SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended June 30, 2000 Commission File Number: 0-9341

SECURITY NATIONAL FINANCIAL CORPORATION
Exact Name of Registrant.

UTAH	87-0345941
(State or other jurisdiction of incorporation or organization)	IRS Identification Number

5300 South 360 West, Salt Lake City, Utah	84123
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including Area Code (801) 264-1060

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES XX NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class A Common Stock, $2.00 par value	3,689,893
Title of Class	Number of Shares Outstanding as of June 30, 2000
Class C Common Stock, $.20 par value	5,488,312
Title of Class	Number of Shares Outstanding as of June 30, 2000

SECURITY NATIONAL FINANCIAL CORPORATION AND SUBSIDIARIES
FORM 10Q

QUARTER ENDED JUNE 30, 2000

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SECURITY NATIONAL FINANCIAL CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999	Three Months Ended June 30, 2000	Three Months Ended June 30, 1999
Revenues:				
Insurance premiums and other considerations	$ 6,599,889	$ 6,360,008	$ 3,206,115	$ 3,010,592
Net investment income	5,894,207	5,346,571	3,090,458	2,805,006
Net mortuary and cemetery sales	5,186,292	5,258,203	2,491,271	2,902,585
Realized gains on investments and other assets	31,567	225,658	(1,158)	55,965
Mortgage fee income	11,108,165	6,719,818	6,466,954	3,618,416
Other	66,689	778,062	14,203	741,142
Total revenue	28,886,809	24,688,320	15,267,843	13,133,706
Benefits and expenses:				
Death benefits	2,484,425	2,383,293	1,294,389	1,392,483
Surrenders and other policy benefits	1,362,206	2,535,433	768,130	1,322,294
Increase in future policy benefits ..	2,210,335	1,444,071	862,627	601,892
Amortization of deferred policy acquisition costs and cost of insurance acquired	2,317,592	2,526,176	1,196,563	1,221,623
General and administrative expenses:				
Commissions	8,939,115	5,249,708	5,168,667	2,823,607
Salaries	3,933,161	3,749,167	1,993,311	1,959,014
Other	4,637,745	4,082,757	2,406,049	2,139,098
Interest expense	894,114	490,259	561,276	228,997
Cost of goods and services sold of the mortuaries and cemeteries ..	1,660,660	1,724,774	814,451	987,943
Total benefits and expenses	28,439,353	24,185,638	15,065,463	12,676,951
Earnings before income taxes	447,456	502,682	202,380	456,755
Income tax expense	(110,316)	(159,413)	(51,254)	(171,394)
Minority interest income of subsidiary	(30,660)	(63,631)	(11,852)	(94,750)
Net earnings	$ 306,480	$ 279,638	$ 139,274	$ 190,611
Net earnings per common share	$0.07	$0.06	$0.03	$0.04
Weighted average outstanding common shares	4,307,694	4,407,069	4,238,724	4,388,357
Net earnings per common share-assuming dilution	$0.07	$0.06	$0.03	$0.04
Weighted average outstanding common shares assuming-dilution	4,356,876	4,407,069	4,259,794	4,388,357

See accompanying notes to consolidated financial statements.

SECURITY NATIONAL FINANCIAL CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2000 (Unaudited)	December 31, 1999
Assets:		
Insurance-related investments:		
Fixed maturity securities held to maturity, at amortized cost	$ 41,943,663	$ 39,629,851
Fixed maturity securities available for sale, at market	22,675,530	24,119,190
Equity securities available for sale, at market	5,677,291	5,745,213
Mortgage loans on real estate	17,865,330	18,926,628
Real estate, net of accumulated depreciation	8,262,056	7,629,952
Policy, student and other loans	11,403,096	11,607,993
Short-term investments	508,380	1,290,310
Total insurance-related investments	108,335,346	108,949,137
Restricted assets of cemeteries and mortuaries	4,560,894	4,258,987
Cash	4,824,676	12,422,864
Receivables:		
Trade contracts	5,075,613	4,232,030
Mortgage loans sold to investors	28,137,545	29,071,913
Receivable from agents	2,293,212	2,272,624
Receivable from officers	115,100	118,400
Other	4,217,825	3,847,079
Total receivables	39,839,295	39,542,046
Allowance for doubtful accounts	(1,556,368)	(1,467,954)
Net receivables	38,282,927	38,074,092
Policyholder accounts on deposit with reinsurer	7,747,099	7,806,866
Land and improvements held for sale	8,522,656	8,522,687
Accrued investment income	1,517,439	1,493,013
Deferred policy acquisition costs	11,076,103	10,630,086
Property, plant and equipment, net	10,621,070	10,566,508
Cost of insurance acquired	8,381,308	9,597,306
Excess of cost over net assets of acquired subsidiaries	1,227,387	1,305,333
Other	710,826	671,558
Total assets	$ 205,807,731	$ 214,298,437

See accompanying notes to consolidated financial statements.

