
OMB APPROVAL

OMB number: 3235-0145
Expires: October 31, 1994
Estimated average burden
hours per response... 14.90

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

SCHEDULE 13D/A

UNDER THE SECURITIES EXCHANGE ACT OF 1934

(AMENDMENT NO. 4)*

CITADEL HOLDING CORPORATION

(NAME OF ISSUER)

COMMON STOCK, PAR VALUE \$.01 PER SHARE

(TITLE OF CLASS OF SECURITIES)

172862104

(CUSIP NUMBER)

JAMES A. WUNDERLE, CHIEF OPERATING OFFICER, READING COMPANY
30 SOUTH 15TH STREET, SUITE 1300, PHILADELPHIA, PENNSYLVANIA 19102 (215)369-3344

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO RECEIVE NOTICES AND
COMMUNICATIONS)

DECEMBER 20, 1996

(DATED OF 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(b)(3) or (4), check the following box .

Check the following box if a fee is being paid with the statement . (A fee is not required only if the filing person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7).

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*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 in 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).

SCHEDULE 13D

CUSIP NO. 172862104

PAGE 2 OF 9 PAGES

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Craig Corporation

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

7 SOLE VOTING POWER
NUMBER OF 0
SHARES

8 SHARED VOTING POWER
BENEFICIALLY 1,564,473

OWNED BY
EACH 9 SOLE DISPOSITIVE POWER
REPORTING 666,000

PERSON
WITH 10 SHARED DISPOSITIVE POWER
1,564,473

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,230,473

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
33.44%

14 TYPE OF REPORTING PERSON*
CO

*SEE INSTRUCTION BEFORE FILLING OUT!

SCHEDULE 13D

CUSIP NO. 172862104

PAGE 3 OF 9 PAGES

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Reading Entertainment, Inc. (successor to Reading Company)

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
PF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

7 SOLE VOTING POWER
NUMBER OF 0
SHARES
8 SHARED VOTING POWER
BENEFICIALLY 1,564,473 shares Common Stock

OWNED BY
EACH 9 SOLE DISPOSITIVE POWER
REPORTING 0
PERSON
WITH 10 SHARED DISPOSITIVE POWER
1,564,473

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,564,473

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
26.05%

14 TYPE OF REPORTING PERSON*
CO

*SEE INSTRUCTION BEFORE FILLING OUT!

SCHEDULE 13D

CUSIP NO. 172862104

PAGE 4 OF 9 PAGES

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Reading Holdings, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

7 SOLE VOTING POWER
NUMBER OF 0
SHARES

8 SHARED VOTING POWER
BENEFICIALLY OWNED BY 1,564,473

9 SOLE DISPOSITIVE POWER
EACH REPORTING PERSON 0

10 SHARED DISPOSITIVE POWER
WITH 1,564,473

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,564,473

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
26.05%

14 TYPE OF REPORTING PERSON*
CO

*SEE INSTRUCTION BEFORE FILLING OUT!

This jointly filed Schedule 13/D (i) is Amendment No. 28 with respect to Craig Corporation ("Craig") and it amends and supplements the Schedule 13D, dated June 4, 1987 and Amendments thereto (the "Craig Schedule 13D") filed by Craig relating to beneficial holdings of shares of Common Stock of Citadel Holding Corporation ("Citadel"); and (ii) is Amendment No. 4 with respect to Reading Entertainment, Inc. ("Reading") and Reading Holdings, Inc. ("Holdings") and it amends and supplements the Schedule 13D, dated March 28, 1996 and the Amendments thereto (the "Reading Schedule 13D") filed by Reading and Holdings relating to beneficial holdings of shares of Common Stock of Citadel. All capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to such terms in the Craig or Reading Schedule 13D.

Item 4. Purpose of Transaction

Item 4 is hereby amended to add the following:

On December 20, 1996, the Citadel Series B Preferred Stock held by Holdings was acquired by Citadel pursuant to the exercise of certain redemption rights set forth in the Certificate of Designation with respect to such securities. The Filers have been advised that such redemption was reviewed and recommended by an independent committee of the Board of Directors of Citadel, composed entirely of directors having no affiliation with the Filers, or any of them, and with the advice of an independent financial advisor. Filers are further advised that such recommendation was based upon the view that redemption would be preferable, from the point of view of the Issuer and its stockholders, to a conversion by Holdings of such Series B Preferred Stock into Common Stock of the Issuer at the conversion price of approximately \$2.58 per share, as permitted by the Certificate of Designation.

Item 5. Interest in Securities of the Issuer

Item 5 is hereby amended to add the following:

(a) Craig's responses in Items 11 and 13 of the Cover Page of this Amendment No. 28 include (1) shares issuable upon the exercise of a warrant to purchase 666,000 shares of Citadel Common Stock (the "Warrant Shares") granted by Citadel to Craig pursuant to a Conversion Deferral, Warrant and Reimbursement Agreement,

as described in Amendment 15 to the Craig Schedule 13D dated April 3, 1995 and (2) 1,564,473 outstanding shares of Common Stock owned by Holdings and beneficially owned by Craig due to its greater than 50% ownership of Reading.

Reading's and Holding's responses in Items 7, 9, 11 and 13 of the Cover Page of this Schedule 13D/A reflect its beneficial ownership of 1,564,473 shares of Common Stock.

(b) See Items 7, 8, 9 and 10 of the Cover Pages and the information in Item 5(a) concerning the calculation of the combined voting power represented by the securities of the Issuer beneficially owned by Craig, Reading and Holdings.

(c) None.

SIGNATURES

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

CRAIG CORPORATION,
a Delaware Corporation

Dated: December 26, 1996

By: /s/ S. Craig Tompkins

S. Craig Tompkins
President

READING ENTERTAINMENT, INC.,
a Delaware corporation

Dated: December 26, 1996

By: /s/ S. Craig Tompkins

S. Craig Tompkins
President

READING HOLDINGS, INC.,
a Delaware Corporation

Dated: December 26, 1996

By: /s/ S. Craig Tompkins

S. Craig Tompkins