UNITED STATES
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, 1998   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	3,733,470
Title of Class	Number of Shares Outstanding as of June 30, 1998
Class C Common Stock, $.20 par value	5,140,623
Title of Class	Number of Shares Outstanding as of June 30, 1998

SECURITY NATIONAL FINANCIAL CORPORATION AND SUBSIDIARIES
FORM 10Q

QUARTER ENDED JUNE 30, 1998

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PART I - FINANCIAL INFORMATION

SECURITY NATIONAL FINANCIAL CORPORATION
AND SUBSIDIARIES

Consolidated Statements of Earnings

	Six Months Ended June 30, 1998 (Unaudited)	1997 (Unaudited)
Revenues:		
Insurance premiums and other considerations	$ 3,014,874	$ 2,983,294
Net investment income	3,712,179	3,466,068
Net mortuary and cemetery sales	4,872,384	4,772,676
Realized gains on investments and other assets	98,099	269,575
Mortgage fee income	4,183,395	2,887,947
Other	38,520	22,210
Total revenue	15,919,451	14,401,770
Benefits and expenses:		
Death benefits	1,122,047	1,211,108
Surrenders and other policy benefits	540,711	774,609
Increase in future policy benefits	1,724,671	1,298,064
Amortization of deferred policy acquisition costs and cost of insurance acquired	593,054	639,355
General and administrative expenses:		
Commissions	3,243,517	2,397,780
Salaries	2,620,264	2,435,367
Other	3,272,580	2,949,368
Interest expense	419,729	537,851
Cost of goods and services sold of the mortuaries and cemeteries	1,542,620	1,451,098
Total benefits and expenses	15,079,193	13,694,600
Earnings before income taxes	840,258	707,170
Income tax expense	(194,331)	(165,112)
Net earnings	$ 645,927	$ 542,058
Net earnings per common share	$0.15	$0.14
Weighted average outstanding common shares	4,201,122	3,970,486
Net earnings per common share-assuming dilution	$0.15	$0.14
Weighted average outstanding common shares-assuming dilution	4,201,122	4,002,345

See accompanying notes to consolidated financial statements.

SECURITY NATIONAL FINANCIAL CORPORATION
AND SUBSIDIARIES

Consolidated Statements of Earnings

	Three Months Ended June 30, 1998 (Unaudited)	1997 (Unaudited)
Revenues:		
Insurance premiums and other considerations	$1,456,809	$1,510,671
Net investment income	1,868,025	1,692,641
Net mortuary and cemetery sales	2,433,092	2,272,313
Realized gains on investments and other assets	62,053	233,548
Mortgage fee income	2,279,449	1,261,828
Other	12,598	11,278
Total revenue	8,112,026	6,982,279
Benefits and expenses:		
Death benefits	611,699	682,684
Surrenders and other policy benefits	241,222	508,155
Increase in future policy benefits	970,281	555,612
Amortization of deferred policy acquisition costs and cost of insurance acquired	296,527	324,527
General and administrative expenses:		
Commissions	1,688,584	1,127,487
Salaries	1,356,994	1,169,323
Other	1,614,454	1,437,731
Interest expense	234,431	260,329
Cost of goods and services sold of the mortuaries and cemeteries	871,741	719,236
Total benefits and expenses	7,885,933	6,785,084
Earnings before income taxes	226,093	197,195
Income tax expense	(59,076)	(47,818)
Net earnings	$ 167,017	$ 149,377
Net earnings per common share	$0.04	$0.04
Weighted average outstanding common shares	4,227,691	3,970,486
Net earnings per common share-assuming dilution	$0.04	$0.04
Weighted average outstanding common shares-assuming dilution	4,227,691	4,002,253

See accompanying notes to consolidated financial statements.