SECURITY NATIONAL FINANCIAL CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)

	June 30, 2000 (Unaudited)	December 31, 1999
Liabilities:		
Future life, annuity, and other policy benefits	$ 139,184,908	$ 138,501,316
Unearned premium reserve	1,481,659	1,866,523
Line of credit for financing of mortgage loans	2,300,000	8,687,023
Bank loans payable	10,148,574	10,768,098
Notes and contracts payable	3,707,023	3,885,684
Estimated future costs of pre-need sales	6,900,220	6,817,685
Accounts payable	761,619	804,133
Funds held under reinsurance treaties	1,471,630	1,475,512
Other liabilities and accrued expenses	3,886,876	3,219,166
Income taxes	5,657,306	5,736,860
Total liabilities	175,499,815	181,762,000
Minority interest	4,467,971	6,046,744
Stockholders' Equity:		
Common stock:		
Class A: $2 par value, authorized 10,000,000 shares, issued 4,864,238 shares in 2000 and 4,863,731 shares in 1999	9,728,476	9,727,462
Class C: $0.20 par value, authorized 7,500,000 shares, issued 5,550,291 shares in 2000 and 5,555,350 shares in 1999	1,110,058	1,111,070
Total common stock	10,838,534	10,838,532
Additional paid-in capital	10,015,940	10,015,942
Accumulated other comprehensive income, net of deferred taxes	524,584	665,691
Retained earnings	7,823,120	7,516,640
Treasury stock at cost (1,174,345 Class A shares and 61,979 Class C shares in 2000; 966,139 Class A shares and 61,979 Class C shares in 1999 held by affiliated companies)	(3,362,233)	(2,547,112)
Total stockholders' equity	25,839,945	26,489,693
Total liabilities and stockholders' equity	$ 205,807,731	$ 214,298,437

See accompanying notes to consolidated financial statements.

SECURITY NATIONAL FINANCIAL CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
Cash flows from operating activities:		
Net cash provided by operating activities	$ 2,349,410	$ 2,984,501
Cash flows from investing activities:		
Securities held to maturity:		
Purchase - fixed maturity securities	(4,798,597)	--
Calls and maturities - fixed maturity securities	2,520,856	3,657,999
Securities available for sale:		
Purchases - equity securities	(92,563)	(43,759)
Sales - equity securities	71,913	43,781
Calls and maturities - fixed maturity securities	1,214,748	1,171,236
Purchases of short-term investments	(2,917,187)	(6,401,565)
Sales of short-term investments	3,699,117	10,493,964
Purchases of restricted assets	(301,907)	(47,148)
Mortgage, policy, and other loans made	(2,244,580)	(4,022,131)
Payments received for mortgage, policy, and other loans	3,523,682	2,144,338
Purchases of property, plant, and equipment	(446,141)	(348,422)
Purchases of real estate	(808,421)	(303,626)
Disposal of property, plant and equipment	(240)	179,343
Net cash provided by (used in) investing activities	(579,320)	6,524,010
Cash flows from financing activities:		
Annuity receipts	4,643,939	5,213,072
Annuity withdrawals	(6,011,888)	(6,217,085)
Repayment of bank loans and notes and contracts payable	(798,185)	(2,271,368)
Net change in line of credit for financing of mortgage loans	(6,387,023)	(5,493,999)
Purchase of treasury stock	(815,121)	(339,830)
Net cash used in financing activities	(9,368,278)	(9,109,210)
Net change in cash	(7,598,188)	339,301
Cash at beginning of period	12,422,864	6,670,996
Cash at end of period	$ 4,824,676	$ 7,070,297

See accompanying notes to consolidated financial statements.

SECURITY NATIONAL FINANCIAL CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
June 30, 2000
(Unaudited)

1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2000, are not necessarily indicative of the results that may be expected for the year ending December 31, 2000. For further information, refer to the consolidated financial statements and footnotes thereto for the year ended December 31, 1999, included in the Company's Annual Report on Form 10-K (file number 0-9341).

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The estimates susceptible to significant change are those used in determining the liability for future policy benefits and claims, those used in determining valuation allowances for mortgage loans on real estate, and those used in determining the estimated future costs for pre-need sales. Although some variability is inherent in these estimates, management believes the amounts provided are adequate.

2. Comprehensive Income

For the six months ended June 30, 2000 and 1999, total comprehensive income (loss) amounted to $165,373 and $(82,643), respectively. For the three months ended June 30, 2000 and 1999, total comprehensive income amounted to $137,002 and $7,046 respectively.

3. Capital Stock ------------- In accordance with SFAS 128, the basic and diluted earnings per share amounts were calculated as follows:

	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
Numerator:		
Net income	$ 306,480	$ 279,638
Denominator:		
Denominator for basic earnings per share-- weighted-average shares	4,307,694	4,407,069
Effect of dilutive securities:		
Employee stock options	49,182	--
Stock appreciation rights	--	--
Dilutive potential common shares	49,182	--
Denominator for diluted earnings per share-adjusted weighted-average shares and assumed conversions	4,356,876	4,407,069
Basic earnings per share	$0.07	$0.06
Diluted earnings per share	$0.07	$0.06

There are no dilutive effects on net income for purpose of this calculation.

3. Capital Stock (continued)

	Three Months Ended June 30, 2000	1999
Numerator:		
Net income	$139,274	$190,611
Denominator:		
Denominator for basic earnings per share-- weighted-average shares	4,238,724	4,388,357
Effect of dilutive securities:		
Employee stock options	21,070	--
Stock appreciation rights	--	--
Dilutive potential common shares	21,070	--
Denominator for diluted earnings per share-adjusted weighted-average shares and assumed conversions	4,259,794	4,388,357
Basic earnings per share	$0.03	$0.04
Diluted earnings per share	$0.03	$0.04

There are no dilutive effects on net income for purpose of this calculation.

