

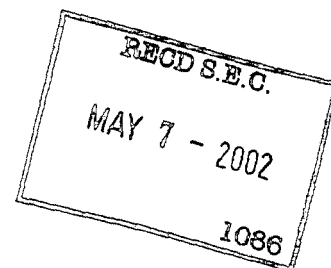
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12/05/03

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

Form 13F

Form 13F COVER PAGE



Report for the calendar year or quarter ended: March 31, 2002

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 West Market Street  
Suite 200  
Mequon, WI 53092

CONFIDENTIAL TREATMENT EXPIRES

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

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THOMSON  
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Signature, Place, and Date of Signing:

Mequon, Wisconsin

May 6, 2002

Report Type (Check only one.):

- ☒ [X] 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: 294

Form 13F Information Table Value Total: \$1,763,717  
(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

| Column1:<br>Name of<br>Issuer    | Column2:<br>Title of<br>Class | Column3:<br>CUSIP<br>Number | Column4:<br>Fair Market<br>Value<br>(X\$1000) | Column5:                         |                     |              | Column6:<br>Investment<br>Discretion | Column7:<br>Other<br>Managers | Column8:         |  |  |
|----------------------------------|-------------------------------|-----------------------------|-----------------------------------------------|----------------------------------|---------------------|--------------|--------------------------------------|-------------------------------|------------------|--|--|
|                                  |                               |                             |                                               | Shares or<br>Principal<br>Amount | Shares/<br>Pm. Amt. | Put/<br>Call |                                      |                               | Voting Authority |  |  |
| ACT Manufacturing Inc            | Common                        | 000973107                   | \$36                                          | 169,500                          | Shares              |              | Sole                                 |                               | X                |  |  |
| ACT Manufacturing Inc            | Debt                          | 000973AB3                   | \$150                                         | 8,550                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| AMR Corp/Del                     | Common                        | 001765106                   | \$1,529                                       | 57,900                           | Shares              |              | Sole                                 |                               | X                |  |  |
| AT&T Wireless Services Inc       | Common                        | 00209A106                   | \$1,030                                       | 115,080                          | Shares              |              | Sole                                 |                               | X                |  |  |
| AVI BioPharma Inc                | Common                        | 002346104                   | \$5,000                                       | 666,667                          | Shares              |              | Sole                                 |                               | X                |  |  |
| Abgenix Inc                      | Common                        | 00339B107                   | \$1,708                                       | 90,400                           | Shares              |              | Sole                                 |                               | X                |  |  |
| Acclaim Entertainment Inc        | Common                        | 004325205                   | \$1,135                                       | 250,000                          | Shares              |              | Sole                                 |                               | X                |  |  |
| ADAPTEC INC                      | Option                        | 00651F908                   | \$468                                         | 350                              |                     | Call         | Sole                                 |                               | X                |  |  |
| Adelphia Communications          | Common                        | 006848105                   | \$1,067                                       | 71,593                           | Shares              |              | Sole                                 |                               | X                |  |  |
| Adelphia Communications          | Option                        | 006848905                   | \$6,705                                       | 4,500                            |                     | Call         | Sole                                 |                               | X                |  |  |
| Advanced Micro Devices Inc       | Common                        | 007903107                   | \$3,410                                       | 231,800                          | Shares              |              | Sole                                 |                               | X                |  |  |
| Advanced Energy Industries Inc   | Debt                          | 007973AA8                   | \$9,625                                       | 10,000                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| AES Corp/The                     | PREFERRED                     | 00808N202                   | \$1,829                                       | 87,100                           | Shares              |              | Sole                                 |                               | X                |  |  |
| Affiliated Computer Services Inc | Common                        | 008190100                   | \$208                                         | 3,700                            | Shares              |              | Sole                                 |                               | X                |  |  |
| Affiliated Managers Group        | Debt                          | 008252AC2                   | \$18,598                                      | 19,273                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Affymetrix Inc                   | Debt                          | 008261AB4                   | \$1,181                                       | 1,350                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Agilent Technologies Inc         | Option                        | 00846U901                   | \$3,391                                       | 970                              |                     | Call         | Sole                                 |                               | X                |  |  |
| Agnico-Eagle Mines               | Common                        | 008474108                   | \$1,487                                       | 111,400                          | Shares              |              | Sole                                 |                               | X                |  |  |
| Alaska Air Group Inc             | Common                        | 011659109                   | \$466                                         | 14,000                           | Shares              |              | Sole                                 |                               | X                |  |  |
| Alcan Inc                        | Common                        | 013716105                   | \$202                                         | 5,100                            | Shares              |              | Sole                                 |                               | X                |  |  |
| Alexion Pharmaceuticals Inc      | Debt                          | 015351AB5                   | \$1,414                                       | 2,200                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Allergan Inc                     | Debt                          | 018490AA0                   | \$6,370                                       | 10,422                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Alloy Inc                        | Option                        | 019855955                   | \$376                                         | 250                              |                     | Put          | Sole                                 |                               | X                |  |  |
| Alpharma Inc                     | Common                        | 020813101                   | \$7,372                                       | 535,581                          | Shares              |              | Sole                                 |                               | X                |  |  |
| Alpharma Inc                     | Debt                          | 020813AB7                   | \$383                                         | 500                              | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Alpharma Inc                     | Debt                          | 020813AD3                   | \$6,920                                       | 8,623                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Amkor Technology Inc             | Debt                          | 031652AH3                   | \$1,863                                       | 2,500                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Amkor Technology Inc             | Debt                          | 031652AN0                   | \$11,813                                      | 12,500                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Anixter International Inc        | Debt                          | 035290AC9                   | \$5,331                                       | 18,382                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Arrow Electronics Inc            | Common                        | 042735100                   | \$190                                         | 6,800                            | Shares              |              | Sole                                 |                               | X                |  |  |

