

DIVELEY LIND & ASSOCIATES, LLC

P.O. Box 128

Fort Defiance, VA 24437-0128

Telephone (540) 248-2275

Fax (540) 242-3198

FIRM BROCHURE

Prepared to comply with the disclosure
requirements of Form ADV Part II

Brochure Revision Date: July 24, 2012

This brochure provides information about the qualifications and business practices of Diveley Lind & Associates, LLC.

If you have any questions about the contents of this brochure, please contact us at (540) 248-2275. 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. Part 1 of our ADV may be viewed at www.adviserinfo.sec.gov

Material Changes

This page discloses any material changes since our last Form ADV Part II brochure dated March 31, 2011.

This brochure includes changes to comply with instructions and requirements for the Plain Language ADV. There have been no material changes in the operation of our business.

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Advisory Business Description

Diveley Lind & Associates, LLC (DLA), is an independent investment management and financial planning firm established in May 1997. The firm is owned and operated by Lynn M. Diveley, CFP, and Carl G. Lind, CFP.

DISCRETIONARY INVESTMENT MANAGEMENT SERVICES

We offer investment management services primarily to individuals, but also to trusts, estates, non-profit organizations, and business entities. We evaluate the financial circumstances of each prospective client and assist them in identifying their investment objectives. We determine the risk tolerance for each client, including factors such as age, income, cash flow needs, investment goals, and volatility tolerance. Managed portfolios typically include a combination of mutual funds, exchange traded funds, individual stocks and bonds, and a money market fund component. The client always maintains asset control. Clients may impose restrictions on investing, or not investing, in certain securities or types of securities.

As of June 30, 2012, we managed \$65,205,651.89 in assets, and had an additional \$4,853,688.00 in non-discretionary assets. Discretionary accounts totaled 232, and there were 2 non-discretionary accounts.

FINANCIAL PLANNING SERVICES

We offer financial planning services, assisting clients with setting goals, gathering information, analyzing that information, reviewing findings, making recommendations, and in some cases implementing the approved plan. Typically limited duration consultations are a part of these services.

PROFESSIONAL STAFF

Professionals employed by DLA will have a professional certification in the field of financial planning or investment management (typically Certified Financial Planner – CFP – or Chartered Financial Analyst – CFA), or be actively working on such certification. Professionals will have a minimum of 10 years industry experience, or a combination of 10 years industry experience and college education in a related discipline.

Lynn Meyer Diveley is a Principal of DLA. She was born in 1958, and attended Illinois Central College in Peoria, IL. She received her Certified Financial Planner (CFP) designation in 1988 through the College for Financial Planning in Denver, CO. Her business background for the past fourteen years has been as a founding principal of DLA. She is a NAPFA (National Association of Personal Financial Advisors) Registered Financial Advisor. Mrs. Diveley currently has over 34 years work experience in financial services.

Carl Garrett Lind is a Principal of DLA. He was born in 1952, and graduated from Virginia Tech in 1974 with a B.A. in History. He received his Certified Financial Planner (CFP) designation in 1990 through the College for Financial Planning in Denver, CO. His business background for the past fourteen years has been as a founding principal of DLA. He is an Affiliate Member of NAPFA (National Association of Personal Financial Advisors). Mr. Lind serves as Compliance Officer for DLA. He currently has over 34 years of work experience in financial services.

Holly Marie Ruff is a Portfolio Manager at DLA. She was born in 1977, and is a graduate of the University of Virginia with a B.A. in Mathematics (concentration in Financial Math) and a B.A. in Economics. She holds the Chartered Financial Analyst (CFA) designation. Mrs. Ruff began working at DLA in 2005, and prior to that was employed by Saxon Capital, Inc. and E*Trade Global Asset Management.

