

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

INVESTMENT ADVISERS ACT OF 1940
Release No. 2730 / April 29, 2008

Admin. Proceeding File No. 3-13026

In the Matter of Diversified Financial Corporation

The United States Securities and Exchange Commission (“Commission”) announced today that it issued an Order Instituting Administrative Proceedings Pursuant to Section 203(e) of the Investment Advisers Act of 1940 and Notice of Hearing (“Order”) against Diversified Financial Corporation (“Diversified”). In the Order, the Division of Enforcement (“Division”) alleges that a final judgment ordering a permanent injunction was entered against Diversified.

The Division further alleges that, on March 28, 2008, the Southern District Court of New York entered a permanent injunction by default against Diversified from violating Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940. The court also held Diversified and Dominique S. Alvieri, its principal, jointly and severally liable for disgorgement of \$555,800, the profits gained as a result of the fraudulent acts, together with prejudgment interest in the amount of \$252,682.84, for a total of \$909,482.82. The court imposed a civil penalty against Diversified in the amount of \$555,000 or the gross amount of its pecuniary gain as a result of the violation. SEC v. Dominique S. Alvieri and Diversified Financial Corporation, 02 Civ. 7893 (DAB) (Mar. 28, 2008 Final Judgment)

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide Diversified an opportunity to dispute these allegations, and to determine what, if any, remedial sanctions against Diversified are appropriate and in the public interest pursuant to the Advisers Act. The Commission directed that an administrative law judge issue an initial decision in this matter within 210 days from the date of service of the Order Instituting Proceedings.