SECURITY NATIONAL FINANCIAL CORPORATION
AND SUBSIDIARIES

Consolidated Balance Sheets

	June 30, 1998 (Unaudited)	December 31, 1997
Assets:		
Insurance-related investments:		
Fixed maturity securities held to maturity, at amortized cost	$ 45,080,944	$ 49,784,898
Equity securities available for sale, at market	4,779,216	4,831,813
Mortgage loans on real estate	9,281,050	8,307,237
Real estate, net of accumulated depreciation	7,986,419	7,559,725
Policy loans	2,911,154	2,882,711
Other loans	73,129	84,147
Short-term investments	5,693,152	3,698,941
Total insurance-related investments	75,805,064	77,149,472
Restricted assets of cemeteries and mortuaries	4,023,830	3,889,785
Cash	982,887	3,408,179
Receivables:		
Trade contracts	4,325,035	4,323,011
Mortgage loans sold to investors	16,881,944	11,398,432
Receivable from agents	868,540	816,657
Other	1,937,120	364,782
Total receivables	24,012,639	16,902,882
Allowance for doubtful accounts	(1,714,201)	(1,679,090)
Net receivables	22,298,438	15,223,792
Land and improvements held for sale	8,510,946	8,466,886
Accrued investment income	984,356	1,001,998
Deferred policy acquisition costs	4,614,808	4,433,841
Property, plant and equipment, net	7,015,925	6,641,562
Cost of insurance acquired	3,210,571	3,370,018
Excess of cost over net assets of acquired subsidiaries	1,469,697	1,554,505
Other	515,493	311,841
Total assets	$129,432,015	$125,451,879

See accompanying notes to consolidated financial statements.

SECURITY NATIONAL FINANCIAL CORPORATION
AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

	June 30, 1998 (Unaudited)	December 31, 1997
Liabilities:		
Future life, annuity, and other policy benefits	$ 78,776,497	$ 77,890,080
Line of credit for financing of mortgage loans	2,100,000	100,000
Bank loans payable	5,849,885	6,097,351
Notes and contracts payable	3,635,493	3,783,566
Estimated future costs of pre-need sales	6,261,463	5,994,241
Payable to endowment care fund	169,025	121,370
Accounts payable	981,649	1,204,029
Other liabilities and accrued expenses	1,914,354	1,632,897
Income taxes	3,426,414	3,233,415
Total liabilities	103,114,780	100,056,949
Commitments and contingencies		
Stockholders' Equity:		
Common stock:		
Class A: $2 par value, authorized 10,000,000 shares, issued 4,393,463 shares in 1998 and 4,326,588 shares	8,786,926	8,653,176
Class C: $0.20 par value, authorized 7,500,000 shares, issued 5,196,840 shares in 1998 and 5,200,811 shares in 1997	1,039,368	1,040,162
Total common stock	9,826,294	9,693,338
Additional paid-in capital	9,253,141	9,133,454
Unrealized appreciation of investments, net of deferred taxes	854,675	830,939
Retained earnings	8,179,185	7,533,259
Treasury stock at cost (659,993 Class A shares and 56,217 Class C shares in 1998 and 1997 held by affiliated companies)	(1,796,060)	(1,796,060)
Total stockholders' equity	26,317,235	25,394,930
Total liabilities and stockholders' equity	$129,432,015	$125,451,879

See accompanying notes to consolidated financial statements.

SECURITY NATIONAL FINANCIAL CORPORATION
AND SUBSIDIARIES

Consolidated Statements of Cash Flow

	Six Months Ended June 30, 1998 (Unaudited)	1997 (Unaudited)
Cash flows from operating activities:		
Net earnings	$ 645,927	$ 542,058
Adjustments to reconcile net earnings to net cash (used in) provided by operating activities:		
Realized gains on investments and other assets	(98,099)	(269,575)
Depreciation	447,634	380,216
Provision for losses on accounts and loans receivable	35,111	(159,575)
Amortization of goodwill, premiums, and discounts	58,424	(1,953)
Provision for income taxes	193,000	163,560
Policy acquisition costs deferred	(614,574)	(500,047)
Policy acquisition costs amortized	433,607	509,780
Cost of insurance acquired amortized	159,447	129,575
Change in assets and liabilities net of effects from purchases and disposals of subsidiaries:		
Land and improvements held for sale	(44,060)	(32,772)
Future life and other benefits	1,669,577	943,023
Receivables for mortgage loans sold	(5,483,512)	6,448,583
Other operating assets and liabilities	(1,185,660)	212,919
Net cash (used in) provided by operating activities	(3,783,178)	8,365,792
Cash flows from investing activities:		
Securities held to maturity:		
Purchase - fixed maturity securities	(524,563)	(3,157,492)
Calls and maturities - fixed maturity securities	5,283,390	4,098,016
Securities available for sale:		
Sales - equity securities	(15,625)	(166,695)
Proceeds from sale of equity securities	158,527	498,934
Purchases of short-term investments	(5,394,210)	(3,192,862)
Sales of short-term investments	3,400,000	648,738
Purchases of restricted assets	(134,045)	(241,930)
Mortgage, policy, and other loans made	(2,913,800)	(362,837)
Payments received for mortgage, policy, and other loans	1,860,942	2,359,799
Purchases of property, plant, and equipment	(662,030)	(146,046)
Purchases of real estate	(522,001)	(45,868)
Net cash provided by investing activities	536,585	291,757

