

SCHEDULE 14A
(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the Registrant /X/

Filed by a Party other than the Registrant / /

Check the appropriate box:

/ / Preliminary Proxy Statement / / Confidential, for Use of the
Commission Only (as permitted by
Rule 14a-6(e)(2))

/X/ Definitive Proxy Statement

/ / Definitive Additional Materials

/ / Soliciting Material Pursuant to Section 240.14a-11(c) or
Section 240.14a-12

SERVICE CORPORATION INTERNATIONAL

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

/ / \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), or 14a-6(i)(2)
or Item 22(a)(2) of Schedule 14A.

/ / \$500 per each party to the controversy pursuant to Exchange Act Rule
14a-6(i)(3).

/ / Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and
0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed
pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee
is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

/X/ Fee paid previously with preliminary materials.

/ / Check box if any part of the fee is offset as provided by Exchange Act
Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid
previously. Identify the previous filing by registration statement number, or
the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

SERVICE CORPORATION INTERNATIONAL
1929 ALLEN PARKWAY, P.O. BOX 130548
HOUSTON, TEXAS 77219-0548

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD AUGUST 8, 1996

To Our Shareholders:

Notice is hereby given that a Special Meeting of Shareholders of Service Corporation International will be held in the Texas Commerce Center Auditorium, First Floor, Texas Commerce Center, 601 Travis, Houston, Texas, on Thursday, August 8, 1996, at 9:00 a.m., Houston time, for the following purposes:

(1) To amend the Company's Restated Articles of Incorporation to increase the number of authorized shares of common stock, \$1.00 par value, from 200,000,000 shares to 500,000,000 shares as more fully set forth under "Proposal No. 1."

(2) To act on such other business that may properly come before the meeting or any adjournment(s) thereof.

The transfer books of the Company will not be closed, but only holders of Common Stock of record at the close of business on June 26, 1996 will be entitled to notice of and to vote at the Special Meeting. A majority of the outstanding stock entitled to vote is required for a quorum.

The management sincerely desires your presence at the meeting. However, so that we may be sure that your vote will be included, please sign and date the enclosed proxy and return it promptly in the enclosed stamped envelope. If you attend the meeting, you may revoke your proxy and vote in person.

By Order of the Board of Directors

James M. Shelger, Secretary

Houston, Texas
July 3, 1996

WHETHER OR NOT YOU PLAN TO BE PRESENT AT THE SPECIAL MEETING, YOU ARE URGED TO SIGN, DATE AND MAIL PROMPTLY THE ENCLOSED PROXY. IF YOU ATTEND THE SPECIAL MEETING, YOU CAN VOTE EITHER IN PERSON OR BY YOUR PROXY.

SERVICE CORPORATION INTERNATIONAL
1929 ALLEN PARKWAY, P.O. BOX 130548
HOUSTON, TEXAS 77219-0548

PROXY STATEMENT

SOLICITATION AND REVOCABILITY OF PROXIES

This proxy statement is furnished in connection with the solicitation by the Board of Directors of Service Corporation International, a Texas corporation ("SCI" or the "Company"), of proxies to be used at the Special Meeting of Shareholders to be held in the Texas Commerce Center Auditorium, First Floor, Texas Commerce Center, 601 Travis, Houston, Texas, on Thursday, August 8, 1996, at 9:00 a.m., Houston time, and at any recesses or adjournments thereof. This proxy statement and the accompanying form of proxy are being mailed to shareholders on or about July 3, 1996.

In addition to solicitation by mail, solicitation of proxies may be made by personal interview, special letter, telephone or telegraph by the officers, directors and employees of the Company. Brokerage firms will be requested to forward proxy materials to beneficial owners of shares registered in their names and will be reimbursed for the expenses. In addition, the Company has retained the services of Kissel-Blake Inc. to assist in the solicitation of proxies either in person or by mail, telephone or telegram, at an estimated cost of \$8,000 plus expenses. The cost of solicitation will be paid by the Company.

At June 26, 1996, the Company had outstanding and entitled to vote 117,659,423 shares of Common Stock, \$1.00 par value ("Common Stock"). The holders of Common Stock will be entitled to one vote per share on each matter considered. A majority of the votes entitled to be cast must be represented at the meeting, in person or by proxy, so that a quorum may be present for the transaction of business. Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum for the transaction of business. Abstentions and broker non-votes will operate to prevent approval of the proposal to the same extent as a vote against such proposal. Only shareholders of record at the close of business on June 26, 1996 will be entitled to vote at the Special Meeting.

