

13FCON P 11/20/03 CONFIDENTIAL

NON-PUBLIC

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

REC'D S.E.C.
MAY 14 2001
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Form 13F

Form 13F COVER PAGE

Report for the calendar year or quarter ended: March 31, 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

and
CONFIDENTIAL TREATMENT EXPIRES
CONFIDENTIAL TREATMENT DENIED

Form 13F File Number: 28- 5806

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 May 11, 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: 303

Form 13F Information Table Value Total: \$2,150,112
(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:		Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.	Put/ Call		Other Managers	Sole	Shared	None
Agilent Technologies Inc.	Option	00846U901	\$3,073	1,000		Call	Sole			X	
Alliance Bancorp	Common	01852J105	\$1,103	43,800	Shares		Sole			X	
Act Manufacturing Inc.	Common	000973107	\$1,740	159,100	Shares		Sole			X	
Analog Devices	Common	032654105	\$1,674	46,200	Shares		Sole			X	
Adelphia Communications CIA	Option	006848905	\$2,573	700		Call	Sole			X	
AES Corp.	Common	00130H105	\$2,535	50,748	Shares		Sole			X	
Affymetrix Inc.	Common	00826T108	\$464	16,667	Shares		Sole			X	
Affymetrix Inc.	Debt	00826TAB4	\$9,781	12,500	Prn. Amt.		Sole			X	
Akamai Tech	Debt	00971TAC5	\$363	1,100	Prn. Amt.		Sole			X	
Standard Automotive Corp.	Common	853097103	\$53	44,000	Shares		Sole			X	
Alpharma Inc.	Debt	020813AD3	\$13,326	11,500	Prn. Amt.		Sole			X	
Alpharma Inc.	Debt	020813AB7	\$19,191	16,333	Prn. Amt.		Sole			X	
Alliance Semiconductor Corp.	Common	01877H100	\$2,325	200,000	Shares		Sole			X	
Altera Corporation	Option	021441900	\$1,072	500		Call	Sole			X	
Alexion Pharmaceuticals Inc.	Option	015351909	\$480	200		Call	Sole			X	
Alexion Pharmaceuticals Inc.	Debt	015351AB5	\$2,288	4,050	Prn. Amt.		Sole			X	
Applied Materials Inc.	Common	038222105	\$7,565	173,900	Shares		Sole			X	
Applied Materials Inc.	Option	038222905	\$6,525	1,500		Call	Sole			X	
Advanced Micro Devices	Common	007903107	\$664	25,000	Shares		Sole			X	
Advanced Micro Devices	Option	007903957	\$3,981	1,500		Put	Sole			X	
Amgen Inc.	Option	031162900	\$12,038	2,000		Call	Sole			X	
American Airlines	Common	001765106	\$1,686	48,000	Shares		Sole			X	
American Tower Corp.	Debt	029912AD4	\$39,604	52,456	Prn. Amt.		Sole			X	
American Tower Corp.	Debt	029912AB8	\$452	443	Prn. Amt.		Sole			X	
AOL Time Warner	Option	00184A905	\$15,084	3,000		Call	Sole			X	
Anadarko Petroleum Corp.	Option	032511907	\$4,709	750		Call	Sole			X	
Apollo Group Inc.	Option	037604905	\$3,281	1,000		Call	Sole			X	
Arch Wireless Inc.	Common	039392105	\$279	445,809	Shares		Sole			X	
Avon Products Inc.	Option	054303902	\$4,291	1,000		Call	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:		Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.	Put/ Call		Other Managers	Voting Authority	None	
Alza Corp.	Debt	022615AC2	\$55,084	52,274	Prn. Amt.		Sole			X	
Alza Corp.	Common	022615108	\$8,572	211,650	Shares		Sole			X	
Alza Corp.	Option	022615958	\$2,025	500		Put	Sole			X	
BankAmerica Corp.	Option	060505904	\$13,688	2,500		Call	Sole			X	