Fees and Compensation

DLA is a fee-only financial planning and investment management firm. We are compensated solely from fees paid by our clients and we do not accept commissions or compensation from other sources. Clients should be aware that DLA may recommend and utilize certain investments in clients' portfolios such as mutual funds and exchange traded funds (ETF's) which have embedded management fees and transaction fees at the fund level. These fees are further described in the prospectuses for the mutual funds and ETFs. DLA does not receive any portion of or any benefit from these fees.

DISCRETIONARY INVESTMENT MANAGEMENT SERVICES

Annual Management Fees:

1% on the first \$500,000 of market value

.75% on the next \$500,000 of market value

.50% on the balance

Minimum Annual Fee \$2,500 per year

All management fees will be deducted from clients' accounts on a monthly basis in arrears (that is, at the end of the period in which the management services were provided), based on the market value of assets under management at the end of each month. Either the client or DLA may terminate investment management agreements with written notice; prorated fees will be charged through termination date.

Financial Planning/Implementation Services:

Financial Planning Fees:

\$1,000 minimum due upon completion of the plan.

(The fee will be determined at the onset and put in writing for acceptance by the client prior to providing services. Fees are estimated based on the complexity of issues to be addressed and estimates of the time needed to complete the desired plan. An time-consuming, complex plan could cost as much as \$2,000)

Implementation Fees:

For clients who would like to receive the planning service and help implementing the plan but not receive ongoing Investment Management, the advisory fee is waived and a cost of 1% of the market value is charged, ½ due at the onset of the plan and the balance once the plan is completed (subject to an \$1,000 minimum).

Other Fees Paid By Clients:

Charges by the brokerage firm (typically Charles Schwab & Co.) will be paid by the clients, and deducted from their brokerage accounts. These fees include transaction charges for buying and selling securities and some mutual funds. Clients also pay management fees at the mutual fund and collective fund level which are not billed separately but deducted from the mutual funds and collective funds in which the client is in invested.

Negotiability of Fees:

All fees may be negotiated if circumstances exist, in the opinion of the principals, which warrant reduced fees.

Types of Clients

As of June 30, 2012, clients of DLA included individuals, trusts, retirement plans, and non-profit organizations. We have a minimum relationship size of \$250,000 in order to manage an account, although exceptions may be negotiated.

DLA recommends clients establish accounts with Schwab Institutional, a division of Charles Schwab & Co, Inc., that serve investment managers.

DLA will accept only a limited number of clients on a management basis (currently a maximum of 100 relationships) to assure our clients of the highest level of service.

Clients may also be authorized to have on-line access to their accounts and information as provided by the custodian of the assets.

Methods of Analysis, Investment Strategies and Risk of Loss

The management of investments involves the risk of loss. We believe that investment risk is modified and reduced by long term participation in the market as opposed to market timing. We only undertake long-term investment management, with long-term defined as five years or more. While DLA uses best efforts to manage risk within client portfolios, you should be aware that your investments may increase or decrease in value. Past performance is no guarantee of future results.

DLA investment management begins with a thorough understanding of client expectations and their financial and lifestyle objectives. The investments used in a particular investment portfolio will be tailored to individual needs, with emphasis on providing the financial security and

returns necessary to meet stated objectives. Of particular importance in determining this strategy will be tolerance of risk, time horizon, income needs, other assets, and any tax factors that may apply.

Most clients are best served by a balanced investment portfolio including equities (stocks), fixed income assets (bonds), and cash equivalents (money market funds). The percentage of the portfolio in each type of asset is adjusted periodically to keep the overall allocation in tune with your objectives. We do not believe in, nor practice, excessive portfolio turnover relative to the costs of executing the trades. We are conscious of the tax implications of trades and focus on achieving after-tax returns that meet the clients' investment objectives.

DLA manages risk at the portfolio level; individual investments held in a portfolio may exhibit greater risk characteristics than the portfolio as a whole. DLA manages portfolio risk by periodically rebalancing individual investments and asset classes within client portfolios.

