

NON-PUBLIC

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13FCOMP

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



11/20/03

Form 13F

Form 13F COVER PAGE

01074979

Report for the calendar year or quarter ended: June 30, 2001

Check here if Amendment []; Amendment Number: _____
This Amendment (Check only one.): [] is a restatement.
[] adds new holdings entries.

Institutional Investment Manager Filing this Report:

Name: Staro Asset Management, L.L.C.
Address: 1500 W. Market Street
Suite 200
Mequon, WI 53092

CONFIDENTIAL TREATMENT EXPIRES
and
CONFIDENTIAL TREATMENT DENIED

Form 13F File Number: 28-_____

The institutional investment manager filing this report and the person by whom it is signed hereby represent that the person signing the report is authorized to submit it, that all information contained herein is true, correct and complete, and that it is understood that all required items, statements, schedules, lists, and tables, are considered integral parts of this form.

Person Signing this Report on Behalf of Reporting Manager:

Name: Colin M. Lancaster
Title: General Counsel
Phone: (262) 241-1810

PROCESSED

JAN 23 2004

THOMSON
FINANCIAL

Signature, Place, and Date of Signing:

Mequon, WI August 7, 2001

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Report Type (Check only one.):

13F HOLDINGS REPORT. (Check here if all holdings of this reporting manager are reported in this report.)

13F NOTICE. (Check here if no holdings reported are in this report, and all holdings are reported by other reporting manager(s).)

13F COMBINATION REPORT. (Check here if a portion of the holdings for this reporting manager are reported in this report and a portion are reported by other reporting manager(s).)

List of Other Managers Reporting for this Manager: None.

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FORM 13F SUMMARY PAGE

Report Summary:

Number of Other Included Managers: 0

Form 13F Information Table Entry Total: 230

Form 13F Information Table Value Total: \$ 1,816,421
(thousands)

List of Other Included Managers:

Provide a numbered list of the name(s) and Form 13F file number(s) of all institutional investment managers with respect to which this report is filed, other than the manager filing this report.

None.

Form 13F
STARO ASSET MANAGEMENT

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:		Column 6: Investment Discretion	Column 7: Other Managers	Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.			Put/ Call	Voting Authority
Americredit Corporation	Option	03060R901	\$7,013	1,350		Sole		X	
ACT Manufacturing Inc.	Common	000973107	\$2,105	192,400	Shares	Sole		X	
Adobe Systems Inc.	Option	00724F101	\$1,645	350		Sole		X	
Analog Devices	Common	032654105	\$433	10,000	Shares	Sole		X	
Adelphia Communications	Option	006848905	\$2,870	700		Sole		X	
AES Trust III	Preferred	00808N202	\$6,933	102,514	Shares	Sole		X	
Affymetrix Inc.	Debt	00826TAB4	\$14,963	21,000	Prn. Amt.	Sole		X	
Allergan Inc.	Debt	018490AA0	\$3,188	5,000	Prn. Amt.	Sole		X	
Standard Automotive Corp.	Common	853097103	\$37	44,000	Shares	Sole		X	
Standard Automotive Corp.	Preferred	853097202	\$55	65,100	Shares	Sole		X	
Alliance Semiconductor Corp.	Common	01877H100	\$1,738	144,600	Shares	Sole		X	
Alexion Pharmaceuticals Inc.	Debt	015351AB5	\$3,812	6,050	Prn. Amt.	Sole		X	
Amgen Inc.	Option	031162900	\$6,068	1,000		Sole	Call	X	
American Tower Corp	Debt	029912AD4	\$34,520	42,356	Prn. Amt.	Sole		X	
America Online Inc.	Option	00184A905	\$30,210	5,700		Sole	Call	X	
Asyst Technologies Inc.	Common	04648X107	\$448	33,200	Shares	Sole		X	
Asyst Technologies Inc.	Option	04648X907	\$68	50		Sole	Call	X	
Avon Products, Inc.	Common	054303102	\$2,036	44,000	Shares	Sole		X	
AT&T Wireless Group	Common	001957406	\$1,059	64,763	Shares	Sole		X	
Anixter International Inc.	Debt	035290AC9	\$2,831	10,000	Prn. Amt.	Sole		X	
Bank of America Corp.	Option	060505904	\$9,005	1,500		Sole	Call	X	
Budget Group Inc.	Class A	119003101	\$480	200,000	Shares	Sole		X	
Brocade Communications Sys.	Option	111621908	\$11,657	2,650		Sole	Call	X	
Biovail Corporation	Preferred	09067J208	\$24,573	319,126	Shares	Sole		X	
Biovail Corporation	Warrant	09067J117	\$90,302	668,900	Shares	Sole		X	
Cooper Cameron Corp.	Debt	216640AA0	\$21,981	30,000	Prn. Amt.	Sole		X	
Cooper Cameron Corp.	Debt	216640AB8	\$6,885	7,500	Prn. Amt.	Sole		X	
Chiron Corporation	Common	170040109	\$337	6,600	Shares	Sole		X	
Chiron Corporation	Option	170040909	\$2,550	500		Sole	Call	X	

