed for your account prior to termination. Also, upon termination of any account, we will charge any earned fees or refund any prepaid, unearned fees as appropriate based on your billing method chosen.

Financial & Retirement Planning

We do not normally charge separately for financial or retirement planning. Very occasionally we are asked to provide one-time planning services. Fees for this type of service are negotiable. We will establish any fee with you prior to us providing you with financial planning services.

Direct Billing to Your Custodian

You may elect to be billed directly for fees or authorize us to directly debit fees from your accounts. Generally, our clients authorize us to bill our fees directly to Schwab, the custodian for the account, and authorize Schwab to deduct our fees directly from the client's account. If you provide us such authorization, Schwab's periodic statements will show each fee deduction from your account. You may withdraw this authorization for direct billing of these fees at any time by notifying Schwab or us in writing.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of your assets).

TYPES OF CLIENTS

We provide portfolio management services to individuals, high net-worth individuals, pension and profit-sharing plans, and trusts.

We impose certain conditions for opening or maintaining an account. Generally, we require a minimum of $1,000,000 of cash and/or securities to open an account for investment management services. We may waive this requirement if, for example, you have additional or related accounts that together exceed the minimum requirements.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

To analyze investments for your account, we use proprietary asset allocation information from Dimensional Fund Advisors (DFA) in Santa Monica, California. We also obtain information from a number of sources, both public and by purchase, including financial newspapers and magazines, research materials prepared by third-parties, corporate rating services, annual reports, prospectuses, filings with the SEC and company press releases. We believe these resources for information are reliable and regularly depend on these resources for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information.

Investment Strategies

We use a variety of investment strategies depending on your circumstances, financial objectives and needs. Investments made in portfolios are predominantly long term, and the frequency of trading is limited in order to keep costs low and taxable gains to a minimum. We use two software programs, Portfolio Center and TRX, to help us analyze portfolios. All accounts are reviewed by one of our three principals and periodically trades are needed to rebalance portfolios or to generate cash for client spending requirements. A list of required trades is prepared and entered into the Schwab Institutional trading platform, which allows for electronic submission of trades. Before we submit trades to Schwab, we review the trades again for accuracy. We then place the trade file electronically with Schwab and keep a paper copy of the trade list. We receive an electronic transaction file from Schwab the next day. Our trade log is then reconciled with the Schwab summary and any discrepancy is corrected immediately. We maintain an electronic record of all trades both by date and on a per client basis.

A trade made in error is one made mistakenly or unintentionally. In the event an error is made, of whatever nature, in the trading of a client account, we will take steps to correct the error as soon as practicable. Under normal circumstances we would make a trade to reverse the error immediately upon discovery of the error. However, if this is not allowed, e.g., where the "wash sale" rules of the Internal Revenue Code prevent immediate reversal of an error, then we place a corrective trade as soon as allowable. Regardless of the nature of the error, if a trade error occurs in your account, you will be reimbursed any and all costs that may result from the errant trade. It is our intention that you should not be harmed from trades erroneously made on your behalf.

Types of Investments and Risk of Loss

We develop a long term asset allocation startegy consistent with your investment goals, objectives and risk tolerance. In implementing this long term strategy, we predominantly use low cost, no-load open-end mutual funds and exchange traded funds (ETFs). We may very occasionally use individual securities to implement a strategy.

We offer advice about a wide variety of investment types, including mutual funds, index funds and ETFs, each having different types and levels of risk. We will discuss these risks with you in determining the investment objectives that will guide our investment advice for your account. We will explain and answer any questions you have about these kinds of investments, which present special considerations such as the following.

Investing in securities involves risk of loss that you should be prepared to bear. Obtaining higher rates of return on investments typically entails accepting higher levels of risk. We work with you to attempt to identify the balance of risks and rewards that is appropriate and comfortable for you. However, it is still your responsibility to ask questions if you do not fully understand the risks associated with any investment or investment strategy.