SECURITY NATIONAL FINANCIAL CORPORATION
AND SUBSIDIARIES

Consolidated Statements of Cash Flow (Continued)

	Six Months Ended June 30, 1998 (Unaudited)	1997 (Unaudited)
Cash flows from financing activities:		
Annuity receipts	1,386,622	1,322,402
Annuity withdrawals	(2,169,782)	(2,048,870)
Repayment of bank loans and notes and contracts payable	(295,539)	(1,362,749)
Purchase of treasury stock	--	(38,948)
Net change in line of credit for financing of mortgage loans	1,900,000	(1,211,890)
Net cash provided by (used in) financing activities	821,301	(3,340,055)
Net change in cash	(2,425,292)	5,317,494
Cash at beginning of period	3,408,179	3,301,084
Cash at end of period	$ 982,887	$8,618,578

See accompanying notes to the financial statements.

SECURITY NATIONAL FINANCIAL CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
June 30, 1998
(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, 1998, are not necessarily indicative of the results that may be expected for the year ending December 31, 1998. For further information, refer to the consolidated financial statements and footnotes thereto for the year ended December 31, 1997, 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

As of January 1, 1998, the Company adopted Statement 130, Reporting Comprehensive Income. Statement 130 establishes new rules for the reporting and display of comprehensive income and its components; however, the adoption of this Statement had no impact on the Company's net income or stockholders' equity. Statement 130 requires unrealized gains or losses on the Company's available-for-sale securities, which prior to adoption were reported separately in stockholders' equity, to be included in other comprehensive income.

For the three months ended June 30, 1998 and 1997 total comprehensive income amounted to $101,292 and $225,984, respectively. For the six months ended June 30, 1998 and 1997, total comprehensive income amounted to $669,662 and $458,728, 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, 1998	1997
Numerator:		
Net income	$645,927	$542,057
Denominator:		
Denominator for basic earnings per share-- weighted-average shares	4,201,122	3,970,486
Effect of dilutive securities:		
Employee stock options	--	19,671

Stock appreciation rights	--	12,188
Dilutive potential common shares	--	31,859
Denominator for diluted earnings per share-adjusted weighted-average shares and assumed conversions	4,201,122	4,002,345
Basic earnings per share	$0.15	$0.14
Diluted earnings per share	$0.15	$0.14

	Three Months Ended June 30, 1998	1997
Numerator:		
Net income	$167,017	$149,377
Denominator:		
Denominator for basic earnings per share-- weighted-average shares	4,227,691	3,970,486
Effect of dilutive securities:		
Employee stock options	--	20,659
Stock appreciation rights	--	11,108
Dilutive potential common shares	--	31,767
Denominator for diluted earnings per share-adjusted weighted-average shares and assumed conversions	4,227,691	4,002,253
Basic earnings per share	$0.04	$0.04
Diluted earnings per share	$0.04	$0.04

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

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, annuities, and limited pay accident policies; (ii) emphasis on high margin cemetery and mortuary business; and (iii) capitalizing on the strong economy in the intermountain west by originating and refinancing mortgage loans.

