

OMB Number:3235-0145  
Expires: August 31, 1999  
Estimated average burden  
hours per form 14.90

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934  
(Amendment No. \*)

CITADEL HOLDING CORPORATION  
(Name of Issuer)

Common Stock  
(Title of Class of Securities)

172862104  
(CUSIP Number)

August 28, 1998  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this  
Schedule is filed:

Rule 13d-1(b)  
 Rule 13d-1(c)  
 Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting  
person's initial filing on this form with respect to the subject class of  
securities, and for any subsequent amendment containing information which  
would alter disclosures provided in a prior cover page.

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 (however, see the Notes).

Potential persons who are to respond to the collection of information  
contained in this form are not required to respond unless the form  
displays a currently valid OMB control number.

-----

1 NAME OF REPORTING PERSONS  
 IRS IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Lawndale Capital Management, LLC

-----

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
 (a) /X/  
 (b) / /

-----

3 SEC USE ONLY

-----

4 CITIZENSHIP OR PLACE OF ORGANIZATION

California

-----

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 666,900
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 666,900

-----

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
 666,900

-----

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See  
 Instructions)

-----

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
 9.99

-----

12 TYPE OF REPORTING PERSON (See Instructions)  
 00, IA

-----

CUSIP No. 172862104

-----  
 1 NAME OF REPORTING PERSONS  
 IRS IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Andrew E. Shapiro

-----  
 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
 (a) /X/  
 (b) / /

-----  
 3 SEC USE ONLY

-----  
 4 CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF	5	SOLE VOTING POWER
SHARES		0
BENEFICIALLY		-----
OWNED BY	6	SHARED VOTING POWER
EACH		666,900
REPORTING		-----
PERSON	7	SOLE DISPOSITIVE POWER
WITH		0
		-----
	8	SHARED DISPOSITIVE POWER
		666,900

-----  
 9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
 666,900

-----  
 10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See  
 Instructions)

-----  
 11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
 9.99

-----  
 12 TYPE OF REPORTING PERSON (See Instructions)  
 IN

-----

1 NAME OF REPORTING PERSONS  
 IRS IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Diamond A Partners, L.P.

-----

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
 (a) /X/  
 (b) / /

-----

3 SEC USE ONLY

-----

4 CITIZENSHIP OR PLACE OF ORGANIZATION

California

-----

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 567,000
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 567,000

-----

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
 567,000

-----

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See  
 Instructions)

-----

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
 8.5

-----

12 TYPE OF REPORTING PERSON (See Instructions)  
 PN

-----

-----  
 1 NAME OF REPORTING PERSONS  
 IRS IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  
  
 Diamond A Investors, L.P.  
 -----

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
 (a) /X/  
 (b) / /  
 -----

3 SEC USE ONLY  
 -----

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
  
 California  
 -----

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	-----	SOLE VOTING POWER 0
			6
			SHARED VOTING POWER 99,900
			7
			SOLE DISPOSITIVE POWER 0
			8
			SHARED DISPOSITIVE POWER 99,900

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
 99,900  
 -----

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See  
 Instructions)  
 -----

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
 1.5  
 -----

12 TYPE OF REPORTING PERSON (See Instructions)  
 PN  
 -----

## ITEM 1.

(a) The name of the issuer is Citadel Holding Corporation(the "Issuer").

(b) The principal executive office of the Issuer is located at 550 S. Hope St., Suite 1825, Los Angeles, CA 90071.

## ITEM 2.

(a) The names of the persons filing this statement are Andrew E. Shapiro ("Shapiro"), Lawndale Capital Management, LLC ("Lawndale"), Diamond A Partners, L.P. ("DAP") and Diamond A Investors, L.P. ("DAI")(collectively, the "Filers").

(b) The principal business office of the Filers is located at One Sansome St., Suite 3900, San Francisco, CA 94104.

(c) See Item 4 of the cover sheet for each Filer.

(d) This statement relates to shares of common stock of the Issuer (the "Stock").

(e) The CUSIP number of the Stock is 172862104.

ITEM 3. If this statement is filed pursuant to rule 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

(a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).

(b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).

(c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).

(d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).

(e)  An investment adviser in accordance with 240.13d-1(b)(1)(ii)(E).

(f)  An employee benefit plan or endowment fund in accordance with 240.13d-1(b)(1)(ii)(F).

(g)  A parent holding company or control person in accordance with 240.13d-1(b)(1)(ii)(G)

(h)  A savings association as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3).

(j)  Group, in accordance with section 240.13d-1(b)(1)(ii)(J)

## ITEM 4. OWNERSHIP

See Items 5-9 and 11 on the cover sheet for each Filer.

## ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following /\_\_\_/.

## ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON

Lawndale is an investment adviser whose clients have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Stock. Shapiro is the Manager of Lawndale. Lawndale is the general partner of those clients, DAP and DAI



ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY

Not applicable.

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP

See Item 2(a) of this Schedule.

ITEM 9. NOTICE OF DISSOLUTION OF GROUP

Not applicable.

ITEM 10. CERTIFICATION

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

DATED: August 28, 1998

DIAMOND A PARTNERS, L.P.

DIAMOND A INVESTORS, L.P.

By: Lawndale Capital Management  
LLC  
General Partner

By: Lawndale Capital Management,  
LLC  
General Partner

By: /s/ Andrew E. Shapiro  
Andrew E. Shapiro  
Manager

By: /s/ Andrew E. Shapiro  
Andrew E. Shapiro  
Manager

LAWNDALE CAPITAL MANAGEMENT, LLC

By: /s/ Andrew E. Shapiro  
Andrew E. Shapiro  
Manager

/s/ Andrew E. Shapiro  
Andrew E. Shapiro