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## Form 13F

## STARO ASSET MANAGEMENT

| Column1:<br>Name of<br>Issuer    | Column2:<br>Title of<br>Class | Column3:<br>CUSIP<br>Number | Column4:<br>Fair Market<br>Value<br>(X\$1000) | Column5:                         |                     |             | Column6:<br>Investment<br>Discretion | Column7:<br>Other<br>Managers | Column8:         |  |  |
|----------------------------------|-------------------------------|-----------------------------|-----------------------------------------------|----------------------------------|---------------------|-------------|--------------------------------------|-------------------------------|------------------|--|--|
|                                  |                               |                             |                                               | Shares or<br>Principal<br>Amount | Shares/<br>Pm. Amt. | Pu/<br>Call |                                      |                               | Voting Authority |  |  |
| Arrow Electronics Inc            | Option                        | 042735900                   | \$1,105                                       | 395                              |                     | Call        | Sole                                 |                               | X                |  |  |
| Arrow Electronics Inc            | Debt                          | 042735AY6                   | \$9,636                                       | 20,920                           | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| Asyst Technologies Inc           | Debt                          | 04648XAB3                   | \$7,398                                       | 5,450                            | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| Atlas Air Worldwide Holdings Inc | Common                        | 049164106                   | \$149                                         | 11,300                           | Shares              |             | Sole                                 |                               | X                |  |  |
| Bank of America Corp             | Common                        | 060505104                   | \$483                                         | 7,100                            | Shares              |             | Sole                                 |                               | X                |  |  |
| Bank of America Corp             | Option                        | 060505904                   | \$6,802                                       | 1,000                            |                     | Call        | Sole                                 |                               | X                |  |  |
| Bank of New York Co Inc/The      | Common                        | 064057102                   | \$202                                         | 4,800                            | Shares              |             | Sole                                 |                               | X                |  |  |
| Barr Laboratories Inc            | Common                        | 068306109                   | \$329                                         | 5,000                            | Shares              |             | Sole                                 |                               | X                |  |  |
| Becton Dickinson & Co            | Common                        | 075887109                   | \$207                                         | 5,500                            | Shares              |             | Sole                                 |                               | X                |  |  |
| Biovail Corp Int.                | Warrant                       | 09067J117                   | \$108,906                                     | 681,000                          | Shares              |             | Sole                                 |                               | X                |  |  |
| Brinker International Inc        | Common                        | 109641100                   | \$807                                         | 24,900                           | Shares              |             | Sole                                 |                               | X                |  |  |
| Brooks Automation Inc            | Common                        | 11434A100                   | \$1,699                                       | 37,400                           | Shares              |             | Sole                                 |                               | X                |  |  |
| Budget Group Inc                 | Common                        | 119003101                   | \$46                                          | 142,900                          | Shares              |             | Sole                                 |                               | X                |  |  |
| CMS Energy Corp                  | Preferred                     | 125896308                   | \$1,330                                       | 45,000                           | Shares              |             | Sole                                 |                               | X                |  |  |
| CNF Inc                          | Preferred                     | 12612V205                   | \$351                                         | 7,500                            | Shares              |             | Sole                                 |                               | X                |  |  |
| CALPINE CORP                     | Common                        | 131347106                   | \$1,091                                       | 85,875                           | Shares              |             | Sole                                 |                               | X                |  |  |
| CALPINE CORP                     | Option                        | 131347956                   | \$8,617                                       | 6,785                            |                     | Put         | Sole                                 |                               | X                |  |  |
| Capital One Financial Corp       | Common                        | 14040H105                   | \$2,134                                       | 33,426                           | Shares              |             | Sole                                 |                               | X                |  |  |
| Capstar Hotel Co.                | Debt                          | 140918AC7                   | \$4,664                                       | 5,723                            | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| Caremark Rx Inc                  | Common                        | 141705103                   | \$84                                          | 4,300                            | Shares              |             | Sole                                 |                               | X                |  |  |
| Carnival Corp                    | Option                        | 143658902                   | \$13,060                                      | 4,000                            |                     | Call        | Sole                                 |                               | X                |  |  |
| Carnival Corp                    | Debt                          | 143658AN2                   | \$43,934                                      | 42,042                           | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| CellStar Corp                    | Common                        | 150925105                   | \$423                                         | 127,759                          | Shares              |             | Sole                                 |                               | X                |  |  |
| Cell Therapeutics Inc            | Debt                          | 150934AC1                   | \$6,224                                       | 6,500                            | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| Celestica Inc                    | Debt                          | 15101QAA6                   | \$9,075                                       | 22,000                           | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| CENDANT CORP                     | Debt                          | 151313AF0                   | \$1,548                                       | 2,142                            | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| CENDANT CORP                     | Debt                          | 151313AH6                   | \$4,511                                       | 4,500                            | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| CEPHALON INC                     | Debt                          | 156708AC3                   | \$12,677                                      | 11,875                           | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| Charter Communications Inc       | Debt                          | 16117MAB3                   | \$28,386                                      | 33,200                           | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| Chiron Corp                      | Debt                          | 170040AE9                   | \$9,086                                       | 16,520                           | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |

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## Form 13F

## STARO ASSET MANAGEMENT

| Column1:<br>Name of<br>Issuer                | Column2:<br>Title of<br>Class | Column3:<br>CUSIP<br>Number | Column4:<br>Fair Market<br>Value<br>(X\$1000) | Column5:                         |                     |              | Column6:<br>Investment<br>Discretion | Column7:<br>Other<br>Managers | Column8:         |  |  |
|----------------------------------------------|-------------------------------|-----------------------------|-----------------------------------------------|----------------------------------|---------------------|--------------|--------------------------------------|-------------------------------|------------------|--|--|
|                                              |                               |                             |                                               | Shares or<br>Principal<br>Amount | Shares/<br>Pm. Amt. | Put/<br>Call |                                      |                               | Voting Authority |  |  |
| CIENA Corp                                   | Debt                          | 171779AA9                   | \$2,595                                       | 4,086                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Circuit City Stores Inc - Circuit City Group | Common                        | 172737108                   | \$200                                         | 11,100                           | Shares              |              | Sole                                 |                               | X                |  |  |
| Citrix Systems Inc                           | Debt                          | 177376AB6                   | \$1,890                                       | 4,500                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Clear Channel Communications Inc             | Option                        | 184502952                   | \$1,285                                       | 250                              |                     | Put          | Sole                                 |                               | X                |  |  |
| Clear Channel Communications Inc             | Debt                          | 184502AB8                   | \$21,975                                      | 21,597                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Sprint Corp-PCS Group                        | Preferred                     | 200300507                   | \$2,389                                       | 78,800                           | Shares              |              | Sole                                 |                               | X                |  |  |
| Commerce Bancorp Inc/NJ                      | Common                        | 200519106                   | \$211                                         | 4,700                            | Shares              |              | Sole                                 |                               | X                |  |  |
| Commerce Bancorp Inc/NJ                      | Option                        | 200519906                   | \$4,490                                       | 1,000                            |                     | Call         | Sole                                 |                               | X                |  |  |
| Computer Associates International Inc        | Common                        | 204912109                   | \$8,848                                       | 404,200                          | Shares              |              | Sole                                 |                               | X                |  |  |
| Computer Motion Inc                          | Common                        | 205253107                   | \$2,561                                       | 671,288                          | Shares              |              | Sole                                 |                               | X                |  |  |
| Computer Sciences Corp                       | Common                        | 205363104                   | \$208                                         | 4,100                            | Shares              |              | Sole                                 |                               | X                |  |  |
| Conagra Foods Inc                            | Common                        | 205887102                   | \$206                                         | 8,500                            | Shares              |              | Sole                                 |                               | X                |  |  |
| Conseco Inc                                  | Common                        | 208464107                   | \$3,035                                       | 838,500                          | Shares              |              | Sole                                 |                               | X                |  |  |
| Continental Airlines Inc                     | Common                        | 210795308                   | \$9,482                                       | 334,800                          | Shares              |              | Sole                                 |                               | X                |  |  |
| Continental Airlines Inc                     | Debt                          | 210795PD6                   | \$8,767                                       | 9,050                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Cooper Cameron Corp                          | Option                        | 216640952                   | \$1,278                                       | 250                              |                     | Put          | Sole                                 |                               | X                |  |  |
| Cooper Cameron Corp                          | Debt                          | 216640AB8                   | \$16,297                                      | 17,500                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| COR Therapeutics Inc                         | Debt                          | 217753AD4                   | \$9,158                                       | 9,000                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| COR Therapeutics Inc                         | Debt                          | 217753AG7                   | \$25,824                                      | 25,600                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Corning Inc                                  | Option                        | 219350905                   | \$1,143                                       | 1,500                            |                     | Call         | Sole                                 |                               | X                |  |  |
| Countrywide Credit Ind Inc                   | Common                        | 222372104                   | \$201                                         | 4,500                            | Shares              |              | Sole                                 |                               | X                |  |  |
| Countrywide Credit Ind Inc                   | Option                        | 222372954                   | \$1,119                                       | 250                              |                     | Put          | Sole                                 |                               | X                |  |  |
| Countrywide Credit Ind Inc                   | Debt                          | 222372AE4                   | \$6,828                                       | 9,500                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| COX Communications Inc                       | Debt                          | 224044BC0                   | \$13,825                                      | 20,000                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Cypress Semiconductor Corp                   | Debt                          | 232806AE9                   | \$13,519                                      | 15,000                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Darden Restaurants Inc                       | Common                        | 237194105                   | \$211                                         | 5,200                            | Shares              |              | Sole                                 |                               | X                |  |  |
| Dean Foods Co/Old                            | Option                        | 242370904                   | \$2,991                                       | 395                              |                     | Call         | Sole                                 |                               | X                |  |  |
| Devon Energy Corp                            | Debt                          | 25179MAD5                   | \$10,442                                      | 22,100                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Diamond Offshore Drilling                    | Debt                          | 25271CAC6                   | \$5,151                                       | 10,100                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Diebold Inc                                  | Common                        | 253651103                   | \$208                                         | 5,100                            | Shares              |              | Sole                                 |                               | X                |  |  |