Results of Operations

Second Quarter of 1998 Compared to Second Quarter of 1997

Total revenues increased by $1,130,000, or 16.2%, to $8,112,000 for the three months ended June 30, 1998, from $6,982,000 for the three months ended June 30, 1997. Contributing to this increase in total revenues was a $1,018,000 increase in mortgage fee income, a $175,000 increase in net investment income, and a $161,000 increase in net mortuary and cemetery sales. These increases were partially offset by a $54,000 decrease in insurance premiums and other considerations and a $171,000 decrease in realized gains on investments and other assets.

Insurance premiums and other considerations decreased by $54,000, or 3.6%, to $1,457,000 for the three months ended June 30, 1998, from $1,511,000 for the comparable period in 1997. This decrease was primarily due to a reduction in policies in force from new business.

Net investment income increased by $175,000, or 10.4%, to $1,868,000 for the three months ended June 30, 1998, from $1,693,000 for the comparable period in 1997. This increase was attributable to the Company warehousing additional mortgage loans during the second quarter of 1998 as compared to the second quarter of 1997.

Net mortuary and cemetery sales increased by $161,000, or 7.1%, to $2,433,000 for the three months ended June 30, 1998, from $2,272,000 for the comparable period in 1997. This increase was primarily related to an increase in pre-need sales which increased 45% over the prior period.

Mortgage fee income increased by $1,018,000, or 80.6%, to $2,280,000 for the three months ended June 30, 1998, from $1,262,000 for the comparable period in 1997. This increase was primarily attributable to more loan originations during the second quarter of 1998 from the refinancing of residential loans brought about by lower interest rates.

Total benefits and expenses were $7,886,000, or 97.2% of total revenues for the three months ended June 30 1998, as compared to $6,785,000, or 97.2% of total revenues for the three months ended June 30, 1997.

Death benefits, surrenders and other policy benefits and increase in future policy benefits increased by $77,000, or 4.4%, to $1,823,000 for the three months ended June 30, 1998, from $1,746,000 for the comparable period in 1997. This increase was primarily the result of accumulative interest on policyholder funds.

Amortization of deferred policy acquisition costs and cost of insurance acquired decreased by $28,000, or 8.6%, to $297,000, for the three months ended June 30, 1998, from $325,000 for the comparable period in 1997. This decrease was in line with the actuarial assumptions.

General and administrative expenses increased by $926,000, or 24.8%, to $4,660,000 for the three months ended June 30, 1998, from $3,734,000 for the comparable period in 1997. 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 1998.

Interest expense decreased by $26,000, or 9.9%, to $234,000 for the three months ended June 30, 1998, from $260,000 for the comparable period in 1997. This decrease was primarily due to the reduction of long-term debt.

Cost of goods and services sold of the mortuaries and cemeteries increased by $153,000, or 21.2%, to $872,000 for the three months ended June 30, 1998, from $719,000 for the comparable period in 1997. This increase was consistent with the increase in net mortuary and cemetery sales.

Six Months Ended June 30, 1998 Compared to Six Months Ended June 30, 1997

Total revenues increased by $1,518,000, or 10.5%, to $15,920,000 for the six months ended June 30, 1998, from $14,402,000 for the six months ended June 30, 1997. Contributing to this increase in total revenues was a $1,295,000 increase in mortgage fee income, a $32,000 increase in insurance premiums and other considerations, a $246,000 increase in net investment income, and a $100,000 increase in net mortuary and cemetery sales. These increases were partially offset by a $171,000 decrease in realized gains on investments and other assets.

Insurance premiums and other considerations increased by $32,000, or 1.1%, to $3,015,000 for the six months ended June 30, 1998, from $2,983,000 for the comparable period in 1997. This increase was primarily due to an increase in policies in force from new business.

Net investment income increased by $246,000, or 7.1%, to $3,712,000 for the six months ended June 30, 1998, from $3,466,000 for the comparable period in 1997. This increase was attributable to the Company warehousing additional mortgage loans during the six months ended June 30, 1998 as compared to the six months ended June 30, 1997.

Net mortuary and cemetery sales increased by $100,000, or 2.1%, to $4,872,000 for the six months ended June 30, 1998, from $4,772,000 for the comparable period in 1997. This increase is primarily related to an increase in pre-need sales and at-need sales which increased 22% and 3%, respectively, over the prior period.