4. Business Segment

	Life Insurance	Cemetery/ Mortuary	Mortgage	Corporate	Reconciling Items	Consolidated
For the Six Months Ended June 30, 2000						
Revenues from external customers	$10,782,158	$5,560,823	$12,543,770	$58	$ --	$28,886,809
Intersegment revenues	1,501,044	--	--	1,932,619	(3,433,663)	--
Segment profit	114,344	(207,107)	(130,988)	671,207	--	447,456
Identifiable assets	195,450,371	34,629,760	3,287,654	2,863,827	(30,423,881)	205,807,731
For the Six Months Ended June 30, 1999						
Revenues from external customers	$11,736,641	$5,623,033	$7,317,485	$11,161	$ --	$24,688,320
Intersegment revenues	999,088	--	--	1,916,181	(2,915,269)	--
Segment profit	261,913	(27,490)	(102,176)	370,435	--	502,682
Identifiable assets	188,079,920	33,954,833	3,891,320	3,101,586	(24,479,142)	204,548,517
For the Three Months Ended June 30, 2000						
Revenues from external customers	$5,228,653	$2,683,449	$7,355,704	$37	$ --	$15,267,843
Intersegment revenues	804,245	--	--	970,193	(1,774,438)	--
Segment profit	137,549	(271,551)	(44,644)	381,026	--	202,380
For the Three Months Ended June 30, 1999						
Revenues from external customers	$6,127,155	$3,079,731	$3,924,015	$2,805	$ --	$13,133,706
Intersegment revenues	462,846	--	--	958,330	(1,421,176)	--
Segment profit	438,927	(80,816)	34,303	64,340	--	456,754

5. Acquisition of Southern Security Life Insurance Company

On December 17, 1998, the Company purchased all of the outstanding shares of common stock of Consolidare Enterprises, Inc. ("Consolidare") which owned 57.4% of the outstanding shares of common stock of Southern Security Life Insurance Company ("Southern Security"). Since then the Company has purchased 265,770 of additional shares of Southern Security and owns 71% of the outstanding shares.

Item 2. Management's Discussion and Analysis

Overview

The Company's operations over the last several years generally reflect three trends or events which the Company expects to continue: (i) increased attention to "niche" insurance products, such as the Company's funeral plan policies and interest sensitive products; (ii) emphasis on cemetery and mortuary business; and (iii) capitalizing on the strong economy in the United States by originating and refinancing mortgage loans.

Results of Operations

Six Months Ended June 30, 2000 Compared to Six Months Ended June 30, 1999

Total revenues increased by $4,198,000, or 17.0%, to $28,887,000 for the six months ended June 30, 2000, from $24,688,000 for the six months ended June 30, 1999. Contributing to this increase in total revenues was a $4,388,000 increase in mortgage fee income, a $240,000 increase in insurance premiums and other considerations, and a $548,000 increase in net investment income.

Insurance premiums and other considerations increased by $240,000, or 3.8%, to $6,600,000 for the six months ended June 30, 2000, from $6,360,000 for the comparable period in 1999. This increase was primarily due to additional premiums from new business.

Net investment income increased by $548,000, or 10.2%, to $5,894,000 for the six months ended June 30, 2000, from $5,347,000 for the comparable period in 1999. This increase was primarily attributable to a greater number of loan originations during the six months of 2000, due to the expansion of business activities in new geographic markets.

Net mortuary and cemetery sales decreased by $72,000, or 1.4%, to $5,186,000 for the six months ended June 30, 2000, from $5,258,000 for the comparable period in 1999. This decrease was primarily due to fewer pre-need cemetery sales.

Mortgage fee income increased by $4,388,000, or 65.3%, to $11,108,000 for the six months ended June 30, 2000, from $6,720,000 for the comparable period in 1999. This increase was primarily attributable to a greater number of loan originations during the six months of 2000 due to the expansion of business activities in new geographic markets.

Total benefits and expenses were $28,439,000, or 98.4% of total revenues for the six months ended June 30, 2000, as compared to $24,186,000, or 98.0% of total revenues for the comparable period in 1999.

Death benefits, surrenders and other policy benefits, and increase in future policy benefits decreased by an aggregate of $306,000, or 4.8%, to $6,057,000 for the six months ended June 30, 2000, from $6,363,000 for the comparable period in 1999. This decrease was primarily the result of a reduction in policyholder account balances.

Amortization of deferred policy acquisition costs and cost of insurance acquired decreased by $209,000, or 8.3%, to $2,317,000 for the six months ended June 30, 2000, from $2,526,000 for the comparable period in 1999. This decrease was in line with actuarial assumptions.

General and administrative expenses increased by $4,428,000, or 33.9%, to $17,510,000 for the six months ended June 30, 2000, from $13,082,000 for the comparable period in 1999. This increase primarily resulted from an increase in commissions and other expenses due to additional mortgage loan originations having been made by the Company's mortgage subsidiary during the six months of 2000 due to the expansion of its business activities in new geographic markets.

Interest expense increased by $404,000, or 82.4%, to $894,000 for the six months ended June 30, 2000, from $490,000 for the comparable period in 1999. This increase was primarily due to additional warehouse lines of credit required for the additional mortgage loan originations by the Company's mortgage subsidiary.

Cost of mortuaries and cemeteries goods and services sold decreased by $64,000, or 3.7%, to $1,661,000 for the six months ended June 30, 2000, from $1,725,000 for the comparable period in 1999. This decrease was primarily due to fewer pre-need cemetery sales.

Second Quarter of 2000 Compared to Second Quarter of 1999

Total revenues increased by $2,134,000, or 16.2%, to $15,268,000 for the three months ended June 30, 2000, from $13,134,000 for the three months ended June 30, 1999. Contributing to this increase in total revenues was a $2,849,000 increase in mortgage fee income, a $196,000 increase in insurance premiums and other considerations and a $285,000 increase in net investment income.