The enclosed proxy, even though executed and returned, may be revoked at any time prior to the voting of the proxy by a later dated proxy or by written notice of revocation filed with the Secretary of the Company. Shareholders who attend the Special Meeting may revoke their proxies and vote in person. A proxy in the form accompanying this Proxy Statement, when properly executed and returned, will be voted in accordance with the instructions contained therein. A proxy received by management which does not withhold authority to vote or on which no specification has been indicated will be voted in favor of the proposal set forth in this Proxy Statement.

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PROPOSAL NO. 1

AMENDMENT TO RESTATED ARTICLES OF INCORPORATION

On June 13, 1996, the Board of Directors of the Company approved for submission to a vote of the shareholders at a special meeting a proposal to increase the authorized number of shares of Common Stock from 200,000,000 shares to 500,000,000 shares by amending the first paragraph of Article Four of the Restated Articles of Incorporation of the Company (as heretofore amended) to read as follows:

"The aggregate number of shares of stock of all classes which the corporation shall have authority to issue is Five Hundred and One Million (501,000,000) shares, consisting of One Million (1,000,000) shares of preferred stock of the par value of One Dollar (\$1.00) each (hereinafter sometimes called "Preferred Stock"), and Five Hundred Million (500,000,000) shares of common stock of the par value of One Dollar (\$1.00) each (hereinafter sometimes called "Common Stock")."

As of June 26, 1996, 117,659,423 shares of the Company's 200,000,000 authorized shares of Common Stock were outstanding and 13,657,683 shares were reserved for future issuance upon conversion of the Company's convertible securities, warrants and similar instruments, pending acquisitions and under the Company's benefit plans. No shares of preferred stock were outstanding on such date. The Board of Directors has designated 950,000 shares of the Company's preferred stock as Series C Junior Participating Preferred Stock, which may be issued upon the exercise of the preferred share purchase rights that are associated with the Common Stock under the Company's shareholder rights plan.

On June 13, 1996, the Board of Directors approved a 2-for-1 split of the Company's Common Stock to be effected in the form of a stock dividend. Based on the 117.7 million shares of Common Stock currently outstanding, the stock split will increase the total outstanding shares of Common Stock to 235.3 million. In order to effectuate the stock split, it is necessary to amend the Company's Restated Articles of Incorporation to provide for an adequate number of authorized shares of Common Stock. In addition, the proposed amendment to the Company's Restated Articles of Incorporation authorizes shares of Common Stock which would be available for corporate purposes other than the stock split, as described below.

The Company has in the past engaged in and continues to aggressively pursue acquisition opportunities, as acquisitions form a critical part of the Company's growth strategy, which acquisitions could, individually or in the aggregate, be significant in size. These acquisitions may involve, among other forms of consideration, the issuance of shares of Common Stock. The Board of Directors also believes it is desirable to have additional shares of Common Stock available to provide the Company with flexibility in responding promptly to financial and other needs, such as financings, investment opportunities, future stock splits or stock dividends, benefit plans and other corporate purposes.

There are no preemptive rights, subscription rights or other rights to participate in any future offering of securities of any class attached to the Company's outstanding Common Stock or to the additional Common Stock to be authorized if the proposed amendment is adopted. No additional vote of shareholders would be required prior to issuing such shares, except as may be required by law or regulatory authorities or pursuant to the rules of the New York Stock Exchange. The Company's outstanding Common Stock is listed on the New York Stock Exchange.

Shares of Common Stock could be issued in one or more transactions. Depending upon the nature and terms thereof, such a transaction or transactions could make a takeover of the Company more difficult and, therefore, less likely. An issuance of additional shares of Common Stock could have the effect of diluting the earnings per share and book value per share of existing shares of Common Stock and diluting the stock ownership of persons seeking to obtain control of the Company. The Board of Directors, however, has no present plans, understandings or agreements to issue the additional shares to be authorized except pursuant to the Company's convertible securities, warrants and similar instruments, pending acquisitions, benefit plans and the proposed stock split. In addition, the Company's shareholder rights plan provides, among other things, that upon the occurrence of certain triggering events holders of the rights may become entitled to purchase shares of Common Stock having a calculated market value equal to twice the exercise price of the rights. At the

present time no such triggering event has occurred and the Board of Directors is not currently aware of any facts or activity relating to the Company which would suggest that a triggering event is likely to occur. If such a triggering event and certain circumstances were to occur and rights holders elect to exercise their option to purchase Common Stock, then shares of Common Stock issued upon such exercise might include shares authorized pursuant to the proposed amendment as well as shares available under the current authorization.