Form 13F
STARO ASSET MANAGEMENT

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:		Column 6: Investment Discretion	Column 7: Other Managers	Column 8: Voting Authority	
				Shares or Principal Amount	Shares/ Prn. Amt.			Put/ Call	Sole
Charter Communications Inc.	Common	16117M107	\$233,500	10,000	Shares	Sole		X	
Charter Communications Inc.	Option	16117M907	\$3,503	1,500		Sole		X	
Ciena Corporation	Debt	171779AA9	\$4,727	6,476	Prn. Amt.	Sole		X	
Celstica Inc.	Debt	15101QAA6	\$4,413	10,000	Prn. Amt.	Sole		X	
Cellstar Corporation	Common	150925105	\$355	165,200	Shares	Sole		X	
Cellstar Corporation	Debt	150925AC9	\$12,527	52,196	Prn. Amt.	Sole		X	
CMS Energy Corporation	Preferred	125896308	\$1,544	45,000	Shares	Sole		X	
Comverse Technology Inc.	Debt	205862AG0	\$147,604	55,076	Prn. Amt.	Sole		X	
CNF Trust I	Preferred	12612V205	\$319	7,500	Shares	Sole		X	
Canadian National Railway Co.	Preferred	136375409	\$8,135	145,920	Shares	Sole		X	
Cor Therapeutics Inc.	Debt	217753AE2	\$9,888	10,000	Prn. Amt.	Sole		X	
Cor Therapeutics Inc.	Debt	217753AD4	\$19,521	18,416	Prn. Amt.	Sole		X	
Covad Communications Group	Common	222814204	\$351	347,180	Shares	Sole		X	
Calpine Corporation	Option	131347906	\$567	150		Sole	Call	X	
Calpine Corporation	Option	131347956	\$1,323	350		Sole	Put	X	
Curagen Corporation	Debt	23126RAC5	\$3,027	3,625	Prn. Amt.	Sole		X	
Chase Industries Inc.	Common	161568100	\$963	103,100	Shares	Sole		X	
Cell Therapeutics Inc.	Option	150934907	\$553	200		Sole	Call	X	
CV Therapeutics Inc.	Debt	126667AB0	\$7,915	7,463	Prn. Amt.	Sole		X	
Counsel Corporation	Common	22226R102	\$150	49,075	Shares	Sole		X	
Cymer Inc.	Common	232572107	\$1,298	51,344	Shares	Sole		X	
Citizens Communications Co.	Common	17453B101	\$1,203	100,000	Shares	Sole		X	
Citizens Utilities	Preferred	177351202	\$6,674	135,000	Shares	Sole		X	
Danaher Corporation	Common	235851102	\$280	5,000	Shares	Sole		X	
Digex Incorporated	Common	253756100	\$2,620	201,500	Shares	Sole		X	
EchoStar Communications	Option	278762909	\$12,158	3,750		Sole	Call	X	
EchoStar Communications	Debt	278762AD1	\$29,287	32,250	Prn. Amt.	Sole		X	
Duke Energy Corporation	Corp. Units	264399585	\$3,078	120,000	Shares	Sole		X	
Diamond Offshore Drilling	Debt	25271CAC6	\$7,267	15,100	Prn. Amt.	Sole		X	