Insurance premiums and other considerations increased by $195,000, or 6.5%, to $3,206,000 for the three months ended June 30, 2000, from $3,011,000 for the comparable period in 1999. This increase was primarily due to additional premiums from new business.

Net investment income increased by $285,000, or 10.2%, to $3,090,000 for the three months ended June 30, 2000, from $2,805,000 for the comparable period in 1999. This increase was primarily attributable to a greater number of loan originations during the second quarter of 2000, due to the expansion of business activities in new geographic markets.

Net mortuary and cemetery sales decreased by $411,000, or 14.2%, to $2,491,000 for the three months ended June 30, 2000, from $2,903,000 for the comparable period in 1999. This decrease is primarily due to fewer pre-need cemetery sales.

Mortgage fee income increased by $2,849,000, or 78.7%, to $6,467,000 for the three months ended June 30, 2000, from $3,618,000 for the comparable period in 1999. This increase was primarily attributable to a greater number of loan originations during the second quarter of 2000 due to the expansion of business activities in new geographic markets.

Total benefits and expenses were $15,065,000, or 98.7% of total revenues for the three months ended June 30 2000, as compared to $12,677,000, or 96.5% of total revenues for the comparable period in 1999.

Death benefits, surrenders and other policy benefits, and increase in future policy benefits decreased by an aggregate of $392,000, or 11.8%, to $2,925,000 for the three months ended June 30, 2000, from $3,317,000 for the comparable period in 1999. This decrease was primarily the result of a reduction in policyholder account balances.

Amortization of deferred policy acquisition costs and cost of insurance acquired decreased by $25,000, or 2.1%, to $1,197,000, for the three months ended June 30, 2000, from $1,222,000 for the comparable period in 1999. This decrease was in line with actuarial assumptions.

General and administrative expenses increased by $2,646,000 or 38.2%, to $9,568,000 for the three months ended June 30, 2000, from $6,922,000 for the comparable period in 1999. This increase primarily resulted from an increase in commissions and other expenses due to additional mortgage loan originations having been made by the Company's mortgage subsidiary during the second quarter of 2000 as a result of the expansion of its business activities in new geographic markets.

Interest expense increased by $332,000, or 145.1%, to $561,000 for the three months ended June 30, 2000, from $229,000 for the comparable period in 1999. This increase was primarily due to additional warehouse lines of credit required for the additional mortgage loan originations by the Company's mortgage subsidiary.

Cost of mortuaries and cemeteries goods and services sold decreased by $173,000, or 17.6%, to $815,000 for the three months ended June 30, 2000, from $988,000 for the comparable period in 1999. This decrease was primarily due to fewer pre-need cemetery sales.

Liquidity and Capital Resources

The Company's life insurance subsidiaries and cemetery and mortuary subsidiaries realize cash flow from premiums, contract payments and sales on personal services rendered for cemetery and mortuary business, from interest and dividends on invested assets, and from the proceeds from the maturity of held-to-maturity investments, or sale of other investments. The mortgage subsidiary realizes cash flow from fees generated by originating and refinancing mortgage loans and interest earned on mortgages sold to investors. The Company considers these sources of cash flow to be adequate to fund future policyholder and cemetery and mortuary liabilities, which generally are long-term, and adequate to pay current policyholder claims, annuity payments, expenses on the issuance of new policies, the maintenance of existing policies, debt service, and operating expenses.

The Company attempts to match the duration of invested assets with its policyholder and cemetery and mortuary liabilities. The Company may sell investments other than those held-to-maturity in the portfolio to help in this timing; however, to date, that has not been necessary. The Company purchases short-term investments on a temporary basis to meet the expectations of short-term requirements of the Company's products. The Company's investment philosophy is intended to provide a rate of return which will persist during the expected duration of policyholder and cemetery and mortuary liabilities regardless of future interest rate movements.

The Company's investment policy is to invest predominantly in fixed maturity securities, mortgage loans, and warehouse mortgage loans on a short-term basis before selling the loans to investors in accordance with the requirements and laws governing the life insurance subsidiaries. Bonds owned by the life insurance subsidiaries amounted to $64,620,000 as of June 30, 2000, compared to $63,749,000 as of December 31, 1999. This represents 59.6% and 58.5% of the total insurance-related investments as of June 30, 2000, and December 31, 1999, respectively. Generally, all bonds owned by the life insurance subsidiaries are rated by the National Association of Insurance Commissioners. Under this rating system, there are six categories used for rating bonds. At June 30, 2000, 1.5% ($994,000) and at December 31, 1999, 1.6% ($994,000) of the Company's total investment in bonds were invested in bonds in rating categories three through six, which are considered non-investment grade.

The Company has classified certain of its fixed income securities, including high-yield securities, in its portfolio as available for sale, with the remainder classified as held to maturity. However, in accordance with Company policy, any such securities purchased in the future will be classified as held to maturity. Business conditions, however, may develop in the future which may indicate a need for a higher level of liquidity in the investment portfolio. In that event the Company believes it could sell short-term investment grade securities before liquidating higher-yielding longer term securities.

The Company is subject to risk based capital guidelines established by statutory regulators requiring minimum capital levels based on the perceived risk of assets, liabilities, disintermediation, and business risk. At June 30, 2000, and December 31, 1999, the life insurance subsidiary exceeded the regulatory criteria.