Best Buy Co. Inc.	Common	086516101	\$741	20,600	Shares		Sole			X	
Best Buy Co. Inc.	Option	086516901	\$5,394	1,500		Call	Sole			X	
Budget Group Inc. Class A	Common	119003101	\$364	200,000	Shares		Sole			X	
Biogen Inc.	Option	090597905	\$12,029	1,900		Call	Sole			X	
Barnes & Noble Inc.	Common	067774109	\$1,028	43,000	Shares		Sole			X	
Bristol-Myers Squibb Co.	Option	110122908	\$2,970	500		Call	Sole			X	
Brocade Communications Sys	Common	111621108	\$700	33,500	Shares		Sole			X	
Brocade Communications Sys	Option	111621908	\$7,938	3,800		Call	Sole			X	
Broadwing Inc	Option	111620900	\$4,788	2,500		Call	Sole			X	
Bethlehem Steel Corp.	Option	087509905	\$484	2,000		Call	Sole			X	
Biovail Corp.	Preferred	09067J208	\$21,182	319,126	Shares		Sole			X	
Biovail Corp.	Warrant	09067J117	\$70,736	668,900	Shares		Sole			X	
Computer Associates Intl. Inc.	Option	204912909	\$2,040	750		Call	Sole			X	
Cephalon Inc	Preferred	156708406	\$16,655	123,254	Shares		Sole			X	
Chiron Corp.	Option	170040909	\$2,194	500		Call	Sole			X	
Chesapeake Energy	Preferred	165167305	\$1,603	25,250	Shares		Sole			X	
Chartered Semiconductor	Common	16133R106	\$4,882	202,892	Shares		Sole			X	
Charter Communications Inc.	Option	16117M907	\$7,919	3,500		Call	Sole			X	
Charter Communications Inc.	Debt	16117MAB3	\$3,758	3,000	Prn. Amt.		Sole			X	
Ciena Corp.	Debt	171779AA9	\$16,688	21,800	Prn. Amt.		Sole			X	
Celestica Inc.	Option	15101Q908	\$2,758	1,000		Call	Sole			X	
Celestica Inc.	Debt	15101QAA6	\$3,275	10,000	Prn. Amt.		Sole			X	
Cellstar Corp.	Common	150925105	\$243	165,200	Shares		Sole			X	
Cellstar Corp.	Debt	150925AC9	\$5,165	25,196	Prn. Amt.		Sole			X	
Comcast Corp.	Option	200300900	\$4,194	1,000		Call	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	None
CMS Energy Corp.	Preferred	125896308	\$1,586	46,600	Shares	Sole		X		
Comverse Technology	Common	205862402	\$416	7,060	Shares	Sole		X		
Comverse Technology	Option	205862902	\$7,067	1,200		Sole	Call	X		
Comverse Technology	Option	205862952	\$589	100		Sole	Put	X		
Comverse Technology	Debt	205862AG0	\$151,872	55,076	Prn. Amt.	Sole		X		
CNF Transportation Inc.	Preferred	12612V205	\$645	15,000	Shares	Sole		X		
Canadian Natl. Railway co.	Preferred	136375409	\$7,716	145,920	Shares	Sole		X		
Coach Inc.	Common	189754104	\$491	17,000	Shares	Sole		X		
3Com Corp.	Common	885535104	\$429	75,000	Shares	Sole		X		
Cor Therapeutics Inc.	Debt	217753AD4	\$11,205	12,916	Prn. Amt.	Sole		X		
Costco Wholesale Corp.	Option	22160K905	\$3,925	1,000		Sole	Call	X		
Covad Communications Group	Common	222814204	\$897	667,200	Shares	Sole		X		
Calpine Corporation	Option	131347906	\$5,507	1,000		Sole	Call	X		
Curagen Corp.	Debt	23126RAC5	\$2,356	3,625	Prn. Amt.	Sole		X		
Cisco Systems Inc.	Option	17275R902	\$254,088	152,331		Sole	Call	X		
Cintas Corp.	Option	172908905	\$2,387	500		Sole	Call	X		
CV Therapeutics Inc.	Debt	126667AB0	\$6,290	8,500	Prn. Amt.	Sole		X		
Counsel Corporation	Common	22226R102	\$58	36,700	Shares	Sole		X		
Cymer Inc.	Common	232572107	\$4,070	188,144	Shares	Sole		X		
Cymer Inc.	Debt	232572AC1	\$17,758	19,355	Prn. Amt.	Sole		X		
Citizens Utilities	Preferred	177351202	\$10,325	200,000	Shares	Sole		X		
