

UNION NATIONAL FINANCIAL CORP / PA  
Form SC 13D/A  
April 21, 2010

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 13D/A  
Under the Securities Exchange Act of 1934  
(Amendment No. 1)  
UNION NATIONAL FINANCIAL CORPORATION**

(Name of Issuer)  
Common stock, par value \$.25 per share

(Title of Class of Securities)  
907647101

(CUSIP Number)  
Jeffrey D. Miller, Senior Vice President and Chief Financial Officer  
Donegal Mutual Insurance Company  
1195 River Road, Marietta, Pennsylvania 17547  
(717) 426-1931

(Name, address and telephone number of person authorized to receive notices and communications)  
April 19, 2010

(Date of first event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box:

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

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SCHEDULE 13D

CUSIP No. 907647101

NAME OF REPORTING PERSON/I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

**1**  
Donegal Mutual Insurance Company  
I.R.S. I.D. No. 23-1336198

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

**2**  
(a)   
(b)  N/A

SEC USE ONLY

**3**

SOURCE OF FUNDS (SEE INSTRUCTIONS)

**4**  
OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

**5**  
 N/A

CITIZENSHIP OR PLACE OF ORGANIZATION

**6**  
Pennsylvania

SOLE VOTING POWER

**7**

NUMBER OF 248,999 shares

SHARED VOTING POWER

SHARES  
BENEFICIALLY OWNED BY **8**

N/A

EACH REPORTING PERSON      **9**      SOLE DISPOSITIVE POWER  
248,999 shares

WITH      **10**      SHARED DISPOSITIVE POWER  
N/A

**11**      AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
248,999 shares

**12**      CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)  
N/A

**13**      PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
9.8%

**14**      TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)  
IC   HC

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Item 4. Purpose of Transaction.

On April 19, 2010, Donegal Financial Services Corporation, or DFSC, along with its stockholders, Donegal Mutual Insurance Company, or Donegal Mutual, and Donegal Group Inc., or DGI, and an acquisition subsidiary DFSC owns, executed an agreement and plan of merger that provides for DFSC's acquisition of Union National Financial Corporation, or UNNF, the parent of Union National Community Bank, or UNCB. The agreement and plan of merger also provides that UNCB will merge with and into Province Bank FSB, which is a wholly owned subsidiary of DFSC.

UNCB, which had total assets of \$489.6 million at December 31, 2009, has 10 branch banking locations in Lancaster County, Pennsylvania. Province, which has three branch locations in Lancaster County, had approximately \$100 million in assets at December 31, 2009.

The merger agreement provides that each share of UNNF common stock, other than the 248,999 shares Donegal Mutual holds and any dissenting shares, would convert upon consummation of the merger into the right to receive \$5.05 in cash and 0.2134 of one share of Class A common stock of DGI. Pursuant to the merger agreement, an aggregate of 600,000 shares of DGI Class A common stock will be delivered as the stock portion of the merger consideration. Donegal Mutual will contribute these shares to DFSC.

DFSC and UNNF expect to complete the acquisition during the third quarter of 2010, pending receipt of applicable regulatory approvals, the approval of the merger by the holders of 80% of the outstanding shares of UNNF and the satisfaction of other closing conditions.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Donegal Mutual incorporates by reference in this Amendment No. 1 to Schedule 13D/A the definitive merger agreement included as Exhibit 2.1 to the Form 8-K Report DGI filed with the SEC on April 21, 2010.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

DONEGAL MUTUAL INSURANCE  
COMPANY

By: /s/ Jeffrey D. Miller  
Jeffrey D. Miller, Senior Vice President  
and  
Chief Financial Officer

Dated: April 21, 2010

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