The Company's total capitalization of stockholders' equity and bank debt and notes payable was $39,696,000 as of June 30, 2000, as compared to $41,144,000 as of December 31, 1999. Stockholders' equity as a percent of capitalization increased to 65.1% as of June 30, 2000, from 64.4% as of December 31, 1999.

Lapse rates measure the amount of insurance terminated during a particular period. The Company's lapse rate for life insurance in 1999 was 13.2% as compared to a rate of 6.0% for 1998. The 2000 lapse rate is approximately the same as 1999.

At June 30, 2000, $21,263,000 of the Company's consolidated stockholders' equity represents the statutory stockholders' equity of the Company's life insurance subsidiaries. The life insurance subsidiaries cannot pay a dividend to its parent company without the approval of insurance regulatory authorities.

Item 3. Quantitative and Qualitative Disclosure of Market Risk

There have been no significant changes since the annual report Form 10-K filed for the year ended December 31, 1999.

Part II Other Information:

Item 1. Legal Proceedings

Security National Mortgage Company ("Security National Mortgage"), a wholly- owned subsidiary of the Company, has been notified that it may be subject to an administrative action by the U.S. Department of Housing and Urban Development ("HUD"). By way of letter from HUD to Security National Mortgage dated February 15, 2000 and received on February 25, 2000, Security National Mortgage was advised "that the Mortgagee Review Board" of HUD "is considering an administrative action against Security National Mortgage ... pursuant to 24 CFR Part 25 ... and a civil money penalty pursuant to 24 CFR part 30 ...." In the letter, HUD set forth alleged violations of HUD/Federal Housing Administration ("FHA") requirements which included among such violations: (1) failure to comply with Security National Mortgage's own policy and procedures outlined in a July 17, 1997 letter to HUD; (2) acceptance of loans originated by personnel not employed by or not exclusively employed by Security National Mortgage; (3) acceptance of loans originated by non-HUD approved entities; (4) payment of fees and compensation to unauthorized entities or individuals in connection with FHA insured mortgages; and (5) certification of inaccurate HUD-1s.

Concerning the administrative action by HUD relating to the above allegations, dependent upon the facts and circumstances, HUD asserts it has alternatives such as settlement, issuing a letter of reprimand, placing Security National Mortgage on probation or even suspending or withdrawing Security National Mortgage's approval function as a HUD/FHA lender. The letter indicates that the Mortgagee Review Board intends to seek a civil money penalty. With respect to any civil money penalty, which would be in addition to the foregoing, the letter from HUD states that the "amount of the civil money penalty shall not exceed $5,500 for each such listed or described violation" and that a "continuing violation may constitute a separate violation for each day that violation continues."

Security National Mortgage is allowed to respond in writing to what is asserted by HUD and the procedure permits at a future time, if necessary, an evidentiary hearing. Management recognizes the serious alternative sanctions claimed by HUD to be available to it including the sanction of the loss of the ability to do FHA lending work. Recognizing the importance of the matter, a detailed written response to the letter was filed with HUD and a meeting was held with the HUD staff in an effort to insure that Security National Mortgage's position on the matter is fairly and properly presented. Further response or decision has not been received from HUD.

On or about March 6, 2000, Kelly Darrow ("Darrow") filed a Charge of Discrimination with the Labor Commission of Utah, Anti-Discrimination Division against Security National Mortgage Company. It is asserted that Security National Mortgage violated the Americans with Disabilities Act of 1990 ("ADA") as amended, and the Utah Anti-Discrimination Act of 1965 ("UAD") as amended, for the alleged reasons of "demoted, denied promotion.

received less pay than others, denied reasonable accommodation for ... disability, forced to go on contract vendor status, and when ... complained of the treatment ... was fired." Darrow withdrew the charge in favor of a "right to sue letter" so as to be able to file a suit in federal court. Remedies which may be sought include back pay and benefits, attorneys' fees, reinstatement and punitive damages.

Management takes the position that Darrow was treated appropriately and that Security National Mortgage did not violate the ADA or UAD. At this point, however, a complete evaluation of the matter has not been finalized.

The Company is not a party to any other legal proceedings outside the ordinary course of the Company's business or to any other legal proceedings which, adversely determined, would have a material adverse effect on the Company or its business.

Item 2. Changes in Securities

NONE

Item 3. Defaults Upon Senior Securities

NONE

Item 4. Submission of Matters to a Vote of Security Holders

NONE

Item 5. Other Information

NONE

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

3. A. Articles of Restatement of Articles of Incorporation (8)
   B. Bylaws (1)

4. A. Specimen Class A Stock Certificate (1)
   B. Specimen Class C Stock Certificate (1)
   C. Specimen Preferred Stock Certificate and Certificate of Designation of Preferred Stock (1)

10. A. Restated and Amended Employee Stock Ownership Plan and Trust Agreement (1)
   B. Deferred Compensation Agreement with George R. Quist (2)
   C. 1993 Stock Option Plan (3)
   D. Promissory Note with Key Bank of Utah (4)
   E. Loan and Security Agreement with Key Bank of Utah (4)
   F. General Pledge Agreement with Key Bank of Utah (4)
   G. Note Secured by Purchase Price Deed of Trust and Assignment of Rents with the Carter Family Trust and the Leonard M. Smith Family Trust (5)
   H. Deed of Trust and Assignment of Rents with the Carter Family Trust and the Leonard M. Smith Family Trust (5)
   I. Promissory Note with Page and Patricia Greer (6)
   J. Pledge Agreement with Page and Patricia Greer (6)
   K. Promissory Note with Civil Service Employees Insurance Company (7)
   L. Deferred Compensation Agreement with William C.Sargent (8)
   M. Employment Agreement with Scott M. Quist. (8)
   N. Acquisition Agreement with Consolidare Enterprises, Inc., and certain shareholders of Consolidare. (9)
   O. Agreement and Plan of Merger between Consolidare Enterprises, Inc., and SSLIC Holding Company. (10)
   P. Administrative Services Agreement with Southern Security Life Insurance Company. (11)