Dillard's Inc.	Option	254067901	\$1,097	500		Sole	Call	X		
Danaher Corp.	Common	235851102	\$546	10,000	Shares	Sole		X		
Echostar Communications	Option	278762909	\$11,767	4,250		Sole	Call	X		
Echostar Communications	Debt	278762AD1	\$26,180	29,750	Prn. Amt.	Sole		X		
Duke Inergy Corp.	Common	264399585	\$4,633	170,000	Shares	Sole		X		
Genentech Inc.	Option	368710906	\$3,207	600		Sole	Call	X		
Diamond Offshore Drilling	Common	25271C102	\$1,181	30,000	Shares	Sole		X		
Diamond Offshore Drilling	Option	25271C952	\$984	250		Sole	Put	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
Diamond Offshore Drilling	Debt	25271CAC6	\$11,554	22,600	Prn. Amt.	Sole		X	
Diamond Offshore Drilling	Debt	25271CAA0	\$30,750	30,000	Prn. Amt.	Sole		X	
Duramed Pharmaceuticals Inc.	Common	266354109	\$546	94,432	Shares	Sole		X	
Descartes Systems Group Inc.	Option	249906908	\$675	500		Call		X	
Devon Energy Corp.	Option	25179M903	\$5,611	1,000		Call		X	
Dynex Capital Inc.	Common	26817Q506	\$223	222,540	Shares	Sole		X	
Edison International	Option	281020907	\$1,264	1,000		Call		X	
Elan Corp PLC	Option	284131908	\$2,613	500		Call		X	
Elan Corp PLC	Warrant	284131703	\$5,277	77,600	Shares	Sole		X	
EMC Corp.	Option	268648952	\$441	150		Put		X	
EMC Corp.	Option	268648902	\$1,323	450		Call		X	
EI Paso Corporation	Option	28336L909	\$1,632	250		Call		X	
Express Scripts	Preferred	302181201	\$7,905	96,000	Shares	Sole		X	
Ford Motor Company	Option	345370900	\$2,812	1,000		Call		X	
Federated Department Stores	Warrant	31410H127	\$9,410	710,200	Shares	Sole		X	
Federal-Mogul Corp.	Common	313549107	\$443	151,230	Shares	Sole		X	
Fannie Mae	Option	313586909	\$695	1,000		Call		X	
Genesco Inc.	Debt	371532AL6	\$17,198	13,010	Prn. Amt.	Sole		X	
Genzyme Corp.	Option	372917904	\$13,550	1,500		Call		X	
Gilead Sciences Inc.	Debt	375558AB9	\$8,190	9,000	Prn. Amt.	Sole		X	
Corning Inc.	Common	219350105	\$546	26,412	Shares	Sole		X	
Corning Inc.	Option	219350905	\$2,069	1,000		Call		X	
Corning Inc.	Option	219350955	\$1,035	500		Put		X	
Goodyear Tire & Rubber Co.	Option	382550901	\$1,193	500		Call		X	
Gucci Group NV	Option	401566904	\$4,183	500		Call		X	
Global Crossing Ltd.	Common	G3921A100	\$405	30,000	Shares	Sole		X	
Global Crossing Ltd.	Preferred	G3921A134	\$2,727	18,000	Shares	Sole		X	
Global Crossing Ltd.	Preferred	G3921A126	\$818	15,000	Shares	Sole		X	
Home Depot inc.	Option	437076902	\$6,465	1,500		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:	
				Shares or Principal Amount	Shares/ Prn. Amt.			Put/ Call	Voting Authority
Human Genome Sciences Inc.	Option	444903958	\$8,970	1,950		Put		X	
Human Genome Sciences Inc.	Debt	444903AF5	\$15,696	15,915	Prn. Amt.			X	
Hollinger International Inc.	Common	435569108	\$6,811	475,942	Shares			X	
Health Mgmt Associates Inc.	Debt	421933AA0	\$7,083	59,000	Prn. Amt.			X	
Health Mgmt Associates Inc.	Common	421933102	\$662	42,600	Shares			X	
HMT Technology	Debt	403917AD9	\$3,225	15,000	Prn. Amt.			X	
Hewlett-Packard	Option	428236903	\$4,691	1,500		Call		X	
Intl Business Machines Corp.	Option	459200901	\$33,663	3,500		Call		X	
Intl Business Machines Corp.	Option	459200951	\$14,427	1,500		Put		X	