The main sources of information used by DLA are proprietary and non-proprietary research reports, financial newspapers, magazines, and newsletters, corporate and government press releases, annual reports, prospectuses and SEC filings, and corporate rating services. We subscribe to various Morningstar data bases that allow us to sort individual securities by various characteristics we believe to indicate future growth prospects.

Disciplinary Information

The Advisor and its employees have not had any legal or disciplinary events for the past ten years, or longer for events considered more serious, that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management personnel.

Other Financial Industry Activities and Affiliations

Neither the Advisor nor its employees are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither the Advisor nor its employees are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Neither the Advisor nor its employees have any relationship or arrangement that is material to our business or our clients that would present a possible conflict of interest.

The Advisor does not recommend or select other investment advisors for our clients.

Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

The Advisor (DLA) and its employees have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. DLA will provide a copy of the Code of Ethics to any client or prospective clients upon request.

DLA and its employees may from time to time follow for their own accounts the advice given to clients about specific securities. Potential investments of this nature would be expected since we should be willing to personally practice our own investment advice, after taking into account investment goals, tolerance for risk, existing positions, cash needs, and income tax consequences of such transactions. Client accounts will be given

preference in the timing of order entry; trading ahead of clients for advantage is not permitted. There may be occasions, however when orders are not executed by the broker/s in the order received, or when standing limit orders to buy and sell, based on cash needs, existing capital gain and loss circumstances, and existing positions in a security, cause earlier transactions in an employee account.

Brokerage Practices

The Advisor (DLA) desires to only manage and trade in accounts established at Schwab Institutional, a division of Charles Schwab & Co. Schwab Institutional brokerage services include access to a broad range of investment products, execution of securities transactions at reduced rates, and custody of client assets. The investment products available through Schwab include some to which we might otherwise not have access to or that would require higher minimum investments by our clients.

Schwab makes available to DLA products and services that benefit DLA but may not directly benefit its clients' accounts. Some of these products and services assist us in managing and administering client accounts. These include software and other technology that provides access to client account data, facilitates trade execution, provide research, pricing information and other market data, facilitate payment of fees due DLA from client accounts, and assist with back-office support, recordkeeping, and client reporting.

The Advisor (DLA) reviews the execution of trades each month, and the trading fees charged. DLA does not receive any portion of any trading fees.

The Advisor (DLA) receives access to research and commentaries from Schwab Institutional and Charles Schwab & Co., as well as from numerous mutual fund companies. Investment decisions are made based upon the perceived best interests of the particular client.

Review of Accounts

Client accounts are reviewed on both an ongoing and periodic basis by the principals of the firm, Carl G. Lind and Lynn M. Diveley, who are jointly responsible for both the overall investment policy and the management of all client accounts. The investments are monitored to ensure positioning and appropriateness for the investment objectives and risk tolerance as agreed upon with the client. Investments will be personally reviewed with each management client at a mutually agreed upon schedule, usually quarterly but at least annually.

Reports

Clients will receive monthly statements directly from the custodian brokerage firm (Charles Schwab & Co.). In addition, Advisor (DLA) will provide written statements to management clients on at least a quarterly basis which show the current asset allocation, current value of all securities, cost basis for all securities (if known), securities transactions for the period, and total portfolio value. Clients are urged to compare DLA account statements with those received directly from the custodian.

Client Referrals and Other Compensation

DLA does not receive from, nor pay to, any third parties any cash referral fees or other economic benefits. However, during the course of providing financial services, DLA may refer clients to outside professional advisors. Under appropriate circumstances, the outside professional advisors to whom DLA may refer clients may refer clients to DLA for services. Under no circumstances will referrals be given or received by DLA on a quid pro quo basis.