Also, while we strive to render our best judgment on your behalf, many economic and market variables beyond our control can affect the performance of your investments and we cannot assure you that your investments will be profitable or assure you that no losses will occur in your investment portfolio. Past performance is one relatively important consideration with respect to any investment or investment advisor, but it is not a predictor of future performance.

Many mutual funds and ETFs typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. These separate fees and expenses are disclosed in each fund's current prospectus, which is available from the fund or we can provide it to you upon request.

Consequently, for any type of fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: one layer of fees at the fund level and one layer of advisory fees and expenses to us. However, we primarily recommend no load mutual funds, which are funds in which investors do not pay a sales fee or commission. Generally speaking, you may purchase most mutual funds directly, without using our services and without incurring our advisory fees.

DISCIPLINARY INFORMATION

As a registered investment adviser, we must inform you of all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As a registered investment adviser, we must disclose information regarding our business activities, other than giving investment advice, our other activities in the financial industry, and any arrangements with related persons that are material to you or our advisory business. We are also required to disclose if we receive cash or other economic benefits from a third-party in connection with advising you. We have no information applicable to disclose.

CODE OF ETHICS

We have adopted a Code of Ethics for all supervised persons of the firm describing our high standard of business conduct and fiduciary duty to our clients. Our Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All of our supervised persons must acknowledge the terms of our Code annually, or as amended. Our employees and persons associated with us are required to follow our Code.

We or our employees may, from time to time, purchase mutual funds that we recommend to clients. Subject to our Code and applicable laws, all of our officers, directors, employees and affiliates may trade for their own accounts in securities which we recommend to or purchase for our clients. Our Code is designed to assure that our employees' personal securities transactions, activities and interests will not interfere with (i) making decisions in your best interest and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Nonetheless, because our Code, in some circumstances, permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from a client's market activity in a security held by an employee. We continually monitor employee trading under our Code to prevent conflicts of interest between our clients and us.

You may request a copy of our Code by contacting Robert E. Toal, our Chief Compliance Officer, at 248-644-3030 or rtoal@diversifiedportfolios.net

BROKERAGE PRACTICES

Directed Brokerage & Soft Dollars

We have established a brokerage relationship with Charles Schwab & Co., Inc., a registered broker-dealer for custodian and brokerage services. We are independently owned and operated and are not affiliated with Schwab. In selecting Schwab we considered our confidence

in the custodian, competitive rates for transactions, availability of no-load, no transaction fee mutual funds, website features, and its availability of research and custodial services. As a result of these additional services, you may pay commissions in excess of those which the broker, or another broker, may charge for transactional services alone. We, however, must determine in good faith that the amount of any commission paid is reasonable in relation to the value of the brokerage and research services provided, viewed in terms either of a particular transaction or our overall responsibilities with respect to our discretionary accounts. We must also determine that any services we receive provide lawful and appropriate assistance in our investment decision-making responsibilities.

Schwab offers independent investment advisory firms like us support products and services, such as institutional trading and custodial services, through their program Schwab Adviser Services™. To receive these services we must maintain a total of at least $10 million of our clients' assets in accounts at Schwab. These services are generally available to independent investment advisors on an unsolicited basis, at no charge, so long as we maintain a total of at least $10 million of our clients' assets in accounts at Schwab. As a result, these services are contingent upon us committing a specific amount of business, assets in custody, to Schwab.

Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or to accounts with a significantly higher minimum initial investment. Generally, if you choose Schwab as your custodian Schwab does not charge your accounts a separate custodial fee, but instead charges commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also offers us other products and services that assist us in managing and administering clients' accounts, but may not directly benefit your accounts. We may use many of these products and services to service all or some substantial number of our client accounts, including accounts not maintained at Schwab. These Schwab products and services include software and other technology that (1) provide us access to client account data, such as trade confirmations and account statements; (2) facilitate trade execution; (3) provide research, pricing and other market data; (4) facilitate payment of our fees from our clients' accounts; and (5) assist with back-office functions, recordkeeping and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services may include compliance, legal and business consulting, publications and conferences on practice management and business succession and access to employee benefits providers, human capital consultants and insurance providers. Schwab may also provide other benefits to us, such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend that you custody your assets at Schwab, we may take into account the availability of some of these products and services and other arrangements as part of the total mix of factors we consider, in addition to the nature, cost or quality of custody and brokerage services, which may create a potential conflict of interest.