Immunex Corp.	Option	452528902	\$804	500		Call		X	
Inhale Therapeutic Sys	Debt	457191AH7	\$4,373	6,928	Prn. Amt.			X	
Inhale Therapeutic Sys	Debt	457191AF1	\$2,865	4,035	Prn. Amt.			X	
Intel	Common	458140100	\$1,723	65,500	Shares			X	
Intel	Option	458140900	\$5,263	2,000		Call		X	
Intel	Option	458140950	\$1,973	750		Put		X	
Interpublic Group Cos Inc.	Option	460690900	\$3,456	1,000		Call		X	
International Rectifier Corp.	Debt	460254AE5	\$8,876	11,200	Prn. Amt.			X	
IT Group Inc.	Preferred	465266302	\$8,562	518,880	Shares			X	
Juniper Networks Inc.	Debt	48203RAA2	\$656	1,025	Prn. Amt.			X	
J.P. Morgan & Company	Option	46625H900	\$4,490	1,000		Call		X	
KLA Instruments Corp.	Common	482480100	\$2,020	51,300	Shares			X	
KLA Instruments Corp.	Option	482480900	\$1,969	500		Call		X	
KLA Instruments Corp.	Option	482480950	\$4,725	1,200		Put		X	
Kmart Corp.	Option	482584909	\$10,690	10,000		Call		X	
Coca-Cola Company	Option	191216900	\$6,774	1,500		Call		X	
Kohls Corp.	Option	500255904	\$16,156	2,750		Call		X	
Lehman Brothers Holding Inc.	Option	524908900	\$6,270	1,000		Call		X	
Linear Technology Corp.	Option	535678906	\$6,159	1,500		Call		X	
Lilly (Eli) & Co.	Option	532457908	\$12,759	1,500		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:	
				Shares or Principal Amount	Shares/ Prn. Amt.	Put/ Call			Voting Authority	None
Luminent Inc.	Common	55027R103	\$133	50,000	Shares		Sole		X	
Lodigen Inc.	Common	54021P106	\$271	235,800	Shares		Sole		X	
Loral Space & Communications	Preferred	G56462149	\$8,261	802,031	Shares		Sole		X	
Loral Space & Communications	Option	G56462957	\$192	875		Put	Sole		X	
Lowe's Companies	Option	548661907	\$11,690	2,000		Call	Sole		X	
Lam Research	Option	512807908	\$13,775	5,800		Call	Sole		X	
LSI Logic Corp.	Option	502161902	\$3,146	2,000		Call	Sole		X	
LSI Logic Corp.	Debt	502161AD4	\$10,203	8,432	Prn. Amt.		Sole		X	
Limited Inc.	Common	532716107	\$849	54,000	Shares		Sole		X	
Bank of Tokoyo - Mitsubishi	Common	065379109	\$1,063	111,000	Shares		Sole		X	
Mcdota Corporation	Common	580031102	\$1,020	45,000	Shares		Sole		X	
Mcdota Corporation	Option	580031952	\$1,134	500		Put	Sole		X	
Mcdota Corporation Class A	Common	580031201	\$2,548	135,000	Shares		Sole		X	
Mcdota Corporation	Option	580031901	\$396	210		Call	Sole		X	
Mcleodusa Inc. Class A	Option	582266902	\$1,731	2,000		Call	Sole		X	
MDC Communications Corp.	Common	55267W309	\$1,500	200,000	Shares		Sole		X	
Merrill Lynch	Common	590188108	\$5,734	103,500	Shares		Sole		X	
Merrill Lynch	Option	590188908	\$8,310	1,500		Call	Sole		X	
Mercury Interactive Corp.	Option	589405909	\$838	200		Call	Sole		X	
Mercury Interactive Corp.	Debt	589405AB5	\$8,876	12,000	Prn. Amt.		Sole		X	
Magna International	Debt	559222AE4	\$1,792	1,801	Prn. Amt.		Sole		X	
MIPS Technologies Inc. Class B	Common	604567206	\$2,300	100,000	Shares		Sole		X	
Mirant Trust	Preferred	60467Q102	\$897	12,090	Shares		Sole		X	
Philip Morris Companies Inc.	Common	718154107	\$4,626	97,500	Shares		Sole		X	
Mpower Communications Inc.	Common	62473J107	\$1,200	474,200	Shares		Sole		X	
MRV Communications Inc.	Common	553477100	\$1,066	153,000	Shares		Sole		X	