Custody

DLA recommends clients establish accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer. Schwab provides DLA with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services are generally available to independent investment advisors at no charge to them as long as at least \$10 million of advisor's clients' accounts are maintained at Schwab. Schwab's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab also makes available to DLA other products and services that benefit DLA but may not directly benefit its clients' accounts. Some of these other products and services assist DLA in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as brokerage statements and trade confirmations) and facilitate trade execution. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third party providing these services to DLA. The availability to DLA of the foregoing products and services is not contingent upon DLA committing to Schwab any specific amount of business (assets in custody or trading).

DLA or its employees will not hold funds or securities for any account.

The Commonwealth of Virginia deems that when an advisor is authorized to deduct investment management fees directly from a client's account it has access to, it therefore has custody of client funds and securities in that account. As is consistent with this definition, DLA has this type of custody with any client whose fees are automatically deducted from their account and paid to DLA.

Investment Discretion

Discretionary investment management clients will execute an Investment Management Agreement with DLA. As part of the terms of this agreement, DLA will have full discretion to supervise, manage, and direct a client's investments, including the power and authority to purchase and sell assets and to place orders for the purchase and sale of securities without prior consultation with the client and at times DLA deems appropriate.

Transactions for each client generally will be entered individually, unless DLA desires to purchase or sell securities in a number of client accounts simultaneously. No client is favored over any other client.

DLA does not participate in "hot" issues, including Initial Public Offerings (IPO's).

Voting Securities

DLA will not typically exercise proxy voting authority over client securities. However, at client request, DLA will provide recommendations on voting proxies to clients, will exercise proxy voting authority, and maintains a proxy log detailing such votes as made. Company proxy statements will be provided to clients by Schwab, and are available at <http://www.sec.gov/>, then go to Edgar for company filings. Clients may contact us with questions about particular solicitations. While clients can vote their own proxies, they cannot direct Advisor (DLA) on how to vote proxies. Clients may obtain a copy of our proxy voting policies and procedures upon request.

Financial Information

An advisor having discretionary authority or custody of client funds or securities must disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. DLA meets this threshold, maintains timely prepared financial records, and knows of no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. In addition, since its inception, DLA has not been the subject of any bankruptcy petitions.

Requirements for State-Registered Advisors

Lynn Meyer Diveley is a Principal and 50% owner of DLA. She was born in 1958, and attended Illinois Central College in Peoria, IL. She received her Certified Financial Planner (CFP) designation in 1988 through the College for Financial Planning in Denver, CO. Her business background for the past fifteen years has been as a founding principal of DLA. She is a NAPFA (National Association of Personal Financial Advisors) Registered Financial Advisor. Mrs. Diveley currently has over 34 years work experience in financial services.

Carl Garrett Lind is a Principal and 50% owner of DLA. He was born in 1952, and graduated from Virginia Tech in 1974 with a B.A. in History. He received his Certified Financial Planner (CFP) designation in 1990 through the College for Financial Planning in Denver, CO. His business background for the past fifteen years has been as a founding principal of DLA. He is an Affiliate Member of NAPFA (National Association of Personal Financial Advisors). Mr. Lind serves as Compliance Officer for DLA. He currently has over 34 years of work experience in financial services.

Neither Mrs. Diveley or Mr. Lind is involved in any other business. Neither

Mrs. Diveley or Mr. Lind is compensated with performance-based fees. Neither Mrs. Diveley or Mr. Lind has ever been found liable in any arbitration claims whatsoever, and neither Mrs. Diveley or Mr. Lind has been found liable in any civil, self-regulatory organization, or administrative proceeding. Neither Mrs. Diveley or Mr. Lind has a relationship or arrangement with any issuer of securities.

Privacy Policy

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information (Regulation S-P). Please review the policies we have implemented to safeguard your non public personal information.