Approval of the foregoing amendment to the Company's Restated Articles of Incorporation requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of Common Stock of the Company. The Board of Directors recommends a vote FOR the amendment to the Restated Articles of Incorporation, as described above.

VOTING SECURITIES AND PRINCIPAL HOLDERS

PRINCIPAL SHAREHOLDERS

To the knowledge of the Company, no person beneficially owned more than five percent of the outstanding Common Stock of the Company as of May 31, 1996.

SECURITY OWNERSHIP OF MANAGEMENT

The table below sets forth, as of May 31, 1996, the amount of the Company's Common Stock beneficially owned by each director, the Chief Executive Officer and the four most highly compensated executive officers of the Company, and all directors and executive officers as a group, based upon information obtained from such persons. Securities reported as beneficially owned include those for which the persons listed have voting or investment power, unless otherwise noted. Such persons have sole voting power and investment power unless otherwise stated.

| NAME OF INDIVIDUAL OR GROUP | AMOUNT BENEFICIALLY OWNED (1) | PERCENT OF CLASS |
|--------------------------------|-------------------------------------|---------------------|
| R. L. Waltrip(2) | 547,409 | * |
| L. William Heiligbrodt(3) | 295,202 | * |
| W. Blair Waltrip(4) | 924,554 | * |
| John W. Morrow, Jr.(5) | 150,986 | * |
| Jerald L. Pullins(6) | 147,834 | * |
| Anthony L. Coelho | 13,625 | * |
| Douglas M. Conway(7) | 94,913 | * |
| Jack Finkelstein(8) | 273,945 | * |

| | | |
|--|-----------|------|
| A. J. Foyt, Jr.(9)..... | 18,800 | * |
| James J. Gavin, Jr.(10)..... | 40,726 | * |
| James H. Greer..... | 12,637 | * |
| B. D. Hunter(11)..... | 66,317 | * |
| John W. Mecom, Jr..... | 10,000 | * |
| Clifton H. Morris, Jr.(12)..... | 14,017 | * |
| E. H. Thornton, Jr..... | 58,140 | * |
| Edward E. Williams..... | 13,358 | * |
| Executive Officers and Directors as a Group (29 persons) (13)..... | 2,996,386 | 2.5% |

* Less than one percent.

(1) For each of Messrs. Coelho, Conway, Finkelstein, Foyt, Gavin, Greer, Hunter, Mecom, Morris, Thornton and Williams, the amounts include 1,500 shares held under the 1995 Stock Plan for Non-Employee Directors, and each such director has sole voting and shared investment power with respect to such shares.

(2) Includes 234,192 shares held in two trusts (under one of which trusts Mr. R. L. Waltrip's wife is a beneficiary) under which Mr. R. L. Waltrip's three children, as trustees, either share or have sole voting

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and investment powers. These shares are also included in the shares owned by Mr. W. Blair Waltrip. See Footnote (4). The information herein regarding ownership of equity securities by the trusts is for informational purposes only and is not to be construed as a statement that Mr. R. L. Waltrip is a beneficial owner of any such securities, as any beneficial ownership thereof is expressly disclaimed by Mr. R. L. Waltrip.

(3) Includes 3,375 shares and 730 shares held in two trusts for which Mr. Heiligbrodt is trustee and 2,915 shares owned by Mr. Heiligbrodt's wife, daughter, or son, of which shares Mr. Heiligbrodt disclaims beneficial ownership.

(4) Includes 63,364 shares held in a trust for the benefit of Mr. W. Blair Waltrip, 536,112 shares held in three trusts under which Mr. W. Blair Waltrip, his brother and his sister are trustees and have either shared or sole voting and investment power and 13,283 shares held in other family trusts. Of the shares attributable to the trusts, 234,192 shares are also included in the shares owned by Mr. R. L. Waltrip. See Footnote (2). Mr. W. Blair Waltrip is the son of Mr. R. L. Waltrip.

(5) Includes 10,000 shares held by a charitable foundation of which Mr. Morrow is a director. Mr. Morrow has shared voting and investment power for such shares and disclaims beneficial ownership of such shares.