Q. Promissory Note with George R. Quist. (12)

R. Settlement Agreement with Capitol Indemnity Corporation, George A. Fait, and Joel G. Fait.

(1) Incorporated by reference from Registration Statement on Form S-1, as filed on June 29, 1987.

(2) Incorporated by reference from Annual Report on Form 10-K, as filed on March 31, 1989.

(3) Incorporated by reference from Annual Report on Form 10-K, as filed on March 31, 1994.

(4) Incorporated by reference from Report on Form 8-K, as filed on February 24, 1995.

(5) Incorporated by reference from Annual Report on Form 10K, as filed on March 31, 1995.

(6) Incorporated by reference from Report on Form 8-K, as filed on May 1, 1995.

(7) Incorporated by reference from Report on Form 8-K, as filed on January 16, 1996.

(8) Incorporated by reference from Annual Report on Form 10-K, as filed on March 31, 1998.

(9) Incorporated by reference from Report on Form 8-K, as filed on May 11, 1998.

(10) Incorporated by reference from Report on Form 8-K, as filed on January 4, 1999.

(11) Incorporated by reference from Report on Form 8-K, as filed on March 4, 1999.

(12) Incorporated by reference from Annual Report on Form 10-K, as filed on April 14, 1999.

27. Financial Data Schedule

(b) Reports on Form 8-K:

NONE

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 thereunto duly authorized.

REGISTRANT
SECURITY NATIONAL FINANCIAL CORPORATION
Registrant

DATED: August 21, 2000 By: George R. Quist,
Chairman of the Board,
President and Chief Executive Officer
(Principal Executive Officer)

DATED: August 21, 2000 By: Scott M. Quist
First Vice President, General Counsel,
Treasurer (Principal Financial and
Accounting Officer)

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement") is made and entered into effective as of December 31, 1999, by and among CAPITOL INDEMNITY CORPORATION, a Wisconsin corporation ("Capitol Indemnity"), GEORGE A. FAIT ("George Fait"), President of Capitol Indemnity, JOEL G. FAIT ("Joel Fait"), an officer of Capitol Indemnity, SECURITY NATIONAL FINANCIAL CORPORATION, a Utah Corporation ("Security National"), SECURITY NATIONAL LIFE INSURANCE COMPANY, a Utah corporation and a wholly-owned subsidiary of Security National, SOUTHERN SECURITY LIFE INSURANCE COMPANY, a Florida corporation ("Southern Security") and SSLIC HOLDING COMPANY, a Florida corporation, formerly known as CONSOLIDARE ENTERPRISES, INC. ("Consolidare").

WITNESSETH:

WHEREAS, Capitol Indemnity, George Fait and Joel Fait are currently shareholders of Southern Security, with Capitol Indemnity the owner of 151,871 shares of common stock ("Common Stock") of Southern Security, George Fait the owner of 33,000 shares of Common Stock of Southern Security, and Joel Fait the owner of 2,000 shares of Common Stock of Southern Security (hereinafter collectively referred to as the "Shares");

WHEREAS, on November 4, 1998, Capitol Indemnity and the State of Idaho, Department of Insurance, as Rehabilitator for Universe Life Insurance Company, an Idaho corporation, instituted an action against Consolidare and George Pihakis, Samuel P. Brewer, Stephen Reck, A. Thomas Frank, Frank A. Hulet, C. Wesley Johnston, Lewis E. Kassis, Robert L. Martin, Charles W. Mullenix, Ferris S. Ritchey, Jr., John M. Roehm, David C. Thompson, Nikki Clark and Lloyd Zobrist (collectively, the "Individual Defendants"), that action being styled and denominated as Capitol Indemnity Corp., et al. v. Consolidare Enterprises, Inc., et al., Case No. 98-2286-CA-16-K, pending in the Circuit Court of the Eighteenth Judicial Circuit, Seminole County Florida;

WHEREAS, on December 17, 1998, Security National through its wholly-owned subsidiary, Security National Life Insurance Company, acquired all of the outstanding shares of common stock of Consolidare, which owned at closing approximately 57.4% of the outstanding shares of Common Stock of Southern Security;

WHEREAS, Consolidare desires to purchase all of the Shares owned by Capitol Indemnity, George Fait and Joel Fait at an agreed upon price of $8.50 per share, provided that Capitol Indemnity dismiss its claims with prejudice in the above-entitled action against Consolidare and the Individual Defendants;

WHEREAS, Capitol Indemnity, George Fait and Joel Fait desire to sell their shares of Common Stock of Southern Security to Consolidare at an agreed upon price of $8.50 per share and, as a condition to such sale of stock, Capitol Indemnity agrees to dismiss its claims with prejudice in the above-referenced action against Consolidare;

WHEREAS, Security National, Security National Life Insurance Company and Southern Security will guarantee the payments by Consolidare for the purchase of the Shares; and