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STARO ASSET MANAGEMENT

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:			Column 6: Investment Discretion	Column 7: Other Managers	Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.	Put/ Call			Voting Authority	None
Devon Energy Corporation	Option	25179M903	\$2,611	500		Call	Sole		X	
Devon Energy Corporation	Debt	25179MAD5	\$477	1,000	Prn. Amt.		Sole		X	
Edison International	Option	281020907	\$1,004	900		Call	Sole		X	
Elan Corporation PLC	Warrant	284131703	\$6,759	77,600	Shares		Sole		X	
Enron Corporation	Option	293561906	\$4,900	1,000		Call	Sole		X	
Enzon Inc.	Common	293904108	\$1,869	29,900	Shares		Sole		X	
Express Scripts Inc.	Preferred	302181200	\$9,792	96,000	Shares		Sole		X	
Ford Motor Company	Option	345370900	\$2,455	1,000		Call	Sole		X	
Federated Dept. Stores	Option	31410H901	\$1,275	300		Call	Sole		X	
Federated Dept. Stores	Warrant	31410H127	\$9,844	708,200	Shares		Sole		X	
Federal Mogul Corporation	Common	313549107	\$424	251,170	Shares		Sole		X	
Genesco Inc.	Debt	371532AL6	\$20,718	13,010	Prn. Amt.		Sole		X	
Genzyme Corporation	Option	372917904	\$12,200	2,000		Call	Sole		X	
Gilead Sciences Inc.	Debt	375558AB9	\$8,873	6,500	Prn. Amt.		Sole		X	
Galileo International Inc.	Common	363547100	\$11,973	368,400	Shares		Sole		X	
Gemstar TV Guide Int'l Inc.	Option	36866W956	\$2,200	500		Put	Sole		X	
Gemstar TV Guide Int'l Inc.	Common	36866W106	\$440	10,000	Shares		Sole		X	
Georgia Pacific Corporation	Option	373298908	\$6,770	2,000		Call	Sole		X	
Goldman Sachs Group Inc.	Option	38141G904	\$2,145	250		Call	Sole		X	
Goldman Sachs Group Inc.	Option	38141G954	\$2,145	250		Put	Sole		X	
Global Crossing Ltd.	Common	G3921A100	\$173	20,000	Shares		Sole		X	
Human Genome Sciences, Inc.	Option	444903908	\$1,205	200		Call	Sole		X	
Human Genome Sciences, Inc.	Option	444903958	\$1,205	200		Put	Sole		X	
Human Genome Sciences, Inc.	Debt	444903AH1	\$4,920	6,308	Prn. Amt.		Sole		X	
Human Genome Sciences, Inc.	Debt	444903AF5	\$5,963	4,828	Prn. Amt.		Sole		X	
Health.Mgmt. Assoc. Inc.	Debt	421933AA0	\$11,099	59,000	Prn. Amt.		Sole		X	
Health Mgmt. Assoc. Inc.	Debt	421933AB8	\$372	500	Prn. Amt.		Sole		X	
Health Mgmt. Assoc. Inc.	Common	421933102	\$2,716	129,100	Shares		Sole		X	
HMT Technology Corporation	Debt	403917AD9	\$1,200	15,000	Prn. Amt.		Sole		X	

