

FORM 8-K

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

Date of Report (Date of Earliest Event Reported): July 22, 2005

SECURITY NATIONAL FINANCIAL CORPORATION
(Exact name of registrant as specified in this Charter)

Utah	0-9341	87-0345941
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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

Registrant's Telephone Number, Including Area Code: (801) 264-1060

Does Not Apply
(Former name or former address, if changed since last report)

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ITEM 8. Other Events

Acquisition of Memorial Insurance Company of America.

On July 22, 2005, Security National Financial Corporation (the "Company") entered into a letter of intent with Memorial Insurance Company of America ("Memorial Insurance Company"), an Arkansas domiciled insurance company, to purchase all of the outstanding shares of common stock of Memorial Insurance Company. Under the terms of the letter of intent, the stockholders of Memorial Insurance Company are to receive \$13,500,000 in consideration for all of the outstanding common shares of Memorial Insurance Company, with each stockholder to receive a prorata share of the total amount of the purchase consideration. The stockholders are to receive a total \$13,500,000 for their shares by means of capital distribution, stock purchase, stock buyback, or similar transactions, with the Company simultaneously contributing sufficient capital and surplus to Memorial Insurance Company to maintain its status as an admitted insurer in good standing in the state of Arkansas.

As of December 31, 2004, Memorial Insurance Company had 100,170 policies in force and 50 agents. For the year ended December 31, 2004, Memorial Insurance Company had revenues of \$5,219,000 and net income of \$2,267,000. As of December 31, 2004, the statutory assets and the capital and surplus of Memorial Insurance Company were \$45,065,000 and \$13,411,000, respectfully.

Contemporaneously with the completion of the transaction with the stockholders of Memorial Insurance Company, the letter of intent requires

Memorial Insurance Company to coinsure substantially all of its business to the Company. The coinsurance agreement is required to have terms standard in the industry for such agreements, and is to include a tri-party collateral provision regarding the assets funding the reserves. The parties to the coinsurance agreement are to consist of the Company, Memorial Insurance Company and the Arkansas Insurance Department. Any future insurance business by Memorial Insurance Company will be covered by this coinsurance agreement.

Additionally, Memorial Insurance Company agrees in the letter of intent to make its marketing sales personnel available to the Company for hire. Moreover, the Company agrees to maintain the corporate offices of Memorial Insurance Company at its current location. The Company anticipates completing the transaction no later than October 30, 2005.

The obligations of the Company and Memorial Insurance Company to complete the transaction are contingent upon satisfaction of the following conditions:

- o A complete and satisfactory review by the Company of the books, records and business of Memorial Insurance Company, with such review to be completed by August 12, 2005.
- o Execution and delivery of a definitive agreement between the Company and Memorial Insurance Company;
- o Approval and adoption of the letter of intent by the Board of Directors of the Company and Memorial Insurance Company;
- o Approval of the transaction by any regulatory authorities having jurisdiction over the Company and Memorial Insurance Company, including the insurance departments of the states of Arkansas and Utah;

ITEM 9.01. Financial Statements and Exhibits

(c) Exhibits

10.1 Letter of Intent between Security National Financial Corporation and Memorial Insurance Company of America.

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 hereunto duly authorized.

SECURITY NATIONAL FINANCIAL CORPORATION
(Registrant)

Date: August 10, 2005

By: /s/ Scott M. Quist

Scott M. Quist

President and Chief Operating Officer

July 11, 2005

Mr. Larry Perrin
Shareholders of Memorial Insurance Company of America
Memorial Insurance Company of America
PO Box 505
634 Main Street,
Blytheville, Arkansas 72316-0505

Dear Sirs:

By this letter Security National Financial Corporation, including its subsidiaries, expresses its intention to acquire, as outlined below, Memorial Insurance Company of America agrees to the transactions contemplated herein, and the Shareholders, as evidenced by their signatures attached hereto, express their intention to sell, redeem, exchange, or otherwise convey, all their stock in Memorial Insurance Company of America under the following terms and conditions.

The Shareholders shall receive \$13,500,000 for 100% of the outstanding common stock of Memorial, each shareholder to receive their pro-rata share of the total amount. The Shareholders shall receive \$13,500,000 which shall be made by capital distribution, stock buy back, purchase of similar transactions with Security National simultaneously contributing sufficient capital and surplus to Memorial to maintain its status as an admitted insurer in good standing in the State of Arkansas. The Shareholders shall make all reasonable efforts to keep Memorial's business in force.

Simultaneous with the receipt of the above funds by the Shareholders, conveyance of stock, and simultaneous recapitalization of Memorial, Memorial will coinsure, on a permanent basis, substantially all its business to Security National Life Insurance Company. This coinsurance agreement is to have terms standard in the industry for such agreements, and shall include a tri-party collateral provision regarding the assets funding the reserves, the parties of the agreement are to be Memorial, Security National, and the Arkansas Insurance Department. Future business to be written by Memorial shall be covered by this coinsurance agreement.

Memorial, consistent with the intentions of this letter and the agreements contemplated herein, shall make available for hire, to the extent possible, the marketing force associated with its business. Security National hereby expresses its intention to maintain the current office location of Memorial.

The parties agree that this Letter of Intent shall be used in preparing the definitive documents needed to memorialize the agreements contemplated herein and all needed regulatory filings. Such definitive documents shall contain representations and warranties customary for such transactions to include that its financial condition is accurately represented in its statements. Memorial acknowledges that Security National has not completed its due diligence review of the transactions and business to be acquired as contemplated herein. Memorial agrees to make available all records, personnel, systems, or other items or resources it has to Security National such that the due diligence can be completed. Such due diligence shall be completed within three weeks of the signing hereof of at least 80% of the outstanding shares. Each party will bear its own costs.

Memorial Insurance Company of America Letter of Intent p.2 of 3

This letter of intent and the transactions contemplated herein are subject to the approval of the respective Boards of Directors of Memorial and Security National, which agreement the parties agree to use their best efforts to obtain. Furthermore, the transactions contemplated herein are contingent upon obtaining regulatory approval of the states of Arkansas and Utah, and any other regulatory bodies that may have jurisdiction over the matters.

Please indicate your acceptance of the terms and conditions of this Letter of Intent as provided herein by signing the signature lines below. Assuming your acceptance of this letter, we hope to close no later than October 30, 2005, or within 5 business days of this transaction receiving the needed regulatory approvals. This letter shall be valid for 8 business days from the date hereof.

Very Truly Yours:

Security National Financial Corporation

By: Scott M. Quist, President

Accepted:

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Memorial Insurance Company of America

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Shareholder Signature Shareholder Printed

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