Microsoft Corp.	Common	594918104	\$5,737	104,900	Shares		Sole		X	
Macotech Inc.	Debt	574670AB1	\$1,663	2,500	Prn. Amt.		Sole		X	
Morgan Stanley Dean Witter	Option	617446908	\$10,700	2,000		Call	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
Maxim Integrated Products	Option	57772K901	\$10,398	2,500		Call		X	
Maxtor Corp.	Common	577729205	\$850	121,480	Shares			X	
Maytag Corp.	Common	578592107	\$1,640	50,852	Shares			X	
Newfield Exploration Company	Preferred	651291205	\$2,474	45,185	Shares			X	
NTL Incorporated	Common	629407107	\$2,531	100,655	Shares			X	
Nokia Corp.	Common	654902204	\$3,969	165,380	Shares			X	
NRG Energy Inc.	Common	629377201	\$3,135	95,000	Shares			X	
National Semiconductor Corp.	Option	637640903	\$10,700	4,000		Call		X	
Nvidia Corp	Debt	67066GAA2	\$1,800	2,000	Prn. Amt.			X	
Nextel Communications Inc.	Option	65332V903	\$374	260		Call		X	
Oracle Corporation	Option	68389X905	\$2,543	1,500		Call		X	
PG&E Corporation	Common	69331C108	\$12,273	985,800	Shares			X	
PG&E Corporation	Option	69331C958	\$1,245	1,000		Put		X	
Sprint Corp.	Option	852061906	\$13,305	5,129		Call		X	
Sprint Corp.	Option	852061956	\$649	250		Put		X	
Protein Design Labs Inc.	Debt	74369LAB9	\$1,676	1,937	Prn. Amt.			X	
Perkinelmer Inc.	Option	714046909	\$393	75		Call		X	
Perkinelmer Inc.	Debt	714046AA7	\$11,055	22,000	Prn. Amt.			X	
Photonics Inc.	Debt	719405AA0	\$3,975	3,850	Prn. Amt.			X	
PNC Financial Services Group	Option	693475905	\$906	1,000		Call		X	
Peoplesoft Inc.	Common	712713106	\$1,186	50,600	Shares			X	
Psinet Inc.	Common	74437C101	\$326	1,488,200	Shares			X	
Penn Treaty Amer Corp.	Debt	707874AC7	\$1,823	3,000	Prn. Amt.			X	
Providian Financial	Debt	74406AAA0	\$1,860	2,000	Prn. Amt.			X	
Qwest Communications Intl.	Option	749121909	\$7,010	2,000		Call		X	
Quantum Corp.	Debt	747906AC9	\$553	705	Prn. Amt.			X	
Rite Aid Corp.	Common	767754104	\$5,112	764,100	Shares			X	
Read-Rite Corp.	Common	755246105	\$479	57,838	Shares			X	
Revlon Inc. Class A	Common	761525500	\$667	144,700	Shares			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:		Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.		Put/ Call	Other Managers	Voting Authority	Shared None
Sanmina Corp.	Debt	800907AB3	\$6,890	6,500	Prn. Amt.	Sole			X	
SBC Communications Inc.	Option	78387G903	\$8,926	2,000		Call			X	
Starbucks Corp.	Common	855244109	\$6,043	142,400	Shares	Sole			X	
Starbucks Corp.	Option	855244909	\$4,244	1,000		Call			X	
SCI Systems Inc.	Common	783890106	\$2,947	161,900	Shares	Sole			X	
Siebel Systems Inc.	Option	826170952	\$2,720	1,000		Put			X	
Siebel Systems Inc.	Debt	826170AC6	\$30,605	21,900	Prn. Amt.	Sole			X	
Sealed Air Corp.	Common	81211K100	\$3,832	115,000	Shares	Sole			X	
Sepracor Inc.	Debt	817315AH7	\$4,973	6,500	Prn. Amt.	Sole			X	
Silicon Graphics Inc.	Debt	827056AC6	\$2,129	3,925	Prn. Amt.	Sole			X	
Sara Lee Corp.	Option	803111903	\$4,316	2,000		Call			X	
Semtech Corp.	Debt	816850AD3	\$17,116	18,732	Prn. Amt.	Sole			X	
Semtech Corp.	Option	816850951	\$2,208	750		Put			X	
Southern Co.	Common	842587107	\$3,509	100,000	Shares	Sole			X	
Panamsat Corp.	Option	697933909	\$7,838	2,000		Call			X	
