

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 8)*

Citadel Holding Corporation

(Name of Issuer)

Common Stock, No Par Value

(Title of Class of Securities)

172862104

(CUSIP Number)

Randall J. Demyan,
Dillon Capital Management,
21 East State Street, Suite 1410
Columbus, Ohio 43215
(614) 222-4204

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

January 10, 1995

(Date 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 reporting 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 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).

Page 1 of 12 Pages

SCHEDULE 13D

CUSIP NO. 172862104

Page 2 of 12 Pages

1. NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON:

Dillon Investors, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*:

a. b.

3. SEC USE ONLY:

4. SOURCE OF FUNDS*:

WC

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

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER: 700,000
8. SHARED VOTING POWER: None
9. SOLE DISPOSITIVE POWER: 700,000
10. SHARED DISPOSITIVE POWER: None

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

700,000

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

10.49%

14. TYPE OF REPORTING PERSON*:

PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7 (INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION. SCHEDULE 13D

CUSIP NO. 172862104

Page 3 of 12 Pages

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

Roderick H. Dillon, Jr.

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:

U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER: 5,000

8. SHARED VOTING POWER: None

9. SOLE DISPOSITIVE POWER: 5,000

10. SHARED DISPOSITIVE POWER:None

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

5,000

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

.075%

14. TYPE OF REPORTING PERSON*:

IN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7 (INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION. SCHEDULE 13D

CUSIP NO. 172862104

Page 4 of 12 Pages

1. NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON:

Roderick H. Dillon, Jr. - IRA

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*:

a. X

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:

U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER: 90,000

8. SHARED VOTING POWER: None

9. SOLE DISPOSITIVE POWER: 90,000

10. SHARED DISPOSITIVE POWER: None

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

90,000

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

1.35%

14. TYPE OF REPORTING PERSON*:

IN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7 (INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION. SCHEDULE 13D

CUSIP NO. 172862104

Page 5 of 12 Pages

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

Roderick H. Dillon, Jr. Foundation

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*:

a. b. _____

3. SEC USE ONLY:

4. SOURCE OF FUNDS*:

WC

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

6. CITIZENSHIP OR PLACE OF ORGANIZATION:

Ohio

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

- 7. SOLE VOTING POWER: 2,000
- 8. SHARED VOTING POWER: None
- 9. SOLE DISPOSITIVE POWER: 2,000
- 10. SHARED DISPOSITIVE POWER: None

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

2,000

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

.030%

14. TYPE OF REPORTING PERSON*:

00

*SEE INSTRUCTIONS BEFORE FILLING OUT!

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.
SCHEDULE 13D

CUSIP NO. 172862104 Page 6 of 12 Pages

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

Bradley C. Shoup - IRA

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:

United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER: 2,000
8. SHARED VOTING POWER: None
9. SOLE DISPOSITIVE POWER: 2,000
10. SHARED DISPOSITIVE POWER: None

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

2,000

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

.030%

14. TYPE OF REPORTING PERSON*:

IN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

Supplement to Amendment No. 8 to Schedule 13D

Issuer - Citadel Holding Corporation

Reporting Persons - Dillon Investors, L.P., Roderick H. Dillon,
Jr., Roderick H. Dillon, Jr. - IRA, Roderick H. Dillon, Jr.
Foundation and Bradley C. Shoup - IRA.

Item 1. Security and Issuer

This Amendment No. 8 to Schedule 13D filed by the
reporting persons Dillon Investors, L.P. ("DI"), Roderick H.
Dillon, Jr. ("RHD"), Roderick H. Dillon, Jr.-IRA ("RHD-IRA") and
Roderick H. Dillon, Jr. Foundation ("RHD-Foundation")
(collectively, the "Dillon Entities") and Bradley C. Shoup

("Shoup") (the "Dillon Entities" and "Shoup" are collectively referred to as the "Reporting Persons") with the Securities and Exchange Commission (the "SEC") relates to the common stock, without par value ("Common Stock"), of Citadel Holding Corporation, a Delaware corporation (the "Issuer"). The principal executive offices of the Issuer are located at 700 North Central, Suite 500, Glendale, California 91203. This Amendment No. 8 amends certain information set forth in the Schedule 13D filed by the Dillon Entities on March 18, 1994, as amended by Amendment No. 1 filed on September 9, 1994 ("Amendment No. 1"), Amendment No. 2 filed on October 17, 1994 ("Amendment No. 2"), Amendment No. 3 filed on November 4, 1994 ("Amendment No. 3"), Amendment No. 4 filed on November 8, 1994 ("Amendment No. 4"), Amendment No. 5 filed on November 18, 1994 ("Amendment No. 5"), Amendment No. 6 filed on December 1, 1994 ("Amendment No. 6") and Amendment No. 7 filed December 16, 1994 ("Amendment No. 7") (collectively, the "Previous Amendments").