(6) Includes 8,180 shares held by a trust of which Mr. Pullins' wife is trustee for the benefit of Mr. Pullins' children. Mr. Pullins disclaims beneficial ownership of such shares.

(7) Includes 90,413 shares held by a family trust of which Mr. Conway is a trustee and as to which he shares voting and investment power.

(8) Includes 241,354 shares held in five trusts for the benefit of other family members and/or himself, and 1,005 shares held by a charitable foundation of which Mr. Finkelstein is President. As trustee, Mr. Finkelstein has sole voting and investment power with respect to 158,287 shares and shares voting and investment power with respect to 84,072 shares. Mr. Finkelstein disclaims beneficial ownership as to 84,072 shares held in such trusts and by the foundation. Also includes 6,646 shares which may be acquired through conversion of preferred stock of a subsidiary, of which shares Mr. Finkelstein disclaims beneficial ownership.

(9) Includes 4,300 shares held by Mr. Foyt as custodian for family members. Mr. Foyt has sole voting and investment power for such shares and disclaims beneficial ownership of such shares.

(10) Includes 1,442 shares held by a charitable foundation of which Mr. Gavin is

President, of which shares Mr. Gavin disclaims beneficial ownership.

- (11) Includes 11,242 shares held directly by Mr. Hunter, 19,204 shares indirectly controlled by Mr. Hunter (of which Mr. Hunter disclaims beneficial ownership) and 35,871 shares held by Mr. Hunter's Individual Retirement Account.
- (12) Includes 2,017 shares owned by Mr. Morris' wife. Mr. Morris disclaims beneficial ownership of such shares.
- (13) Includes 16,500 shares held under the 1995 Stock Plan for Non-Employee Directors and 28,553 shares held under the Amended 1987 Stock Plan, for all of which shares each individual has sole voting and shared investment power, as well as 55,056 shares which may be acquired upon exercise of stock options exercisable within 60 days.

OTHER BUSINESS

As of the date of this Proxy Statement, the Company knows of no other matters to be brought before the Special Meeting. If other matters should properly be presented for action at the Special Meeting, it is the intention of the persons named in the proxy to vote such proxy in accordance with their judgment.

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SUBMISSION OF SHAREHOLDER PROPOSALS

Any proposal to be presented by a shareholder at the Company's 1997 Annual Meeting of Shareholders scheduled to be held on May 8, 1997 must be received by the Company by December 16, 1996, so that it may be considered by the Company for inclusion in its proxy statement relating to that meeting.

By Order of the Board of Directors

James M. Shelger, Secretary

Houston, Texas
July 3, 1996

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SERVICE CORPORATION INTERNATIONAL

PROXY

SPECIAL MEETING OF SHAREHOLDERS TO BE HELD AUGUST 8, 1996

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints ROBERT L. WALTRIP, WILLIAM HEILIGBRODT, GEORGE R. CHAMPAGNE and JAMES M. SHELGER and each or any of them as attorneys, agents and proxies of the undersigned with full power of substitution, for and in the name, place and stead of the undersigned, to attend the Special Meeting of Shareholders of Service Corporation International (the "Company") to be held in the Texas Commerce Center Auditorium, First Floor, Texas Commerce Center, 601 Travis, Houston, Texas, on Thursday, August 8, 1996, at 9:00 a.m., Houston time, and any adjournment(s) thereof, and to vote thereat the number of shares of Common Stock of the Company which the undersigned would be entitled to vote if personally present as indicated below and on the reverse side hereof and, in their discretion, upon any other business which may properly come before said meeting.

The Board of Directors recommends a vote FOR Proposal 1 below.

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY PROMPTLY
USING THE ENCLOSED ENVELOPE

=====

- (1) Proposal to amend the Company's Restated Articles of Incorporation

to increase the authorized number of shares of Common Stock from 200,000,000 shares to 500,000,000 shares.

[] FOR [] AGAINST [] ABSTAIN

If a choice is specified, this Proxy will be voted as indicated. If no choice is specified, this Proxy will be voted FOR the Proposal to amend the Company's Restated Articles of Incorporation.

SIGNATURE(S) _____ DATE _____, 1996

SIGNATURE(S) _____ DATE _____, 1996

Note: Please sign your name as it appears hereon. Joint owners must each sign. When signing as attorney, executor, administrator, trustee or guardian, please give your full title as it appears hereon.