

CITIZENS INC  
Form 424B3  
April 10, 2008

**Filed Pursuant to Rule 424(b)(3)**  
**Registration No. 333-118134**

**Prospectus Supplement to Prospectus dated October 6, 2004**  
**Citizens, Inc.**  
**Class A Common Stock, No Par Value**  
**Up to 7,073,060 Shares**

This prospectus supplement updates the prospectus dated October 6, 2004 relating to the offer for sale of up to an aggregate of 7,073,060 shares of Class A common stock of Citizens, Inc. by the selling stockholders identified in the prospectus and this prospectus supplement, and any of their pledgees, donees, transferees or other successors in interest.

We are providing this prospectus supplement to update the table in the prospectus under the caption "Selling Stockholders" to reflect (i) a transfer on January 10, 2008 of a warrant to purchase 135,948 shares of Class A common stock from Steelhead Investments Ltd. to Crestview Capital Master, LLC and (ii) a transfer on February 22, 2008 by Steelhead Investments Ltd. of 677,979 shares of Class A common stock to Capital Ventures International. The other information contained under the caption "Selling Stockholders" is not being updated. The amounts set forth below are based upon information provided to us by the selling stockholder (or their representatives), or on our records, and are accurate to the best of our knowledge. Unless we indicate otherwise, the information in this prospectus supplement is as of April 10, 2008.

<b>Name of Selling Stockholder</b>	<b>Number of Shares of Class A Common Stock Beneficially Owned as of 04/10/08</b>	<b>Number of Shares of Class A Common Stock Being Offered</b>	<b>Number of Shares of Class A Common Stock to be Beneficially Owned After Offering (1)</b>	
			<b>Number</b>	<b>Percentage (2)</b>
Steelhead Investments Ltd. (3)	524,168	524,168	47,351(4)	*
Crestview Capital Master, LLC (5)	135,948	135,948(6)	135,948	*
Capital Ventures International (7)	677,979	677,979	0	*

\* Less than 1%.

(1) We do not know when or in what amounts a selling stockholder may offer shares for sale. The selling stockholders may not sell any

or all of the shares offered by the prospectus or this prospectus supplement. Because the selling stockholders may offer all or some of the shares pursuant to this offering, and because there are currently no agreements, arrangements or understandings with respect to the sale of any of the shares, we cannot estimate the number of the shares that will be held by the selling stockholders after completion of the offering. However, for purposes of this table, we have assumed that, after completion of the offering, none of the shares covered by the prospectus or this prospectus supplement will be held by the selling stockholders.

- (2) For each selling stockholder, this number represents the

percentage of  
Class A  
common stock  
to be owned by  
such selling

---

stockholder  
after completion  
of the offering,  
based on the  
number of  
shares of  
Class A  
common stock  
outstanding as  
of April 10,  
2008  
(43,096,641  
shares).

- (3) HBK  
Investments  
L.P., a Delaware  
limited  
partnership, has  
shared voting  
and dispositive  
power over the  
securities  
pursuant to an  
Investment  
Management  
Agreement  
between HBK  
Investments  
L.P. and  
Steelhead  
Investments  
Ltd. HBK  
Investments  
L.P. has  
delegated  
discretion to  
vote and dispose  
of the securities  
to HBK  
Services LLC.  
The following  
individuals may  
be deemed to  
have control  
over HBK  
Investments  
L.P.: Jamiel A.  
Akhtar, Richard

L. Booth, David  
C. Haley,  
Laurence H.  
Lebowitz, and  
William E.  
Rose.

- (4) Represents shares of Class A common stock issuable upon exercise of warrants. These warrants have an exercise price of \$7.99 per share and may be exercised at any time through July 11, 2011.
- (5) Crestview Capital Partners, LLC ( CCP ) is the sole managing member of Crestview Capital Master, LLC ( CCM ) and may be deemed to have sole voting and investment power with respect to the securities beneficially owned by CCM. CCP disclaims beneficial ownership of these securities. The Managing Members of CCP are Stewart Flink, Robert Hoyt and Daniel Warsh, each of

whom may be deemed to have voting and dispositive power over securities beneficially owned by CCM, and each of whom also disclaims beneficial ownership of these securities. Mr. Flink is an affiliate of a broker-dealer and it has been confirmed to us that the securities were acquired to be resold in the ordinary course of business and that there are no arrangements with any other persons, whether directly or indirectly, to dispose of the securities.

- (6) Represents shares of Class A common stock issuable upon exercise of warrants. These warrants have an exercise price of \$6.95 per share and may be exercised at any time through July 11, 2011.

(7)

Heights Capital Management, Inc., the authorized agent of Capital Ventures International ( CVI ), has discretionary authority to vote and dispose of the shares held by CVI and may be deemed to be the beneficial owner of these shares. Martin Kobinger, in his capacity as Investment Manager of Heights Capital Management, Inc., may also be deemed to have investment discretion and voting power over the shares held by CVI. Mr. Kobinger disclaims any such beneficial ownership of the shares.

This prospectus supplement is not complete without the prospectus dated October 6, 2004, and we have not authorized anyone to deliver or use this prospectus supplement without the prospectus.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus supplement is April 10, 2008.