Mortgage fee income increased by $1,295,000, or 44.9%, to $4,183,000 for the six months ended June 30, 1998, from $2,888,000 for the comparable period in 1997. This increase was primarily attributable to more loan originations during the first six months of 1998 from the refinancing of residential loans brought about by lower interest rates.

Total benefits and expenses were $15,079,000, or 94.7% of total revenues for the six months ended June 30 1998, as compared to $13,695,000, or 95.1% of total revenues for the six months ended June 30, 1997.

Death benefits, surrenders and other policy benefits and increase in future policy benefits increased by $104,000, or 3.2%, to $3,388,000 for the six months ended June 30, 1998, from $3,284,000 for the comparable period in 1997. This increase was primarily the result of accumulative interest on policyholder funds.

Amortization of deferred policy acquisition costs and cost of insurance acquired decreased by $46,000, or 7.2%, to $593,000, for the six months ended June 30, 1998, from $639,000 for the comparable period in 1997. This decrease was in line with the actuarial assumptions.

General and administrative expenses increased by $1,354,000, or 17.4%, to $9,137,000 for the six months ended June 30, 1998, from $7,783,000 for the comparable period in 1997. 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 ended June 30, 1998.

Interest expense decreased by $118,000, or 22.0%, to $420,000 for the six months ended June 30, 1998, from $538,000 for the comparable period in 1997. This decrease was primarily due to the reduction of long-term debt.

Cost of goods and services sold of the mortuaries and cemeteries increased by $92,000, or 6.3%, to $1,543,000 for the six months ended June 30, 1998, from $1,451,000 for the comparable period in 1997. This increase was consistent with the increase in net mortuary and cemetery sales.

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 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 subsidiary. Bonds owned by the life insurance subsidiary amounted to $44,993,000 at amortized cost as of June 30, 1998 compared to $49,697,000 at amortized cost as of December 31, 1997. This represents 61% and 64% of the total insurance-related investments as of June 30, 1998 and December 31, 1997, respectively. Generally, all bonds owned by the life insurance subsidiary are rated by the National Association of Insurance Commissioners. Under this rating system, there are six categories used for rating bonds. At June 30, 1998, 4.5% ($2,018,000) and at December 31, 1997, 4.1% ($2,018,000) 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 intends 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 short-term investment grade securities before liquidating high-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, 1998 and December 31, 1997, the life insurance subsidiary exceeded the regulatory criteria.

The Company's total capitalization of stockholders' equity and bank debt and notes payable was $35,803,000 as of June 30, 1998 as compared to $35,276,000 as of December 31, 1997. Stockholders' equity as a percent of capitalization increased to 74% as of June 30, 1998 from 72% as of December 31, 1997 and as a percent of assets was 20% for both periods.

Lapse rates measure the amount of insurance terminated during a particular period. The Company's lapse rate for life insurance in 1997 was 11.7% as compared to a rate of 12.0% for 1996. The 1998 lapse rate is approximately the same as 1997.

At June 30, 1998, $11,948,000 of the Company's consolidated stockholders' equity represents the statutory stockholders' equity of the Company's life insurance subsidiary. The life insurance subsidiary cannot pay a dividend to its parent company without the approval of insurance regulatory authorities.

Acquisitions

On April 27, 1998, the Company entered into an Acquisition Agreement (the "Agreement") with Consolidare Enterprises, Inc., a Florida corporation, ("Consolidare"), and certain shareholders of Consolidare for the purchase of all of the outstanding shares of common stock of Consolidare. Consolidare owns approximately 57.4% of the outstanding shares of common stock of Southern Security Life Insurance Company, a Florida corporation ("SSLIC"), and all of the outstanding shares of stock of Insuradyne Corp., a Florida corporation ("Insuradyne"). SSLIC is a Florida domiciled insurance company with total assets of approximately $82.1 million. SSLIC is currently licensed to transact business in 14 states. SSLIC's total revenues for the year ended December 31, 1997 were $11,695,756. SSLIC had a net income of $195,000 for fiscal 1997.

