

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

FORM 10Q

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

For Quarter Ended March 31, 1995

Commission File Number: 0-9341

SECURITY NATIONAL FINANCIAL CORPORATION
Exact Name of Registrant.

UTAH
(State or other jurisdiction
of incorporation or organization)

87-0345941
IRS Identification
Number

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

84123
(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 Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for 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 NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, net of treasury stock, as of the close of the period covered by this report.

Class A Common Stock, \$2.00 par value	3,026,391	-----
Title of Class	Number of Shares Outstanding as of March 31, 1995	
Class C Common Stock, \$.40 par value	2,250,764	-----
Title of Class	Number of Shares Outstanding as of March 31, 1995	

SECURITY NATIONAL FINANCIAL CORPORATION AND SUBSIDIARIES
FORM 10Q

QUARTER ENDED MARCH 31, 1995

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SECURITY NATIONAL FINANCIAL CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

	Three Months Ended March 31, 1995 (Unaudited)	1994 (Unaudited)
	-----	-----
REVENUES:		
Insurance premiums and other considerations	\$1,493,350	\$1,336,080
Net investment income	1,679,579	948,140
Realized gains on investments and other assets	1,514	63,126
Mortuary and cemetery sales	1,549,320	1,393,929
Mortgage fee income	316,429	658,805
Other	106,677	21,008
	-----	-----
Total Revenues	\$5,146,869	\$4,421,088
 BENEFITS AND EXPENSES:		
Death benefits	\$513,171	\$499,709
Surrenders and other policy benefits	721,212	234,142
Increase in future policy benefits	322,432	338,551
Amortization of deferred policy acquisition costs	229,883	145,850
General and administrative expenses:		
Commissions	482,213	320,527
Salaries	741,660	801,986
Other	1,100,074	1,364,193
Interest expense	219,767	162,667
Cost of mortuary and cemetery lots and services	461,145	386,727
	-----	-----
Total benefits and expenses	\$4,791,557	\$4,254,352
	-----	-----
Earnings before income taxes	\$ 355,312	\$ 166,736
Income tax (expense) benefit	(91,965)	(48,353)
	-----	-----
Net earnings	\$ 263,347	\$ 118,383
	=====	=====
 Net earnings per share	 \$0.08	 \$0.04
	=====	=====
 Weighted average outstanding common shares	 3,322,310	 3,270,899
	=====	=====

SECURITY NATIONAL FINANCIAL CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 1995 (Unaudited)	December 31, 1994
	-----	-----
Assets:		
Investments:		
Fixed maturity securities held to maturity, at amortized cost	\$38,942,780	\$39,397,628
Equity securities available for sale, at market	4,280,436	4,149,713
Mortgage loans on real estate	16,884,571	14,681,293
Real estate, net of accumulated depreciation	7,766,019	7,586,650
Policy loans	2,579,160	2,670,989
Other loans	622,055	677,334
Short-term investments	2,695,315	4,013,296
	-----	-----
Total insurance related investments	73,770,336	73,176,903
Restricted assets of cemeteries and mortuaries	2,581,725	2,482,068
Cash	1,678,623	2,060,876
Receivables:		
Trade contracts	5,435,404	4,938,098
Receivable from agents	408,295	463,040
Other	230,078	336,801
	-----	-----
Total receivables	6,073,777	5,737,939
Allowance for doubtful accounts	(1,941,853)	(1,923,808)
	-----	-----
Net receivables	4,131,924	3,814,131
Land and improvements held for sale	8,138,498	6,920,208
Accrued investment income	1,004,218	996,845
Deferred policy acquisition costs	4,830,618	4,860,865
Property, plant and equipment, net	4,820,543	4,899,873
Cost of insurance acquired	3,431,697	3,488,383
Excess of cost over net assets of acquired subsidiaries	706,300	718,391
Other	303,728	339,714
	-----	-----
Total Assets	\$105,398,210	\$103,758,257
	=====	=====

See accompanying notes to consolidated financial statements.

