

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 4, 1994

CITADEL HOLDING CORPORATION

(Exact name of the registrant as specified in charter)

Delaware

1-8625

95-3885184

(State or other jurisdiction
of incorporation)

(Commission File Number)

(I.R.S. Employer
of File Number)

600 North Brand Boulevard, Glendale, CA

91203-1241

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (818) 956-7100

Not Applicable

(Former name or former address, if changed since last report)

Item 5. Other Events. The Company issued the press release attached hereto as
----- Exhibit A on August 4, 1994.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 12, 1994

CITADEL HOLDING CORPORATION

By: STEVE WESSON

Steve Wesson
President and
Chief Executive Officer

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EXHIBIT A

GLENDAL, CALIFORNIA, August 4, 1994 -- Steve Wesson, President and Chief Executive Officer of Citadel Holding Corporation ("Citadel") (AMEX:CDL), announced today that, as part of the restructuring and recapitalization previously disclosed by it and Fidelity Federal Bank ("Fidelity" or the "Bank"), Fidelity has completed the public offering of approximately 21.8 million new shares of primarily voting common stock of the Bank for net proceeds of approximately \$109 million. Incident to the restructuring and recapitalization, Citadel has exchanged its Fidelity common stock for shares of a new class of common stock that, with certain exceptions, will be non-voting in nature, but that will share pari passu with the newly-issued Fidelity common stock with respect to dividends and liquidating distributions. The number of shares of non-voting common stock to be retained by Citadel has not been definitively determined, but it is currently anticipated that Citadel will retain approximately 4.2 million such shares, representing approximately 16.3 percent of Fidelity's outstanding common stock.

Also incident to the restructuring and recapitalization, (i) Citadel purchased four REO properties from Fidelity at a bulk sale transfer price of approximately \$19.8 million, (ii) Citadel sold to Fidelity all of the stock of Gateway Investment Services, Inc. at net book value (approximately \$1 million), and (iii) Citadel received from Fidelity by way of dividend (a) one-year options to acquire two properties used in the operations of Fidelity (including its headquarters building) for approximately \$9.2 million and (b) Fidelity's interest in a judgment currently on appeal by the defendant therein. The property acquisitions were financed by \$13.9 million in mortgage loans from Fidelity and a \$6.2 million short term loan from Craig Corporation.

Steve Wesson has been appointed as the President and Chief Executive Officer of Citadel. Prior to joining Citadel, Mr. Wesson was the executive principally responsible for the restructuring and sale of the United States real estate holdings of the Burton Group PLC. Richard M. Greenwood has resigned from Citadel but will continue as the President and Chief Executive Officer of Fidelity.

Contact: Steve Wesson, President and Chief Executive Officer of Citadel at (818) 549-7450.