

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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement Confidential, for Use of the
Commission Only (as permitted by
Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

CITADEL HOLDING CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed
pursuant to Exchange Act Rule 0-11 (Set forth the amount on which
the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange
Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee
was paid previously. Identify the previous filing by registration statement
number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

[LETTERHEAD OF CITADEL HOLDING CORPORATION]

August 17, 2000

Re: Citadel Holding Corporation
CDL.A" CUSIP # 172862 20 3 and "CDL.B" CUSIP # 172862 30 2

Dear Shareholder:

We recently sent to you the Notice of Annual Meeting of Stockholders, Proxy Statement, Form 10K (the Annual Report for the fiscal year ended December 31, 1999) and a proxy card.

We have discovered that the proxy card listed five, instead of six, nominees for election to the Board of Directors. We enclose the corrected card (light blue paper stock).

Please complete the corrected card and return it in the enclosed envelope.

If you have already mailed the proxy card that accompanied the Proxy Statement, we ask that you nevertheless complete and return the enclosed corrected card.

Very truly yours,

/s/ Andrzej Matyczynski

Andrzej Matyczynski
Chief Financial Officer

PROXY

PROXY

CITADEL HOLDING CORPORATION

ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD SEPTEMBER 12, 2000

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby revokes all prior proxies and constitutes and appoints James J. Cotter and S. Craig Tompkins, and each or any of them, proxies of the undersigned, with full power of substitution, to vote all of the shares of Citadel Holding Corporation (the "Company") which the undersigned may be entitled to vote at the Annual Meeting of Stockholders of the Company to be held at 9:30 a.m., local time, on September 12, 2000 at the Regal Biltmore Hotel, 506 S. Grand Avenue, Los Angeles, California for the following purposes and any adjournment or postponement thereof, as follows:

(Continued on reverse side)

-- FOLD AND DETACH HERE --

Please mark
your vote as
indicated in [X]
this example

In their discretion the proxies are authorized to vote upon such other business as may properly come before the meeting and any adjournment thereof.

- | | | | | | | |
|--------------------------|---|---|---|------------|----------------|----------------|
| 1. ELECTION OF DIRECTORS | FOR
all nominees listed
below (excepted
as marked to the
contrary, below.)
[] | WITHHOLD AUTHORITY TO
vote for all nominees
below.
[] | 2. PROPOSAL TO APPROVE THE ISSUANCE
OF SHARES OF CITADEL CLASS A
NON-VOTING COMMON STOCK AND SHARES
OF CLASS B VOTING COMMON STOCK TO
COMPLETE THE ACQUISITION BY MERGER
OF OFF BROADWAY INVESTORS, INC. | FOR
[] | AGAINST
[] | ABSTAIN
[] |
|--------------------------|---|---|---|------------|----------------|----------------|
-
- | | | | |
|--|------------|----------------|----------------|
| 3. TO APPROVE THE ADOPTION BY THE BOARD
OF DIRECTORS OF THE 1999 STOCK
OPTION PLAN OF CITADEL HOLDING CORPORATION. | FOR
[] | AGAINST
[] | ABSTAIN
[] |
|--|------------|----------------|----------------|

INSTRUCTION: To withhold authority to vote for any individual nominee, strike a line through the nominee's name in the following list: James J. Cotter, William C. Soady, Alfred Villasenor, Jr., Robert M. Loeffler and S. Craig Tompkins.

THIS PROXY WILL BE VOTED AS SPECIFIED. IF A CHOICE IS NOT SPECIFIED, THIS PROXY WILL BE VOTED FOR THE NOMINEES FOR DIRECTOR AND FOR EACH OF THE ABOVE PROPOSALS.

THIS PROXY SHOULD BE DATED, SIGNED BY THE SHAREHOLDER EXACTLY AS SUCH STOCKHOLDER'S NAME APPEARS ON SUCH STOCKHOLDER'S STOCK CERTIFICATE AND RETURNED PROMPTLY TO THE COMPANY C/O CHASE MELLON SHAREHOLDER SERVICES, IN THE ENCLOSED ENVELOPE. PERSONS SIGNING IN AS A BENEFICIARY CAPACITY SHOULD SO INDICATE.

Signature _____ Dated: _____, 2000
Please sign name(s) exactly as registered Telephone Number _____
(if there are co-owners, both should sign)

-- FOLD AND DETACH HERE --