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Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:		Column 6: Investment Discretion	Column 7: Other Managers	Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.			Put/ Call	Voting Authority
Hutchinson Technology Inc.	Debt	448407AC0	\$175	200	Prn. Amt.	Sole		X	
Int'l Business Machines Corp	Option	459200901	\$45,200	4,000	Call	Sole		X	
Infineon Technologies AG	Common	45662N103	\$298	12,700	Shares	Sole		X	
Industrial Bancorp Inc.	Common	455882100	\$2,473	121,800	Shares	Sole		X	
Inhale Therapeutic Systems Inc	Debt	457191AF1	\$802	974	Prn. Amt.	Sole		X	
Intel Corporation	Common	458140100	\$1,913	65,400	Shares	Sole		X	
Intel Corporation	Option	458140900	\$5,850	2,000	Call	Sole		X	
International Rectifier Corp.	Debt	460254AE5	\$6,711	9,069	Prn. Amt.	Sole		X	
Intermune Inc.	Common	45884X103	\$3,085	86,600	Shares	Sole		X	
IT Group Inc.	Preferred	465266302	\$9,543	505,580	Shares	Sole		X	
Jabil Circuit Inc.	Option	466313903	\$4,320	1,400	Call	Sole		X	
Jabil Circuit Inc.	Debt	466313AA1	\$13,879	13,674	Prn. Amt.	Sole		X	
Johnson & Johnson	Common	478160104	\$18,151	363,012	Shares	Sole		X	
Krispy Kreme Doughnuts Inc.	Option	501014104	\$3,600	900	Call	Sole		X	
KMart Corporation	Common	482584109	\$1,236	107,800	Shares	Sole		X	
KMart Corporation	Option	482584909	\$4,588	4,000	Call	Sole		X	
Komag Inc.	Common	500453105	\$900	2,726,305	Shares	Sole		X	
Lamar Capital Corp.	Common	51282P106	\$1,073	98,400	Shares	Sole		X	
Lennar Corporation	Option	526057904	\$1,043	250	Call	Sole		X	
Lodigen Inc.	Common	54021P106	\$153	235,800	Shares	Sole		X	
Loral Space & Communications	Common	G56462107	\$1,785	637,600	Shares	Sole		X	
Loral Space & Communications	Preferred	G56462149	\$7,169	597,427	Shares	Sole		X	
Loral Space & Communications	Option	G56462957	\$245	875	Put	Sole		X	
LSI Logic Corporation	Option	502161902	\$7,520	4,000	Call	Sole		X	
LSI Logic Corporation	Debt	502161AE2	\$413	500	Prn. Amt.	Sole		X	
LSI Logic Corporation	Debt	502161AD4	\$7,246	5,332	Prn. Amt.	Sole		X	
Limited Inc.	Common	532716107	\$529	32,000	Shares	Sole		X	
Lexmark International	Option	529771907	\$9,247	1,375	Call	Sole		X	
Manugistics Group Inc.	Debt	565011AB9	\$13,713	15,871	Prn. Amt.	Sole		X	