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

	March 31, 1995 (Unaudited)	December 31, 1994
	-----	-----
Liabilities:		
Future life, annuity, and other benefits	\$62,444,259	\$61,895,251
Bank loans payable	7,278,363	7,440,576
Notes and contracts payable	3,729,140	2,768,546
Estimated future costs of pre-need sales	6,299,843	6,284,421
Payable to endowment care fund	325,578	319,336
Accounts payable and accrued expenses	1,674,503	1,760,399
Other liabilities	1,310,605	1,438,889
Income taxes	1,963,675	1,872,294
	-----	-----
Total Liabilities	85,025,966	83,779,712
 Stockholders' Equity:		
Common stock:		
Class A: \$2 par value, authorized 10,000,000 shares, issued 3,558,406 shares in 1995 and 3,558,406 shares in 1994	7,116,814	7,116,814
Class C: \$0.40 par value, authorized 7,500,000 shares, issued 2,275,045 shares in 1995 and 2,275,045 shares in 1994	910,018	910,018
Additional paid-in capital	7,214,061	7,214,061
Unrealized appreciation of investments	352,142	221,790
Retained earnings	6,418,041	6,154,694
	-----	-----
	22,011,076	21,617,377
 Treasury stock at cost (532,015 Class A shares and 24,281 Class C shares in 1995; 532,015 Class A shares and 24,281 Class C shares in 1994, held by affiliated companies)	 (1,638,832)	 (1,638,832)
	-----	-----
Net Stockholders' Equity	20,372,244	19,978,545
	-----	-----
Total Liabilities and Stockholders' Equity	\$105,398,210	\$103,758,257
	=====	=====

See accompanying notes to consolidated financial statements.

SECURITY NATIONAL FINANCIAL CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31, 1995	1994
	(Unaudited)	(Unaudited)
	-----	-----
Cash flows from operating activities:		
Net earnings	\$263,347	\$118,383
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Net realized gain on sale of investments	(1,514)	(63,126)
Depreciation	164,360	146,306
Provision for losses on accounts and loans receivable	8,951	34,366
Amortization of goodwill, premiums, and discounts	(38,259)	1,929
Amortization of cost of insurance acquired	56,686	--
Deferred taxes	92,381	48,353
Policy acquisition costs deferred	(199,636)	(170,381)
Policy acquisition costs amortized	229,883	145,850
Change in assets and liabilities:		
Land and improvements held for sale	(1,218,290)	(22,389)
Future life and other benefits	549,008	526,179
Other operating assets and liabilities	(492,018)	346,379
	-----	-----
Net cash (used in) provided by operating activities	(585,101)	1,111,849
Cash flows from investing activities:		
Securities held to maturity:		
Purchases - fixed maturity securities	504,416	(2,148,362)
Calls and maturities - fixed maturity securities	--	921,226
Securities available for sale:		
Sales - equity securities	--	17,510
Net purchases and sales of short-term investments and restricted assets of cemeteries and mortuaries	1,218,324	(1,466,122)
Mortgage and other loans made	(5,303,376)	(7,973,893)
Payments received for mortgage and other loans	3,163,993	8,506,785
Change in policy loans	91,829	--
Purchases of property, plant, and equipment	(16,601)	(111,076)
Purchases of real estate	(254,118)	(1,131,565)
	-----	-----
Net cash used in investing activities	(595,533)	(3,385,497)

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	Three Months Ended March 31, 1995 (Unaudited) -----	1994 (Unaudited) -----
Cash flows from financing activities:		
Repayment of notes and contracts payable	(280,566)	(339,948)
Proceeds from borrowings on notes and contracts payable	1,078,947	953,820
	-----	-----
Net cash provided by financing activities	798,381	613,872
	-----	-----
Net decrease in cash	(382,253)	(1,659,776)
Cash at beginning of year	2,060,876	6,831,051
	-----	-----
Cash at end of year	\$1,678,623	\$ 5,171,275
	=====	=====

SECURITY NATIONAL FINANCIAL CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
March 31, 1995 and 1994
(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 three months ended March 31, 1995, are not necessarily indicative of the results that may be expected for the year ending December 31, 1995. For further information, refer to the consolidated financial statements and footnotes thereto for the year ended December 31, 1994, included in the Company's Annual Report on Form 10-K (file number 0-9341).