WHEREAS, the parties to this Agreement, in order to reduce the expense and inconvenience incident to further litigation, now desire to settle the above-entitled civil action on condition that Consolidare purchase all of the Shares of Common Stock of Southern Security collectively owned by Capitol Indemnity, George Fait and Joel Fait, that Security National, Security National Life Insurance Company and Southern Security guarantee payment by Consolidare for the purchase of the Shares, and that Southern Security pay the sum of $5,000.00 to Capitol Indemnity and that Security National, Southern Security and Consolidare assign their rights to Capitol Indemnity to receive a $35,000 contribution from National Union Fire Insurance Company of Pittsburgh, Pennsylvania in settlement of the claims asserted against the Individual Defendants.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, and other good and valuable consideration, the receipt and adequacy of which each party does hereby acknowledge, the parties hereto agree as follows:

1. Capitol Indemnity hereby agrees to dismiss its claims with prejudice in the above-entitled action against Consolidare and the Individual Defendants and hereby authorizes Foley & Lardner, its counsel of record, to sign on its behalf, immediately upon the execution of this Agreement, the Stipulation and Joint Motion for Dismissal with Prejudice, a copy of which is attached hereto as Exhibit A, and to arrange for the filing of said Stipulation with the court.

2. Capitol Indemnity agrees to sell, transfer and deliver to Consolidare and Consolidare agrees to purchase from Capitol Indemnity 151,871 shares of Common Stock of Southern Security. These shares of Common Stock shall be sold and delivered to Consolidare upon the execution of this Agreement in consideration for Consolidare making payments to Capitol Indemnity in the principal amount of $1,290,903.50, payable as follows: (a) the sum of $645,451.75 to be paid in certified funds upon execution of this Agreement; and (b) five annual payments, beginning one year from the effective date of this Agreement, each payment in the principal amount of $129,090.35 plus interest on

the unpaid principal balance at a rate of 6-1/2% per annum until the principal and accrued interest thereon have been paid in full.

3. George Fait agrees to sell, transfer and deliver to Consolidare and Consolidare agrees to purchase from George Fait 33,000 shares of Common Stock of Southern Security. These shares of Common Stock shall be sold and delivered to Consolidare upon execution of this Agreement in consideration for Consolidare making payments to George Fait in the principal amount of $280,500.00, payable as follows: (a) the sum of $140,250.00 to be paid in certified funds upon execution of this Agreement; and (b) five annual payments, beginning one year from the effective date of this Agreement, each payment in the principal amount of $28,050.00 plus interest on the unpaid principal balance at a rate of 6-1/2% per annum until the principal and accrued interest thereon have been paid in full.

4. Joel Fait agrees to sell, transfer and deliver to Consolidare and Consolidare agrees to purchase from Joel Fait 2,000 shares of Common Stock of Southern Security. These shares of Common Stock shall be sold and delivered to Consolidare upon execution of this Agreement in consideration for Consolidare making payments to Joel Fait in the principal amount of $17,000.00, payable as follows: (a) the sum of $8,500.00 to be paid in certified funds upon execution of this Agreement; and (b) five annual payments, beginning one year from the effective date of this Agreement, each payment in the principal amount of $1,700.00 plus interest on the unpaid principal balance at a rate of 6-1/2% per annum until the principal and accrued interest thereon have been paid in full.

5. Consolidare shall execute and deliver to Capitol Indemnity, George Fait and Joel Fait upon execution of this Agreement promissory notes (the "Notes") bearing interest at a rate of 6-12% per annum, which shall provide for the payments required to be made by Consolidare pursuant to paragraphs 2 through 4 of this Agreement.

6. Security National, Security National Life Insurance Company and Southern Security shall execute and deliver Guarantees to Capitol Indemnity, George Fait and Joel Fait upon execution of this Agreement, which shall guarantee payment of the Notes.

7. Consolidare may at any time prepay any balance owed on any of the Notes to be issued to Capitol Indemnity, George Fait or Joel Fait hereunder without premium or penalty by paying the principal balance owed on any such Notes plus the interest thereon at a rate of 6-1/2% per annum to the date of such payment.

8. Security National agrees upon execution of this Agreement to pay the sum of $5,000.00 to Capitol Indemnity on behalf of the Individual Defendants in full settlement of all claims asserted by Capital Indemnity against the Individual Defendants in the above-entitled civil action. Security National, Southern Security and Consolidare also agree to assign to Capitol Indemnity their rights to the $35,000.00 contribution that National Fire Insurance Company of Pittsburgh, Pennsylvania is prepared to make in settlement of the above-referenced action against the Individual Defendants as set forth in the letter of March 2, 2000 from Laurie Beatus of D'Amato & Lynch to Don B. Long, Jr. of Johnston, Barton, Proctor & Powell, LLP, a copy of which is attached hereto as Exhibit "B" and by this reference made a part hereof.

9. Capitol Indemnity, George Fait and Joel Fait, singly and jointly, hereby release, indemnify, and hold harmless Consolidare, and the Individual Defendants from and against any and all claims, suits, actions of any kind, whether legal, administrative or other proceedings brought or initiated by Capitol Indemnity, George Fait or Joel Fait relating to or in any way rising out of the acquisition of Consolidare by Security National and Security National Life Insurance Company.