Form 13F
STARO ASSET MANAGEMENT

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:		Column 6: Investment Discretion	Column 7: Other Managers	Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.			Put/ Call	Voting Authority
McData Corporation	Common	580031102	\$4,451	203,800	Shares	Sole		X	
McData Corporation	Class A	580031201	\$351	20,000	Shares	Sole		X	
McData Corporation	Option	580031901	\$1,246	710		Sole		X	
Merrill Lynch	Option	590188908	\$5,925	1,000		Sole		X	
Merrill Lynch	Debt	590188A65	\$10,162	20,173	Prn. Amt.	Sole		X	
Mercury Interactive Corp.	Debt	589405AB5	\$7,374	8,500	Prn. Amt.	Sole		X	
Magna International Inc.	Debt	559222AE4	\$7,847	6,801	Prn. Amt.	Sole		X	
Capstar Hotel Company	Debt	140918AC7	\$5,523	5,723	Prn. Amt.	Sole		X	
Mirant Trust I	Preferred	60467Q102	\$1,986	27,500	Shares	Sole		X	
Philip Morris Cos. Inc.	Common	718154107	\$7,898	154,660	Shares	Sole		X	
Mpower Communications Inc	Common	62473J106	\$24	25,000	Shares	Sole		X	
Microsemi Corporation	Option	595137900	\$1,775	250		Sole	Call	X	
Microsoft Corporation	Common	594918104	\$3,623	49,899	Shares	Sole		X	
Mitsubishi Tokyo Finl	Spon. ADR	606816106	\$854	101,000	Shares	Sole		X	
Morgan Stanley Dean Witter	Option	6174446908	\$6,423	1,000		Sole	Call	X	
Newfield Exploration Co.	Preferred	651291205	\$2,350	45,185	Shares	Sole		X	
Nokia Corporation	Spon. ADR	654902204	\$3,000	136,130	Shares	Sole		X	
NRG Energy Inc.	Corp. Unit	629377201	\$2,195	95,000	Shares	Sole		X	
National Semiconductor Corp	Option	637640903	\$5,824	2,000		Sole	Call	X	
NTN Communications Inc.	Common	629410309	\$70	92,332	Shares	Sole		X	
Nvida Corporation	Option	67066G904	\$3,246	350		Sole	Call	X	
Nextel Communications Inc.	Option	65332V903	\$2,625	1,500		Sole	Call	X	
Omnicom Group	Option	681919906	\$6,880	800		Sole	Call	X	
Owens & Minor Inc.	Common	690732102	\$936	49,255	Shares	Sole		X	
PG&E Corporation	Common	69331C108	\$372	33,200	Shares	Sole		X	
PG&E Corporation	Option	69331C958	\$560	500		Sole	Put	X	
Plum Creek Timber Co. Inc.	Common	729251108	\$5,353	190,300	Shares	Sole		X	
Perkinelmer Inc.	Debt	714046AA7	\$3,611	7,150	Prn. Amt.	Sole		X	
Photronics Inc.	Debt	719405AA0	\$4,002	3,850	Prn. Amt.	Sole		X	

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STARO ASSET MANAGEMENT

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				Shares or Principal Amount	Shares/ Prn. Amt.	Put/ Call			Voting Authority	None
Price Communications Corp.	Common	741437305	\$1,010	50,000	Shares		Sole		X	
Providian Financial Group	Debt	74406AAA0	\$2,100	2,000	Prn. Amt.		Sole		X	
Rite Aid Corporation	Common	767754104	\$6,494	721,600	Shares		Sole		X	
Rational Software Corp.	Debt	75409PAC7	\$2,625	2,500	Prn. Amt.		Sole		X	
Royal Caribbean Cruise Ltd.	Debt	780153AM4	\$1,017	2,500	Prn. Amt.		Sole		X	
Revlon Inc.	Class A	761525500	\$1,033	142,500	Shares		Sole		X	
Sahmina Corporation	Debt	800907AB3	\$7,963	6,500	Prn. Amt.		Sole		X	
Siebel Systems Inc.	Option	826170902	\$3,518	750		Call	Sole		X	
Siebel Systems Inc.	Option	826170952	\$1,173	250		Put	Sole		X	
Siebel Systems Inc.	Debt	826170AC6	\$39,289	18,200	Prn. Amt.		Sole		X	
Sealed Air Corporation	Preferred	81211K209	\$3,028	75,700	Shares		Sole		X	
Sepracor Inc.	Debt	817315AH7	\$5,578	6,500	Prn. Amt.		Sole		X	
Silicon Graphics Inc.	Debt	827056AC6	\$5,179	23,540	Prn. Amt.		Sole		X	
Shire Pharmaceuticals Group	Spon. ADR	82481R106	\$733	13,199	Shares		Sole		X	
Siliconix Inc.	Common	827079203	\$4,654	147,100	Shares		Sole		X	
Soletron Corporation	Debt	834182AK3	\$19,400	40,000	Prn. Amt.		Sole		X	
Soletron Corporation	Debt	834182AL1	\$3,103	7,500	Prn. Amt.		Sole		X	
Semtech Corporation	Debt	816850AD3	\$12,352	12,800	Prn. Amt.		Sole		X	
S&P 500 Depository Receipt	Unit Sec.1	78462F103	\$13,409	109,240	Shares		Sole		X	
Stryker Corporation	Common	863667101	\$11,124	202,810	Shares		Sole		X	
Suiza Foods Corporation	Common	865077101	\$1,864	35,100	Shares		Sole		X	
AT&T Corporation	Common	001957109	\$4,080	185,464	Shares		Sole		X	
Terayon Communications Sys.	Debt	880775AC5	\$175	500	Prn. Amt.		Sole		X	
THQ Inc.	Option	872443903	\$1,231	250		Call	Sole		X	
Telefonos de Mexico	Debt	879403AD5	\$2,555	2,000	Prn. Amt.		Sole		X	
Triarc Companies	Debt	895927AB7	\$3,475	10,000	Prn. Amt.		Sole		X	
Taiwan Semiconductor	Option	874039900	\$2,279	1,500		Call	Sole		X	
Transwitch Corporation	Common	894065101	\$1,989	185,000	Shares		Sole		X	
Texas Instruments Inc.	Common	882508104	\$3,148	99,930	Shares		Sole		X	