2. Notes and Contracts Payable

On February 3, 1995, the Company purchased approximately 100 acres of real property located in San Diego, California, of which approximately 35 acres will be used for the development of a cemetery. In purchasing the property the Company incurred a debt of \$1,062,000. This debt carries an interest rate of 9% per annum and will be paid in twelve monthly installments of \$5,000. Thereafter, equal monthly payments of \$10,000 will be made, however interest shall not accrue on any part of the principal balance until February 3, 1996.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS
Results of Operations

Overview

The Company's operations over the last three 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, (ii) decreased general and administrative costs as a percentage of revenue through efforts to reduce operating costs and through eliminating unnecessary duplication of costs at acquired companies; and (iii) emphasis on high margin cemetery and mortuary business.

The Company maintains a diversified investment portfolio consisting of common stock, preferred stock, municipal bonds, investment grade and non-investment grade bonds, mortgage loans, short term and other securities and investments. The Company's investment goals are to maintain safety and liquidity, enhance principal values and achieve increased rates of return consistent with regulatory restraints. The Company's interest sensitive type products, primarily annuities and interest sensitive whole life, compete with other financial products such as bank certificates of deposit, brokerage sponsored money market funds as well as competing life insurance company products.

First Quarter 1995 Compared to First Quarter 1994

The following schedule summarizes the effect the acquisition of Capital Investors Life Insurance Company had on the consolidated statements of 1995.

Three Months Ended March 31,

	Consolidated 1995 (Unaudited)	Capital Investors Life 1995 (Unaudited)	Consolidated Without the Effects of Capital Investors Life 1995 (Unaudited)	Consolidated 1994 (Unaudited)
	-----	-----	-----	-----
REVENUES:				
Insurance premiums and other considerations	\$1,493,350	\$ 232,511	\$1,260,839	\$1,336,080
Net investment income	1,679,579	477,001	1,202,578	948,140
Realized gains on investments and other assets	1,514	--	1,514	63,126
Mortuary and cemetery sales	1,549,320	--	1,549,320	1,393,929
Mortgage fee income	316,429	--	316,429	658,805
Other	166,677	91,534	15,143	21,008
	-----	-----	-----	-----
Total Revenues	\$5,146,869	\$ 801,046	\$4,345,823	\$4,421,088
BENEFITS AND EXPENSES:				
Death benefits	\$513,171	\$ 75,015	438,156	\$499,709
Surrenders and other policy benefits	721,212	536,919	184,293	234,142
Increase in future policy benefits	322,432	(186,370)	508,802	338,551
Amortization of deferred policy acquisition costs	229,883	56,686	173,197	145,850
General and administrative expenses:				
Commissions	482,213	32,247	449,966	320,527
Salaries	741,660	--	741,660	801,986
Other	1,100,074	216,365	883,709	1,364,193
Interest expense	219,767	--	219,767	162,667
Cost of mortuary and cemetery lots and services	461,145	--	461,145	386,727
	-----	-----	-----	-----
Total benefits and expenses	\$4,791,557	\$730,862	\$4,060,695	\$4,254,352
	-----	-----	-----	-----
Earnings before income taxes	\$ 355,312	\$ 70,184	\$ 285,128	\$ 166,736
	=====	=====	=====	=====

The following managements discussion and analysis for the three months ended March 31, 1995 and March 31, 1994, excludes the acquisition of Capital Investors Life Insurance Company.

Total revenues decreased by \$75,265 (1.7%), from \$4,421,088 for the three months ended March 31 1994, to \$4,345,823 for the three months ended March 31, 1995. Contributing to this decrease in total revenues was a \$75,241 decrease in insurance premiums and other considerations, a \$61,612 decrease in net realized gains on investment and other assets and a \$342,376 decrease in mortgage fee income.

Net investment income increased by \$254,438, from \$948,140 for the three months ended March 31, 1994, to \$1,202,578 for the three months ended March 31, 1995. This increase was attributable to the Company's emphasis on investing its cash and short-term investments in higher-yielding long term investments.