However, to mitigate this conflict we do not limit the benefit of these products and services to only clients utilizing Schwab as their custodian. We use the research and other services provided by Schwab or other institutions with which our clients have accounts for the benefit of all clients. Unless directed otherwise, we seek to negotiate commissions, mark-ups, and other brokerage fees to ensure a reasonable rate based on multiple factors including execution prices which we review annually to determine their reasonableness.

REVIEW OF ACCOUNTS

We review each account at least quarterly to evaluate and ensure the conformity of the portfolio with your investment objectives. Other factors may trigger additional reviews, such as substantial changes in the market price of stocks and bonds, changes in your objectives or portfolio changes that would impact all accounts. All three of our principals conduct reviews and review trades when reviewing accounts.

We provide you a report on a quarterly basis. Quarterly reports account for the cost, current market value, and yield of each security held, as well as the time-weighted returns for all the relevant time periods covering the relationship. You will receive periodic reports, at least quarterly, from Schwab, as the custodian for your account, detailing the transactions within your account for that period.

CLIENT REFERRALS AND OTHER COMPENSATION

We may engage solicitors to market our services. If we do so, you will receive a separate solicitor's disclosure brochure describing our solicitation arrangements, the compensation we pay to the solicitor, and the terms of that relationship. You will also receive a copy of this Brochure. We pay the referral fee to the solicitor; you do not pay that fee. This policy is established pursuant to the rule 206(4)-3 under the Investment Advisors Act of 1940. Our referral fees are typically based on a percentage of assets that are placed under our management as a result of the referral.

Also, prior to joining our firm, Mr. Post arranged to pay a third party solicitor for referring clients to his former employer, Independence Advisors, Inc. Many of those referred clients became our clients, and under the arrangement, the solicitor may continue to receive a portion of the standard management fee for a period of time on such clients, which may vary on a case-by-case basis. The payment for a referral or solicitation does not influence the fee paid by our clients.

CUSTODY

You will receive statements from the broker-dealer, bank or other qualified custodian that holds and maintains your investment assets at least quarterly. We urge you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you, as described in the "**REVIEW OF ACCOUNTS**" beginning on page 8. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

INVESTMENT DISCRETION

We generally receive discretionary authority from you at the outset of an advisory relationship. Discretionary authority grants us the ability to determine, without obtaining your specific consent, the securities to be bought or sold for your portfolio, the amount of securities to be bought or sold, and in most cases, the broker or dealer to be used. As described in more detail in "**ADVISORY BUSINESS**" beginning on page 1, you may establish written investment guidelines and restrictions. In all cases, however, such discretion is to be exercised in a manner consistent with your stated investment objectives for the account and by considering the size of your account and your risk tolerance. When selecting securities and determining amounts, we observe any investment policies, limitations and restrictions you provide to us in writing. Also, you may sign an agreement with your custodian which generally includes a limited power of attorney granting us authority to direct and implement the investment and reinvestment of your assets within the account, but not direct the assets outside of the account.

VOTING CLIENT SECURITIES

As a matter of firm policy and practice, we will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in your account. Proxy solicitation materials will be forwarded to you for response and voting.

FINANCIAL INFORMATION

As a registered investment adviser, we are required to provide you with certain financial information or disclosures about our financial condition if we have financial commitments that impair our ability to meet contractual and fiduciary commitments to you. We have not been the subject of a bankruptcy proceeding and do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to you.