S & P 500	Common	78462F103	\$4,434	38,000	Shares	Sole			X	
Sun Microsystems Inc.	Option	866810904	\$3,074	2,000		Call			X	
Sun Microsystems Inc.	Option	866810954	\$1,537	1,000		Put			X	
Stryker Corp.	Common	863667101	\$17,677	338,310	Shares	Sole			X	
Terayon Communications Sys	Common	880775101	\$342	75,000	Shares	Sole			X	
Telefonos De Mexico	Debt	879403AD5	\$2,375	2,000	Prn. Amt.	Sole			X	
TVX Gold	Debt	87308KAA9	\$2,457	3,751	Prn. Amt.	Sole			X	
Tower Automotive	Debt	891707AE1	\$942	1,178	Prn. Amt.	Sole			X	
Texaco Inc.	Option	881694903	\$16,600	2,500		Call			X	
Transwitch Corp.	Common	894065101	\$3,864	294,400	Shares	Sole			X	
Transwitch Corp.	Debt	894065AB7	\$19,584	29,450	Prn. Amt.	Sole			X	
Texas Instruments Inc.	Common	882508104	\$5,240	169,130	Shares	Sole			X	
Texas Instruments Inc.	Option	882508904	\$5,422	1,750		Call			X	
Tyco International Ltd.	Option	902124906	\$8,646	2,000		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:		Column 8:	
				Shares or Principal Amount	Shares/ Prn. Amt.	Put/ Call		Other Managers	Sole	Shared	None
Tyco International Ltd.	Debt	902124AC0	\$36,083	51,000	Prn. Amt.		Sole		X		
Union Pacific Corp.	Common	907818108	\$1,892	33,633	Shares		Sole		X		
Vodafone Group	Common	92857W100	\$12,036	446,000	Shares		Sole		X		
Viatel Inc.	Common	925529208	\$97	171,800	Shares		Sole		X		
Verizon Communications	Common	92343V104	\$616	12,499	Shares		Sole		X		
Warnaco Group Class A	Common	934390105	\$33	24,036	Shares		Sole		X		
Williams Communications Grp.	Common	969455104	\$1,744	193,810	Shares		Sole		X		
Weatherford Intl.	Option	947074900	\$4,832	900		Call	Sole		X		
Western Gas Resources Inc.	Preferred	958259301	\$2,243	49,850	Shares		Sole		X		
WHX Corp.	Common	929248102	\$196	141,272	Shares		Sole		X		
Wind River Systems	Debt	973149AC1	\$9,025	10,000	Prn. Amt.		Sole		X		
Williams Cos Inc.	Option	969457900	\$14,141	3,300		Call	Sole		X		
Xilinx Inc.	Option	983919901	\$3,513	1,000		Call	Sole		X		
XM Satellite Radio Class A	Debt	983759AA9	\$7,750	10,000	Prn. Amt.		Sole		X		
Exxon Mobil Corp.	Option	30231G902	\$8,100	1,000		Call	Sole		X		
Xerox Credit Corp.	Option	984121903	\$1,797	3,000		Call	Sole		X		
Sheet A General Holdings Totals:											
Sheet B Risk Arb Totals:											
AGGREGATE TOTALS:											

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			Voiting Authority	None
Alberto-Culver Co. Class B	Common	013068101	\$595	15,000	Shares		Sole		X	
Alberto-Culver Co. Class A	Common	013068200	\$901	27,050	Shares		Sole		X	
AT&T Wireless Group	Common	001957406	\$5,041	262,800	Shares		Sole		X	
AT&T Wireless Group	Option	001957906	\$1,918	1,000		Call	Sole		X	
Biochem Pharma Inc.	Common	09058T108	\$32,732	1,077,600	Shares		Sole		X	
Cascade Corp.	Common	147195101	\$2,516	197,018	Shares		Sole		X	
Cambridge Tech Partners Inc.	Common	132524109	\$6,295	1,937,200	Shares		Sole		X	
Chris-Craft Industries	Common	170520100	\$4,744	75,000	Shares		Sole		X	
Centennial Tech Inc.	Common	151392206	\$252	25,000	Shares		Sole		X	
Citadel Communications Corp.	Common	172853202	\$17,537	705,000	Shares		Sole		X	
Chase Industries Inc.	Common	161568100	\$1,135	99,100	Shares		Sole		X	