Realized gains on investments decreased by \$61,612 from \$63,126 for the three months ended March 31, 1994 to \$1,514 for the three months ended March 31, 1995. This decrease was the result of increased bond redemptions due to lower interest rates and improved performance of the stock market in the first quarter ended March 31, 1994.

Mortuary and cemetery sales increased by \$155,391, from \$1,393,929 for the three months ended March 31, 1994 to \$1,549,320 for the three months ended March 31, 1995. This increase was primarily related to the mortuary portion of the business.

Mortgage fee income decreased \$342,376, from \$658,805 for the three months ended March 31, 1994, to \$316,429 for the three months ended March 31, 1995. This decrease was the result of higher interest rates for the three months ended March 31, 1995, thereby reducing the opportunity for refinancing and loan originations.

Total benefits and expenses were \$4,254,352 for the three months ended March 31, 1994, which is 96% of total revenue of the Company, as compared to \$4,060,695, or 93% of total revenues for the three months ended March 31, 1995. Policy benefits increased by \$58,869, from \$1,072,402 for the three months ended March 31, 1994, to \$1,131,251 for the three months ended March 31, 1995. This increase is primarily due to the maturing of the policies in force.

Amortization of deferred policy acquisition costs has increased by \$27,347, from \$145,850 for the three months ended March 31, 1994, to \$173,197 for the three months ended March 31, 1995. This increase was also due to the maturing of the policies in force.

The decrease in general and administrative expenses resulted from a reduction in operations at Security National Mortgage due to its decreased loan activity.

Interest expense increased by \$57,100, from \$162,667 for the three months ended March 31, 1994, to \$219,767 for the three months ended March 31, 1995. This increase was primarily due to the interest on the debt acquired in the amount of \$2,800,000 for the acquisition of Capital Investors Life Insurance Company, which was completed on December 21, 1994.

Cost of mortuary and cemetery lots and services increased by \$74,418, from \$386,727 for the three months ended March 31, 1994, to \$461,145 for the three months ended March 31, 1995. The increase of goods and services sold is consistent with the increase in sales at the cemeteries and mortuaries.

First Quarter 1994 Compared to First Quarter 1993

The Company's total revenues increased by \$161,000 (4.0%), from \$4,260,000 for the three months ended March 31, 1993 to \$4,421,000 for the three months ended March 31, 1994. Contributing to this increase in total revenues was a \$49,000 increase in premiums from \$1,158,000 in the first quarter of 1993 to \$1,207,000 in the first quarter of 1994. This increase was attributable to an increase in renewal premiums.

Investment income decreased by \$17,000, from \$965,000 in the first quarter of 1993 to \$948,000 in the first quarter of 1994. This decrease was due to a higher percentage of invested assets in short term investments in the current three month period, yielding a lower rate of interest. In the comparative three month period, 17% of the invested assets were in short term investments whereas in the current three month period 28% of the invested assets were in short term investments.

Mortuary and cemetery income decreased by \$204,000, from \$1,599,000 in the first quarter of 1993 to \$1,394,000 in the first quarter of 1994. This decrease was primarily related to a \$100,000 reduction in preneed sales at Holladay Memorial Cottonwood Foundation. The revenue of Bonneville Limousine, which is part of the operations of Deseret Mortuary, decreased by \$120,000. This higher level of revenues in the first quarter of 1993 was due to the increase limousine services resulting from the NBA Allstar Game, which was held in Salt Lake City during the first quarter of 1993.

Realized gains on investments decreased by \$230,000, from \$293,000 in the first quarter of 1993 to \$63,000 in the first quarter of 1994. The 1993 amount included the results of a favorable settlement of a lawsuit brought in 1988 by the Metropolitan Water District against the Company to condemn 6.6 acres of land at Mountain View Cemetery. On February 19, 1993, an agreement was reached wherein the land was sold to Metropolitan Water District for \$300,000. The net gain on the sale of the land, after deducting the original cost of the land and the costs of litigation, was approximately \$184,000.

Other revenues increased by \$581,000, from \$98,000 in the first quarter of 1993 to \$680,000 in the first quarter of 1994. This increase was primarily due to \$643,000 in additional revenues that were generated by Security National Mortgage Company, which was formed on July 1, 1993, as a wholly-owned subsidiary of the Company for the purpose of originating and refinancing mortgage loans.