10. Capitol Indemnity, George Fait and Joel Fait, singly and jointly, hereby release, indemnify, and hold harmless Consolidare, Southern Security, Security National, Security National Life Insurance Company and the Individual Defendants from and against any and all claims, suits, actions of any kind, whether legal, administrative or other proceedings brought or initiated by Capitol Indemnity, George Fait or Joel Fait against Consolidare, Southern Security, Security National or Security National Life Insurance Company or any of their present or past directors, officers or employees, including the Individual Defendants, relating to or in any way arising out of the conduct of the business and affairs of Consolidare, Southern Security, Security National or Security National Life Insurance Company by any of their respective directors, officers or employees prior to the date of this Agreement.

11. Security National, Security National Life Insurance Company, Southern Security, and Consolidare singly and jointly, hereby release, indeminfy and hold harmless Capital Indemnity, George Fait and Joel Fait from and against any and all claims, suits, actions of any kind, whether legal, administrative or other proceedings brought or initiated by Security National, Security National Life Insurance Company, Southern Security or Consolidare against Capitol Indemnity, George Fait or Joel Fait relating to or in any way arising out of the conduct of the business and affairs of Consolidare, Southern Security or Capital Indemnity by any of their respective directors, officers or employees prior to the date of this Agreement.

12. Each of the parties to this Agreement (referred to herein as a "Representing Party") hereby represents and warrants to the other parties (referred to herein as the "Other Parties") that;

(a) Such Representing Party has all requisite authority to execute and deliver this Agreement and to carry out and comply with the terms hereof;

(b) This Agreement constitutes a legal and binding obligation of the Representing Party, enforceable in accordance with its terms;

(c) Neither the execution and delivery by the Representing Party of this Agreement, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of any of the terms, conditions or provisions of any agreement or instrument to which the Representing Party is a party or by which the Representing Party is otherwise bound, or constitutes a default under any such agreement or instrument;

(d) Each of the Parties acknowledge that they have received the benefit of separate independent legal counsel in connection with the negotiation and settlement of the matters relating to and which are the subject matter of this Agreement. Capital Indemnity Corp., George Fait and Joel Fait have been represented by the firm of Foley & Lardner of Tallahassee, Florida, and Security National, Security National Life Insurance Company and Southern Security have been represented by the firm of Mackey Price & Williams of Salt Lake City, Utah; and

(e) The representations and warranties made herein shall survive the parties' execution and delivery of this Agreement.

13. The Agreement and undertakings contained in this Agreement have been entered into and made by the parties solely for the purpose of completely settling and compromising claims which Capital Indemnity has asserted against Consolidare and the Individual Defendants in the above-entitled action, any liability with respect to any such claims being specifically denied by Consolidare and the Individual Defendants named in the action.

14. The parties to this Agreement shall hold in strict confidence the terms and conditions of this Agreement and shall not use any data or information with respect to this Agreement to the detriment of any other parties, provided that the parties hereto shall be entitled to disclose such terms and conditions as may be required by law or a court of law or equity.

15. The Representing Parties will not, by words or actions, do anything or issue any statements, either orally or in writing, that would tend to or would disparage or defame the Other Parties or their reputations.

16. Capital Indemnity, George Fait and Joel Fait each hereby represent and warrant to Security National, Security National Life Insurance Company, Southern Security and Consolidare in connection with its purchase of the Shares of Common Stock of Southern Security that each of them has sufficient investment experience to enable them to evaluate the merits and risks of selling their Shares of Common Stock of Southern Security to Consolidare. Capital Indemnity, George Fait, and Joel Fait have conducted all of the due diligence of Southern Security, its officers, directors, shareholders, markets and prospects which they have deemed necessary in evaluating whether to sell their Shares to Consolidare.

17. (a) The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto;

(b) The invalidity or unenforceability of any particular provision in this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted;

(c) This Agreement sets forth the entire understanding among the parties and shall not be amended or terminated except by a written instrument duly executed by all the parties hereto;

(d) This Agreement shall be interpreted, construed and enforced in accordance with and governed by the substantive laws of the state of Utah.

(e) In the event any dispute or contest shall arise hereunder or any party shall breach or fail to perform or discharge any of its obligations hereunder, any party to this Agreement that shall prevail in litigation concerning any such dispute, contest or failure to perform or discharge, shall be entitled to an award against the losing party (or jointly against the losing parties, if more than one) of reasonable attorneys' fees and other costs incurred by such prevailing party (whether incurred by such prevailing party (whether incurred before or after commencement of such litigation);

(f) Each party agrees to and shall forthwith provide such other and further assurances, and agrees to and shall forthwith execute and deliver such other and further instruments, as any other party may at any time hereafter reasonably request to effectuate any of the purposes of this Agreement;

(g) Each party agrees to bear its or his own costs, including attorney's fees relating to the above-referenced action, including the preparation of this Agreement; and

(h) This Agreement may be executed simultaneously, or in a number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

CAPITOL INDEMNITY CORPORATION

By:____________________________________
Its:____________________________

____
George A. Fait

____
Joel G. Fait

SECURITY NATIONAL FINANCIAL CORPORATION

By:____________________________________
Its:____________________________

SECURITY NATIONAL LIFE INSURANCE COMPANY

By:____________________________________
Its:____________________________

SOUTHERN SECURITY LIFE INSURANCE COMPANY

By:____________________________________
Its:____________________________

SSLIC HOLDING COMPANY, FORMERLY KNOWN AS
CONSOLIDARE ENTERPRISES, INC.

By:____________________________________
Its:____________________________

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6-MOS
DEC-31-1999
JUN-30-2000
22,675,530
41,943,663
41,726,466
5,677,291
17,865,330
8,262,056
108,335,346
4,824,676
459,877
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306,480
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0.07
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0