C-Cube Microsystems	Common	12501N108	\$3,878	315,000	Shares		Sole		X	
Donna Karan Intl Inc.	Common	257826107	\$314	35,000	Shares		Sole		X	
Deutsche Telekom AG	Common	251566105	\$23,809	1,026,700	Shares		Sole		X	
Deutsche Telekom AG	Option	251566905	\$1,183	510		Call	Sole		X	
Delhaize America Inc. Class A	Common	246688105	\$4,384	214,400	Shares		Sole		X	
Delhaize America Inc. Class B	Common	246688204	\$3,807	188,500	Shares		Sole		X	
Efficient Network	Debt	282056AB6	\$3,713	3,750	Prn. Amt.		Sole		X	
First Fed of East Hartford	Common	319944104	\$1,383	37,700	Shares		Sole		X	
General Electric Co.	Option	369604903	\$8,372	2,000		Call	Sole		X	
Georgia-Pac	Option	373298908	\$8,820	3,000		Call	Sole		X	
Honeywell Inc.	Common	438516106	\$408	10,000	Shares		Sole		X	
IBP Inc.	Common	449223106	\$6,307	384,600	Shares		Sole		X	
Intermedia Communications	Common	458801107	\$15,978	919,613	Shares		Sole		X	
Imrglobal Corp.	Common	45321W106	\$2,269	403,300	Shares		Sole		X	
Industrial Bancorp Inc.	Common	455882100	\$2,756	136,120	Shares		Sole		X	
Kent Electronics Corp.	Common	490553104	\$248	13,800	Shares		Sole		X	
Kent Electronics Corp.	Debt	490553AA2	\$487	500	Prn. Amt.		Sole		X	
Lamar Capital Corp.	Common	51282P106	\$871	80,100	Shares		Sole		X	
Mesaba Holdings Inc.	Common	59066B102	\$3,222	289,600	Shares		Sole		X	
MCN Corp.	Common	55267J100	\$4,687	181,677	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: Voting Authority	
				Shares or Principal Amount	Shares/ Prn. Amt.			Put/ Call	Sole
Methode Electronics Class A	Common	591520200	\$761	42,401	Shares	Sole		X	
Meridian Ins Group Inc.	Common	589644103	\$4,412	151,400	Shares	Sole		X	
Novellus Systems Inc.	Option	670008901	\$3,346	825		Call		X	
News Corp Ltd.	Preferred	652487802	\$1,335	50,000	Shares	Sole		X	
Quaker Oats Co.	Common	747402105	\$22,309	227,645	Shares	Sole		X	
Professionals Group Inc.	Common	742954100	\$2,489	103,700	Shares	Sole		X	
PowerTel Inc.	Common	73936C109	\$13,703	249,154	Shares	Sole		X	
Ralston Purina Group	Common	751277302	\$935	30,000	Shares	Sole		X	
Ralston Purina Group	Option	751277902	\$3,115	1,000		Call		X	
Ralston Purina Group	Option	751277952	\$1,331	750		Put		X	
Shire Pharmaceuticals	Common	82481R106	\$4,069	93,000	Shares	Sole		X	
Siliconix Inc.	Common	827079203	\$3,518	116,300	Shares	Sole		X	
Status Lightwave Inc.	Common	863100103	\$962	96,200	Shares	Sole		X	
Silicon Valley Group Inc.	Common	827066101	\$641	23,300	Shares	Sole		X	
AT&T Corp.	Common	001957109	\$5,051	237,128	Shares	Sole		X	
Georgia Pacific (Timber Group)	Common	373298702	\$5,638	196,450	Shares	Sole		X	
US Air	Common	911905107	\$355	10,000	Shares	Sole		X	
US Air	Option	911905907	\$886	250		Call		X	
Virginia Cap Bancshares Inc.	Common	927758102	\$3,910	215,000	Shares	Sole		X	
Vicorp Restaurants Inc.	Common	925817108	\$2,184	87,800	Shares	Sole		X	
Voicestream Wireless Corp.	Common	928615103	\$30,667	331,986	Shares	Sole		X	
MCI Worldcom Inc.	Option	98157D906	\$1,869	1,000		Call		X	
MCI Worldcom Inc.	Common	98157D106	\$15,630	817,109	Shares	Sole		X	
Weston Class A	Common	961137106	\$1,388	281,200	Shares	Sole		X	
Sheet B Risk Arb Totals:			\$301,066						
AGGREGATE TOTALS:			\$2,150,112						