Total benefits and expenses were \$4,254,000 for the three month period ended March 31, 1994, which constituted 96.2% of total revenue of the Company, as compared to \$3,802,000, or 89.2% of total revenue for the three month period ended March 31, 1993. Death and other policy benefits decreased by \$166,000, from \$1,238,000 for the first quarter of 1993 to \$1,072,000 for the first quarter of 1994. This decrease was primarily due to a reduction in the rate of interest being credited to annuity and other interest sensitive reserves during the current three month period.

General and administrative expenses increased \$747,000 from \$1,740,000 in the first quarter of 1993 to \$2,487,000 in the first quarter of 1994. This increase is due to the additional costs associated with the operations of Camelback Sunset Funeral Home, which was acquired on January 10, 1994, and Security National Mortgage Company, which was formed on July 1, 1993.

Interest expense increased by \$15,000, from \$147,000 in the first quarter of 1993 to \$163,000 in the first quarter of 1994. This additional increase in expense was the result of the \$1,500,000 in additional debt financing by the Company as of February 12, 1993 to acquire Pinehill Business Park and \$940,000 in additional debt in connection with the acquisition of Camelback Funeral Home. Cost of mortuary and cemetery lots and services decreased by \$140,000 from \$527,000 in the first quarter of 1993 to \$387,000 in the first quarter of 1994. This decrease was due to a reduction in pre-need sales during the current three month period.

Liquidity and Capital Resources

The Company's life insurance subsidiary 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 investment, or sale of other investments. 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 and the maintenance of existing policies.

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 predominately in fixed maturity securities in accordance with the requirements and laws governing the life insurance subsidiary. Bonds owned by the insurance subsidiary amounted to \$38,942,780, at amortized cost as of March 31, 1995. Generally all bonds owned by life insurance companies are rated by the National Association of Insurance Commissioners (NAIC). Under this rating system, there are six categories used for rating bonds. At March 31, 1995, 2.4% (\$1,801,000) and at March 31, 1994, 1.5% (\$739,000) of the Company's total invested assets were invested in bonds in rating categories three through six which are considered non-investment grade.

The Company's interest sensitive type products, primarily annuities and interest sensitive whole life, compete with other financial products such as bank certificates of deposit, brokerage sponsored money market funds as well as competing life insurance company products. Based on preliminary

information, the Company plans to hold its fixed income securities, including high-yield securities, in its portfolio 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 cash equivalents in investment grade securities before liquidating high-yield securities.

Lapse rates measure the amount of insurance terminated during a particular period. The Company's lapse rate for life insurance in 1994 was 8%, as compared to a rate of 9% in 1993. The Company's primary needs for liquidity are for debt service, maintenance of statutory capital and surplus for its life insurance subsidiary and administrative expenses and cost of cemetery and mortuary services to be rendered.

On February 12, 1993, Security National Life Insurance Company entered into a purchase and sale agreement for the Pinehill Business Park located in Murray, Utah. The purchase price was \$2,150,000 with debt financing of \$1,500,000 through a local bank. As of March 31, 1995, about 95% of the available space was occupied.

On July 31, 1993, the Company contributed assets of approximately \$268,000 to its new wholly-owned subsidiary, Security National Mortgage Company. Security National Mortgage Company operates in two principal markets: refinancing of mortgage loans and origination of mortgage loans. These loans are sold on the secondary market to investors with servicing obligations released. Security National Life Insurance Company intends to act as a warehouse lender for the mortgage loans. By becoming a warehouse lender, Security National Life Insurance Company can obtain a long term interest rate on its assets without committing the funds for a long period of time.

On January 10, 1994, the Company acquired Sunset Funeral Home, Inc. ("Sunset"), which owns and operates a mortuary in Phoenix, Arizona, known as Camelback Sunset Funeral Home. As consideration for the purchase, the Company paid \$140,000 in cash, issued 25,000 shares of Class A Common Stock, assumed an existing debt of \$588,000, and entered into an agreement to pay the seller the sum of \$3,500 in monthly installments during his lifetime up to a maximum of \$560,000. In the event of the death of the seller prior to the payment of \$560,000, the remaining unpaid balance of such amount would be paid to his daughter.