Item 3. Source and Amount of Funds or Other Consideration

The sole source of the \$24,700 used by RHD (through RHD-IRA) in making purchases (all of which have been effected since the filing of Amendment No. 7) of 10,000 shares of the Common Stock of the Issuer came from the personal funds of RHD. No part of the purchase price of the Common Stock of the Issuer acquired by RHD (through RHD-IRA) is represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, trading or voting such shares of Common Stock.

The sole source of the \$63,876 used by DI in making purchases (all of which have been effected since the filing of Amendment No. 7) of 24,600 shares of the Common Stock of the Issuer came from the working capital of DI. No part of the purchase price of the Common Stock of the Issuer acquired by DI is represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, trading or voting such shares of Common Stock.

Item 4. Purpose of Transaction

As noted in the Previous Amendments, the Reporting Persons have continued to review and evaluate the Issuer's business and prospects and to follow the price of the Issuer's shares of Common Stock as reported on the various stock exchanges on which such shares are traded. Based upon the prices at which shares of Common Stock have become available since Amendment No. 7 was filed, RHD (through RHD-IRA) and DI decided to acquire the additional shares of the Issuer's Common Stock reported herein.

On January 10, 1995, DI will deliver to the Board of Directors of the Issuer the letter attached hereto as Exhibit B and incorporated herein by this reference.

Item 5. Interest in Securities of the Issuer

(a)(b) As of the date of this Amendment No. 8, DI, RHD, RHD-IRA, RHD-Foundation and Shoup-IRA owned beneficially 700,000, 5,000, 90,000, 2,000 and 2,000 shares of the Common Stock of the Issuer, respectively. Based on the number of shares of the Issuer's Common Stock outstanding on November 14, 1994 (6,669,924 shares), as reported in the definitive copies of the Notice of Annual Meeting of Stockholders and Proxy Statement of the Issuer dated December 20, 1994 (the "Issuer Proxy Statement"), DI, RHD, RHD-IRA, RHD-Foundation and Shoup-IRA own beneficially approximately 10.49%, .075%, 1.35%, .030% and .030% of the Issuer's Common Stock, respectively. On November 10, 1994, the Issuer issued to Craig Corporation 1,329,114 shares of 3% Cumulative Voting Convertible Preferred Stock (the "New Preferred Stock"). The New Preferred Stock, which is convertible into shares of Common Stock at any time, votes jointly with the shares of Common Stock on most matters, including the election of directors, on a share-for-share basis. The shares of Common Stock and the shares of New Preferred Stock are collectively referred to as the Voting Stock. DI, RHD, RHD-IRA, RHD-Foundation and Shoup-IRA hold approximately 8.75%, .063%, 1.13%, .025% and .025% of the 7,999,038 shares of Voting Stock reported

as outstanding on November 14, 1994 in the Issuer Proxy Statement. Each of DI, RHD, RHD-IRA, RHD-Foundation and Shoup-IRA exercises sole voting and investment power with respect to the shares of Common Stock of the Issuer that beneficially owned by such person.

(c) All of the transactions in which shares of Common Stock of the Issuer were purchased by RHD (through RHD-IRA) and DI since the filing of Amendment No. 7 were open market transactions effected on the American Stock Exchange.

The following is a description of the transactions effected by RHD-IRA and DI since the filing of Amendment No. 7:

Purchaser	Date of Purchase	Number of Shares Purchased	Price/Share
DI	12/21/94	5,300	\$2.56
DI	12/22/94	3,300	\$2.56
DI	12/23/94	1,000	\$2.56
DI	12/27/94	15,000	\$2.62
RHD-IRA	12/30/94	6,000	\$2.57
RHD-IRA	1/3/95	4,000	\$2.32

Item 7. Material to Be Filed as Exhibits

Exhibit A - Joint Filing Agreement, dated November 11, 1994, among the Reporting Persons. (Incorporated herein by reference to Exhibit A of Amendment No. 5 to Schedule 13D filed on November 18, 1994 with the SEC).

Exhibit B - Letter, dated January 10, 1995, from DI to the Board of Directors of the Issuer. (Attached hereto beginning at page 11).

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: January 10, 1995

Dillon Investors, L.P.

By: /s/ Roderick H. Dillon, Jr.
Roderick H. Dillon, Jr.,
General Partner

Roderick H. Dillon, Jr.