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STARO ASSET MANAGEMENT

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:		Put/ Call	Column 6: Investment Discretion	Column 7: Other Managers	Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.				Voting Authority	None
Texas Instruments Inc.	Option	882508904	\$1,575	500		Call	Sole		X	
Union Pacific Corporation	Common	907818108	\$779	14,183	Shares		Sole		X	
United Parcel Service	Option	911312906	\$5,780	1,000		Call	Sole		X	
Vodafone Group PLC	Spon. ADR	92857W100	\$16,291	738,070	Shares		Sole		X	
Veritas Software Corporation	Common	923436109	\$7,465	112,200	Shares		Sole		X	
Vertex Pharmaceuticals Inc.	Debt	92532FAD2	\$10,644	13,000	Prn. Amt.		Sole		X	
Williams Communications Group	Class A	969455104	\$156	52,896	Shares		Sole		X	
MCI Worldcom Inc.	Option	9815D906	\$20,590	14,500		Call	Sole		X	
Western Gas Resources Inc.	Preferred	958259301	\$2,349	49,850	Shares		Sole		X	
WHX Corporation	Common	929248102	\$187	97,501	Shares		Sole		X	
Wind River Systems	Debt	973149AC1	\$8,850	10,000	Prn. Amt.		Sole		X	
Williams Companies Inc.	Common	969457100	\$7,282	221,000	Shares		Sole		X	
Westpoint Stevens Inc.	Common	961238102	\$34	25,000	Shares		Sole		X	
XM Satellite Radio Hldgs. Inc.	Class A	983759101	\$535	33,000	Shares		Sole		X	
XM Satellite Radio Hldgs. Inc.	Debt	983759AA9	\$14,463	11,125	Prn. Amt.		Sole		X	
Broadwing Inc.	Option	111620900	\$5,873	2,500		Call	Sole		X	
Citrix Systems, Inc.	Option	177376900	\$699	200		Call	Sole		X	
EMC Corporation	Option	268648902	\$898	450		Call	Sole		X	
Lowe's Companies	Option	548661907	\$5,543	1,500		Call	Sole		X	
Molex Inc.	Option	608554951	\$877	250		Put	Sole		X	
Sprint Corp. (PCS Group)	Option	852061906	\$9,621	3,870		Call	Sole		X	
Sheet A General Holdings Totals:			\$1,517,681							
Sheet B Risk Arb Totals:			\$298,741							
AGGREGATE TOTALS:			\$1,816,421							

