

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. 1)

CITADEL HOLDING CORPORATION
(Name of Issuer)

Common Stock
(Title of Class of Securities)

172862104
(CUSIP Number)

September 15, 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 22,700
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 22,700

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 22,700

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

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
 0.3

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		22,700
REPORTING		-----
PERSON	7	SOLE DISPOSITIVE POWER
WITH		0

	8	SHARED DISPOSITIVE POWER
		22,700

 9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 22,700

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

 11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
 0.3

 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 19,400
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 19,400

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 19,400

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

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
 0.3

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 3,300
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 3,300

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 3,300

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

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
 0.05

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