As consideration for the purchase of the shares of Consolidare, the Company will pay to the holders of Consolidare common stock an aggregate of $11,356,400 plus an amount equal to the current assets of Consolidare as of the closing date. For purposes of the purchase consideration, current assets of Consolidare are defined as cash and cash equivalents (with interest earned through the closing date) and accrued commission due to Insuradyne from SSLIC. To pay the purchase consideration, the Company intends to obtain approximately $6,500,000 from bank financing, with the balance of approximately $4,856,400 to be obtained from funds currently held by the Company. In addition to the purchase consideration, the Company is required to cause SSLIC to pay, on the closing date, $1,050,000 to George Pihakis, who is currently President and Chief Executive Officer of SSLIC, as a lump sum settlement of the executive compensation agreement between SSLIC and Mr. Pihakis.

The closing of the Agreement is contingent upon regulatory approvals, including the approval of the Florida Department of Insurance and the Utah Insurance Department, compliance or waiver of compliance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, approval of the Agreement by the affirmative vote of a majority of the Consolidare shareholders, with no Consolidare shareholders exercising their rights as dissenting shareholders under Section 607.1320 of the Florida statutes, as well as the satisfactory performance of certain covenants and the accuracy of the parties' respective representations and warranties at closing. Following the closing of the Agreement, it is the intention of the Company to merge a newly formed wholly-owned subsidiary of Security National Life Insurance Company into Consolidare, with the result that Security National Life Insurance Company will then own 57.4% of the outstanding shares of common stock of SSLIC. The Company further intends to continue to operate SSLIC as a Florida domiciled insurance company.

Year 2000 Issues

The Company is aware of the issues associated with the programming code in existing computer systems as the millennium ("Year 2000") approaches. The Year 2000 problem is pervasive and complex as virtually every computer operation will be affected in some way by the rollover of the two digit year value to 00. The issue is whether computer systems will properly recognize data sensitive information when the year changes to 2000. Systems that do not properly recognize such information could generate erroneous data or cause a system to fail.

The Company's systems, which are presently in use, have been purchased from third party vendors. The Company is in the process of converting to the latest versions for these systems which are Year 2000 compliant ("Version 2000"). The Company plans to have the Version 2000 installed and in use for its life insurance subsidiary in the third quarter of 1998 and the Version 2000 installed and in use for its cemetery and mortuary subsidiaries in the first quarter of 1999. The mortgage subsidiary is currently using a Version 2000 system. The total cost for the Version 2000 systems is approximately $50,000, of which $40,000 has been spent as of June 30, 1998.

Once installed the Company believes that the Year 2000 problem will not pose significiant operational problems for the Company. However, if such conversions are not completed timely, the Year 2000 problem may have a material impact on the operations of the Company. Also, the Company is in the process of confirming with its major vendors and suppliers to determine their readiness for the Year 2000.

Part II Other Information:

Item 1. Legal Proceedings

NONE

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. Deferred Compensation Agreement with William C. Sargent (9)
H. 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)
I. Deed of Trust and Assignment of Rents with the Carter Family Trust and the Leonard M. Smith Family Trust (5)
J. Promissory Note with Page and Patricia Greer (6)
K. Pledge Agreement with Page and Patricia Greer (6)
L. Stock Purchase Agreement with Civil Service Life Insurance Company and Civil Service Employees Insurance Company (7)
M. Promissory Note with Civil Service Employees Insurance Company (7)
N. Articles of Merger of Civil Service Employees Life Insurance Company into Capital Investors Life Insurance Company (7)
O. Agreement and Plan of Merger of Civil Service Employees Life Insurance Company into Capital Investors Life Insurance Company (7)
P. Employment Agreement with Scott M. Quist. (9)
Q. Acquisition Agreement with Consolidare Enterprises, Inc.(10)

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(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, 1997.

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

(10) Incorporated by reference from Report on Form 8-K, as filed on May 12, 1998.

27. Financial Data Schedule

(b) Reports on Form 8-K

The Company filed a report on Form 8-K with the Securities and Exchange Commission on May 12, 1998. The report supplied information under Item 2, thereof, captioned "Acquisition or Disposition of Assets", relating to the acquisition of Consolidare Enterprises, Inc.

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 14, 1998	By:	George R. Quist, ----------------- Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)
DATED: August 14, 1998	By:	Scott M. Quist --------------- First Vice President, General Counsel and Treasurer (Principal Financial and Accounting Officer)

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