By: /s/ Roderick H. Dillon, Jr.
Roderick H. Dillon, Jr.

Roderick H. Dillon, Jr. - IRA

By: /s/ Roderick H. Dillon, Jr.
Roderick H. Dillon, Jr.

Roderick H. Dillon, Jr. - Foundation

By: /s/ Roderick H. Dillon, Jr.
Roderick H. Dillon, Jr.,
Trustee

Bradley C. Shoup - IRA

By: /s/ Bradley C. Shoup
Bradley C. Shoup

Exhibit B

Dillon Investors, L.P.

21 East State Street - Suite 1410
Columbus, Ohio 43215-4228

January 10, 1995

The Board of Directors
Citadel Holding Corporation
700 North Central Avenue
Glendale, California 91203

Gentlemen:

The undersigned, Dillon Investors, L.P. ("Dillon") is the record owner of 700,000 shares of common stock of Citadel Holding Corporation ("Citadel").

Dillon has watched the continuing erosion of the market price for Citadel's common stock with concern. Of particular concern is the substantial dilution that could now result to stockholders other than Craig Corporation ("Craig") if Craig determines to convert the control block of securities known as the 3% Cumulative Voting Convertible Preferred Stock ("Preferred Shares"), which Citadel recently issued to Craig, at a conversion ratio based upon a market price of less than \$3.00 for Citadel's common stock, and Citadel's Board takes no action to redeem such Preferred Shares, as it is entitled to do if such market price is below \$3.00.

Dillon continues to believe that the pro rata distribution (after the shares are registered) by Citadel to all of its stockholders of the shares of Fidelity Federal Bank ("Fidelity") held by Citadel, and an orderly sale over a reasonable period of time of Citadel's real estate assets at the best available price, followed by the dissolution and liquidation of Citadel, is the best way to maximize value for all Citadel stockholders. (In that connection, although Dillon is pleased that Citadel has determined to place two of its six properties up for sale, Dillon is concerned about Citadel's plans - currently undisclosed - for the proceeds from any sale of such properties.) Dillon intends, subject to compliance with applicable law, to continue to seek to influence Citadel to pursue such a strategy.

However, inasmuch as Dillon now believes that Citadel's stockholders may prefer to cash out their investment rather than wait for Citadel to implement such strategy, the undersigned hereby proposes to enter into an acquisition transaction with Citadel in which Citadel stockholders would receive \$4 per share in cash for their common stock. This price represents a 68% premium to the current market price, a 20% premium to the book value as of September 30, 1994, and is a premium to the implied value of the common stock based on the fairness opinion rendered recently by Wedbush Morgan Securities in connection with the Preferred Shares issuance to Craig. If desired, Dillon would endeavor to structure such transaction in a way which would permit stockholders who so chose to retain an equity interest.

Upon consummation of the transaction, Dillon would pursue implementation of the above-described strategy. In the event that the transaction is structured to allow Citadel stockholders to retain equity, stockholders who so determine will receive their pro rata share of all distributions by Citadel of cash or securities. Dillon and its affiliates would receive no payments or distributions from Citadel other than their pro rata share of distributions to all stockholders, plus expenses including those incurred to date in connection with Dillon's efforts to cause rescission of the issuance of the Preferred Shares to Craig and to present its strategy to stockholders pursuant to its previously proposed proxy and consent solicitations, which actions were for the benefit of all stockholders.

This proposal is conditioned upon the following:

- 1) Compliance with all regulatory requirements (Dillon believes it is possible that any delays otherwise related to Office of Thrift Supervision ("OTS") approval could be eliminated by Citadel's appropriate filing with the OTS to deregister as a savings and loan holding company, in light of its limited holdings of non-voting stock of Fidelity);
- 2) Termination of all litigation between Dillon and Citadel;
- 3) No further issuance of any class of securities by Citadel;
- 4) No action by Citadel that would materially affect the current assets of Citadel prior to completion of the acquisition without prior approval from Dillon;
- 5) The Preferred Shares be rescinded, and the original terms of the Craig Line of Credit be maintained; alternatively, the transaction would provide for the acquisition of the Preferred Shares at a price of \$4.00 per share;
- 6) The obtaining of financing; and
- 7) The negotiation and execution of appropriate documentation.

We are confident that financing can be obtained for the acquisition. The above is subject to negotiation. We look forward to your prompt response.

Very truly yours,
DILLON INVESTORS, L.P.

By: /s/ Roderick H. Dillon, Jr.
Roderick H. Dillon, Jr., its General Partner