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STARO ASSET MANAGEMENT

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5: Shares or Principal Amount	Shares/ Prn. Amt.	Put/ Call	Column 6: Investment Discretion	Column 7: Other Managers	Column 8: Voting Authority	
									Sole	Shared
Risk Arb Holdings										
Alliance Bancorp	Common	01852J105	\$646	21,900	Shares		Sole		X	
Barrick Gold Corporation	Common	06790I108	\$1,606	106,000	Shares		Sole		X	
Aris Corporation	Common	04040A101	\$91	35,000	Shares		Sole		X	
ASM International NV	Common	N07045102	\$534	26,900	Shares		Sole		X	
Bard CR Inc.	Common	067383109	\$10,815	189,900	Shares		Sole		X	
BBVA Banco Frances SA	Spon. ADR	07329M100	\$745	30,000	Shares		Sole		X	
Bank Plus Corporation	Common	064446107	\$3,950	580,000	Shares		Sole		X	
Cascade Corporation	Common	147195101	\$1,365	136,546	Shares		Sole		X	
Cambridge Tech. Partners Inc.	Common	132524109	\$7,561	2,005,600	Shares		Sole		X	
CB Richard Ellis Services	Common	12489L108	\$15,458	984,600	Shares		Sole		X	
Community Bankshares Inc. VA	Common	203631106	\$551	14,600	Shares		Sole		X	
Commercial Bank of NY	Common	201462108	\$4,692	149,100	Shares		Sole		X	
Chris Craft Industries	Common	170520100	\$4,770	66,800	Shares		Sole		X	
Core Inc. Mass	Common	21867P102	\$1,544	315,200	Shares		Sole		X	
Dean Foods Company	Common	242361103	\$7,548	187,756	Shares		Sole		X	
Dairy Mart Convenience Stores	Common	233860303	\$193	55,800	Shares		Sole		X	
Deutsche Telekom AG	Spon. ADR	251566105	\$15,376	684,915	Shares		Sole		X	
First American Corporation	Common	318522307	\$992	52,400	Shares		Sole		X	
Felcor Lodging Trust Inc.	Common	31430F101	\$1,004	42,902	Shares		Sole		X	
First Fed S&L East Hartford	Common	319944104	\$1,380	37,100	Shares		Sole		X	
General Electric Company	Option	369604903	\$41,438	8,500		Call	Sole		X	
Honeywell Inc.	Option	438516906	\$3,499	1,000		Call	Sole		X	
ICO Holdings Inc.	Common	449293109	\$1,293	487,950	Shares		Sole		X	
Imrglobal Corporation	Common	45321V106	\$8,760	984,219	Shares		Sole		X	
Worldcom Inc. GA (MCI Group)	Common	98157D304	\$972	60,400	Shares		Sole		X	
MDC Communications Corp.	Class A	55267W309	\$1,824	200,000	Shares		Sole		X	
Quaker Oats Company	Common	747402105	\$7,491	82,090	Shares		Sole		X	
Professional Group Inc.	Common	742954100	\$11,882	433,000	Shares		Sole		X	
Purina Mills Inc.	Common	746276104	\$5,400	225,000	Shares		Sole		X	

**Form 13F
STARO ASSET MANAGEMENT**

Column 1: Name of Issuer	Column 2: Title of Class	Column 3: CUSIP Number	Column 4: Fair Market Value (X\$1000)	Column 5:		Column 6: Investment Discretion	Column 7: Other Managers	Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.			Put/ Call	Voting Authority Sole Shared None
Ravenswood Winery hc	Common	754438109	\$2,960	100,500	Shares	Sole		X	
SCI Systems Inc.	Common	783890106	\$4,001	156,900	Shares	Sole		X	
STV Group Inc.	Common	784847105	\$1,047	95,200	Shares	Sole		X	
Sunquest Information Systems	Common	867654105	\$2,379	100,000	Shares	Sole		X	
Tyco International Ltd.	Option	902124906	\$29,975	5,500		Sole		X	
Tyco International Ltd.	Option	902124956	\$1,363	250		Sole		X	
Tyco International Ltd.	Debt	902124AC0	\$68,293	90,305	Prn. Amt.	Sole		X	
MCI Worldcom Inc.	Common	98157D106	\$25,344	1,784,809	Shares	Sole		X	
Sheet B Risk Arb Totals:			\$298,741						
AGGREGATE TOTALS:			\$1,816,421						