On December 21, 1994, the Company purchased all of the outstanding shares of common stock of Capital Investors Life Insurance Company ("Capital Investors Life") from Suncoast Financial Corporation ("Suncoast Financial"). As consideration for the purchase of the shares, the Company paid \$5,231,000 in cash, issued 40,000 shares of its Class A Common Stock, and entered into a profit sharing agreement providing for 33-1/3% of the profits from new post-closing sales of existing Capital Investors Life plans of insurance to be paid as earned. An aggregate of \$2,700,000 of the cash consideration was borrowed by the Company from Key Bank, Crossroads Office, Salt Lake City, Utah, and is payable by the Company in accordance with the terms of a Promissory Note dated December 16, 1994, bearing interest at one-half percent per annum above the bank's prime rate, and payable in monthly payments in the amount of \$36,420, with the unpaid principal balance, together with accrued interest and other charges, due and payable on December 16, 1999. The remainder of the purchase price came from the Company's internal funds.

On February 3, 1995, the Company purchased approximately 100 acres of real property (the "Property") located in San Diego, California, approximately 35 acres of which will be used for the development of a cemetery. The purchase price of the property was \$1,162,000, \$100,000 of which was paid in cash and the balance of \$1,062,000, together with interest thereon at the rate of nine percent (9%) per annum, will be paid in 12 monthly payments of \$5,000, thereafter in equal monthly payments of \$10,000; however, interest shall not accrue on any part of the principal balance until February 3, 1996, and a principal payment of \$100,000 is to be made 15 days after the date the California Cemetery Board approves the Company's application for Certificate of Authority, or February 3, 1996, whichever occurs first.

The Company has invested and deferred approximately \$1,013,000 in option fees and costs of various regulatory studies, including environmental, water, and archaeological studies. The Company is seeking approval from the federal government and the California Cemetery Board to operate a cemetery. The development of the cemetery will be financed internally as well as through a private offering. Initial development of 35 acres to operate as a cemetery would cost approximately \$500,000.

On March 8, 1995, the Company was issued 97,800 shares of common stock of Greer-Wilson Funeral Home, Inc. ("Greer-Wilson"), representing 97.8% of the total issued and outstanding shares of common stock of Greer-Wilson after the issuance of such shares. In consideration for the purchase of such shares, the Company agreed to contribute \$430,000 to Greer-Wilson for the payment of its accounts payable, or to assume payment of the accounts payable, and to pay or refinance Greer-Wilson's existing mortgage loan indebtedness; and to pay the former President and his wife \$6,000 per month over a ten year period for providing consulting services. The Company also loaned the former President and his wife the sum of \$200,000 to be paid on March 8, 2005, together with interest thereon at the rate of seven percent (7%) per annum. This obligation is collateralized by a pledge of 2,200 shares of the Company's common stock that is currently owned by Mr. Greer.

At March 31, 1995, \$8,724,052 of the Company's consolidated stockholders' equity represents the statutory stockholders' equity of the Company's insurance subsidiary Security National Life. Security National is restricted to the amount of dividends it may pay depending upon its earnings and surplus. Generally, Security National's excess surplus as calculated under the Utah Insurance Code, is not restricted except for prior notification to the Department of Insurance if the dividend exceeded the preceding year's earnings.

Part II Other Information:

- Item 1. NONE
- Item 2. NONE
- Item 3. NONE
- Item 4. NONE
- Item 5. NONE
- Item 6. The Company filed reports on Form 8-K with the Securities and Exchange Commission on February 24, 1995 and March 31, 1995, respectively. The reports supplied information under Section 2 therefore, captioned "Acquisition or Disposition of Assets," which were related to the acquisition of Capital Investors Life Insurance Company.

SIGNATURES

Pursuant to the requirements of the Securities and 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: May 13, 1995

By: Scott M. Quist
First Vice President, General
Counsel, Treasurer and Principal
Accounting Officer

DATED: May 13, 1995

By: George R. Quist
President