Diveley Lind & Associates, LLC (DLA), an independent financial planning firm, is committed to safeguarding the confidential information of its clients. We hold all personal information provided to our firm in strictest confidence. These records include all personal information that we collect from you in connection with any of the services provided by DLA. We have never disclosed information to nonaffiliated third parties, except as permitted by law, and do not anticipate doing so in the future. If we were to anticipate such a change in firm policy, we would be prohibited under the law from doing so without advising you first. As you know, we use financial and health information that you provide to us to help you meet your personal financial goals while guarding against any real or perceived infringements of your rights of privacy. Our policy with respect to personal information about you is listed below.

- *We limit employee access to information only to those who have a business or professional reason for knowing, and only to nonaffiliated parties as permitted by law. (For example, federal regulations permit us to share a limited amount of information about you with a brokerage firm in order to execute securities transactions on your behalf, or so that our firm can discuss your financial situation with your accountant or lawyer).*
- *We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.*
- *The categories of nonpublic personal information that we collect from a client depend upon the scope of the client engagement. It will include information about your personal finances, information about your health to the extent that it is need for the planning process, and information about transactions between you and third parties.*
- *For unaffiliated third parties that require access to your personal information, including financial services companies, consultants, and auditors, we also require strict confidentiality in our agreements with them and expect them to keep this information private. Federal and state regulators also may review firm records as permitted by law.*

- *We do not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.*
- *Personally identifiable information about you will be maintained during the time you are a client, and for the required time thereafter that such records are required to be maintained by federal and state securities laws, and consistent with the CFP Board Code of Ethics and Professional Responsibility. After this required period of record retention, all such information will be destroyed.*

Please let us know if you have any questions regarding this or other policies, because your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.

Brochure Supplement (Part 2B of Form ADV)

July 24, 2012

Supervised Person: Holly Marie Ruff, CFA
Diveley Lind & Associates, LLC
P.O. Box 128
Fort Defiance, VA 24437-0128
Telephone: (540) 234-0541

This brochure supplement provides information about Holly Marie Ruff that supplements the Diveley Lind & Associates, LLC, brochure. You should have received a copy of that brochure. Please contact Carl G. Lind, Compliance Officer, (540) 248-2275, if you did not receive Diveley Lind & Associates, LLC's, brochure or if you have any questions about the contents of this supplement.

Additional information about Holly Marie Ruff is available on the SEC's website at www.adviserinfo.sec.gov

Educational Background and Business Experience

Holly Marie Ruff is a Portfolio Manager at DLA. She was born in 1977, and is a graduate of the University of Virginia with a B.A. in Mathematics (concentration in Financial Math) and a B.A. in Economics. She holds the Chartered Financial Analyst (CFA) designation. Mrs. Ruff began working at DLA in 2005, and prior to that was employed by Saxon Capital, Inc. and E*Trade Global Asset Management.

The Chartered Financial Analyst (CFA) designation is awarded by the CFA Institute to investment and financial professionals. It is a graduate level, self-study program, and is awarded to candidates that successfully complete the program and meet other professional requirements.

Successful candidates are awarded a "CFA Charter" and become a "CFA Charter Holder". Successful candidates must complete the CFA Program (mastery of current CFA curriculum and passing a series of three, six-hour, proctored examinations), possess a bachelor's degree (or equivalent) from an accredited institution, have four years (48 months) of qualified work experience (or a combination of education and work experience acceptable by the CFA Institute), and become a member of the CFA Institute.

Disciplinary Information

There are no legal or disciplinary events material to a client's or prospective client's evaluation of Holly M. Ruff.

Supervision

Ms. Ruff is supervised by the principals of the Advisor (DLA), Lynn M. Diveley, Principal (540-363-2275) and Carl G. Lind, Principal (540-248-2275). All transactions are reviewed by Ms. Diveley and Mr. Lind, and they frequently join Ms. Ruff in client meetings and interactions with clients.

Requirements for State-Registered Advisers

Holly M. Ruff has never been found liable in any arbitration claim, and has never been found liable in a civil, self-regulatory organization, or administrative proceeding. Ms. Ruff has not been the subject of a bankruptcy petition.