

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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): February 28, 2000

CARRIAGE SERVICES, INC.
(Exact name of registrant as specified in its charter)

| | | |
|--------------------------|--------------------------|---|
| DELAWARE | 1-11961 | 76-0423828 |
| (State of Incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

| | |
|--|------------|
| 1300 POST OAK BLVD., SUITE 1500, HOUSTON, TX | 77056 |
| (Address of principal executive offices) | (Zip Code) |

(281) 556-7400
(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS

On February 8, 2000, Carriage Services, Inc. (the "Company") issued a press release to publicly report the Company's earnings for the fourth quarter and year ended December 31, 1999. Subsequent to the issuance of the press release, litigation which arose in 1997 in which the Company was a defendant was settled. The amount paid in the settlement was fully covered by the Company's insurance. As a result of the settlement, the Company reduced its estimated liability for the matter and credited Other Income in the amount of \$2 million. The provision for income taxes was increased by \$800,000.

The purpose of this Form 8-K Current Report is to report the following revised Consolidated Statements of Operations for the three and twelve months ended December 31, 1999, after giving consideration to the effect of the settlement of litigation subsequent to the balance sheet date.

CARRIAGE SERVICES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

| | FOR THE THREE MONTHS ENDED | | FOR THE TWELVE MONTHS ENDED | |
|--|----------------------------|-----------|-----------------------------|------------|
| | 12/31/98 | 12/31/99 | 12/31/98 | 12/31/99 |
| | ----- | ----- | ----- | ----- |
| Revenues, net | | | | |
| Funeral | \$ 27,008 | \$ 31,853 | \$ 92,965 | \$ 125,264 |
| Cemetery | 7,881 | 11,803 | 23,876 | 43,203 |
| | ----- | ----- | ----- | ----- |
| | 34,889 | 43,656 | 116,841 | 168,467 |
| Costs and expenses | | | | |
| Funeral | 17,995 | 23,564 | 64,929 | 89,725 |
| Cemetery | 5,666 | 8,939 | 17,588 | 32,258 |
| | ----- | ----- | ----- | ----- |
| | 23,661 | 32,503 | 82,517 | 121,983 |
| | ----- | ----- | ----- | ----- |
| Gross Profit | 11,228 | 11,153 | 34,324 | 46,484 |
| General and administrative expenses | 1,920 | 2,350 | 7,581 | 9,265 |
| Special compensation charge | -- | 2,500 | -- | 2,500 |
| | ----- | ----- | ----- | ----- |
| Operating income | 9,308 | 6,303 | 26,743 | 34,719 |
| Interest expense, net | (3,210) | (3,461) | (9,720) | (13,566) |
| Financing cost of company-obligated securities of Carriage Services Capital Trust | -- | (1,641) | -- | (3,792) |
| Settlement of litigation | -- | 2,000 | -- | 2,000 |
| | ----- | ----- | ----- | ----- |
| Income before income taxes and extraordinary item | 6,098 | 3,201 | 17,023 | 19,361 |
| Provision for income taxes | 2,656 | 1,525 | 7,490 | 8,474 |
| | ----- | ----- | ----- | ----- |
| Net income before extraordinary item | 3,442 | 1,676 | 9,533 | 10,887 |
| Extraordinary item--loss on early extinguishment of debt, net of income tax benefit of \$159 in 1997 and \$151 in 1999 | -- | -- | -- | (200) |
| | ----- | ----- | ----- | ----- |
| Net income | 3,442 | 1,676 | 9,533 | 10,687 |
| Preferred stock dividend requirements | 152 | 15 | 606 | 93 |
| | ----- | ----- | ----- | ----- |
| Net income available to common stockholders | 3,290 | 1,661 | 8,927 | 10,594 |
| | ===== | ===== | ===== | ===== |
| Basic earnings per share: | | | | |
| Net income before extraordinary item | \$ 0.22 | \$ 0.10 | \$ 0.67 | \$ 0.68 |
| Extraordinary item | -- | -- | -- | (0.01) |
| | ----- | ----- | ----- | ----- |
| Net Income | \$ 0.22 | \$ 0.10 | \$ 0.67 | \$ 0.67 |
| | ===== | ===== | ===== | ===== |
| Diluted earnings per share: | | | | |
| Net income before extraordinary item | \$ 0.21 | \$ 0.10 | \$ 0.65 | \$ 0.67 |
| Extraordinary item | -- | -- | -- | (0.01) |
| | ----- | ----- | ----- | ----- |
| Net Income | \$ 0.21 | \$ 0.10 | \$ 0.65 | \$ 0.66 |
| | ===== | ===== | ===== | ===== |
| Weighted average number of common shares outstanding: | | | | |
| Basic | 14,927 | 15,907 | 13,315 | 15,875 |
| | ===== | ===== | ===== | ===== |
| Diluted | 16,232 | 15,907 | 13,808 | 16,136 |
| | ===== | ===== | ===== | ===== |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Current Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CARRIAGE SERVICES, INC.

Dated: March 17, 2000

By: /s/ THOMAS C. LIVENGOOD
Thomas C. Livengood
Executive Vice President and
Chief Financial Officer