## Form 13F

## STARO ASSET MANAGEMENT

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|------------------------------------|-------------------------------|-----------------------------|-----------------------------------------------|----------------------------------|---------------------|--------------|--------------------------------------|-------------------------------|------------------|--|
|                                    |                               |                             |                                               | Shares or<br>Principal<br>Amount | Shares/<br>Pm. Amt. | Put/<br>Call |                                      |                               | Voting Authority |  |
| Dollar General Corp                | Common                        | 256669102                   | \$202                                         | 12,400                           | Shares              |              | Sole                                 |                               | X                |  |
| Dynegy Inc                         | Common                        | 26816Q101                   | \$2,137                                       | 73,700                           | Shares              |              | Sole                                 |                               | X                |  |
| Dynegy Inc                         | Option                        | 26816Q901                   | \$41                                          | 14                               |                     | Call         | Sole                                 |                               | X                |  |
| EchoStar Communications Corp       | Option                        | 278762909                   | \$5,664                                       | 2,000                            |                     | Call         | Sole                                 |                               | X                |  |
| EchoStar Communications Corp       | Debt                          | 278762AG4                   | \$28,520                                      | 31,000                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |
| EL Paso Corp                       | Option                        | 28336L909                   | \$6,605                                       | 1,500                            |                     | Call         | Sole                                 |                               | X                |  |
| EL Paso Corp                       | Debt                          | 28336LAC3                   | \$22,600                                      | 56,500                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |
| Electronic Data Systems Corp       | Common                        | 285661104                   | \$203                                         | 3,500                            | Shares              |              | Sole                                 |                               | X                |  |
| Emerson Electric Co                | Common                        | 291011104                   | \$201                                         | 3,500                            | Shares              |              | Sole                                 |                               | X                |  |
| Enron Corp.                        | Common                        | 293561106                   | \$70                                          | 360,000                          | Shares              |              | Sole                                 |                               | X                |  |
| Expedia Inc                        | Option                        | 302125959                   | \$3,492                                       | 500                              |                     | Put          | Sole                                 |                               | X                |  |
| Expedia Inc                        | Warrant                       | 302125125                   | \$4,812                                       | 135,106                          | Shares              |              | Sole                                 |                               | X                |  |
| FEI Co                             | Debt                          | 30241LAB5                   | \$33,471                                      | 32,300                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |
| Fidelity National Financial Inc    | Common                        | 316326107                   | \$200                                         | 7,600                            | Shares              |              | Sole                                 |                               | X                |  |
| Fleetwood Enterprises Inc          | Common                        | 339099103                   | \$1,043                                       | 96,600                           | Shares              |              | Sole                                 |                               | X                |  |
| Fleetwood Enterprises Inc          | Option                        | 339099903                   | \$108                                         | 100                              |                     | Call         | Sole                                 |                               | X                |  |
| Franklin Resources Inc             | Debt                          | 354613AC5                   | \$3,481                                       | 6,120                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |
| Freeport-McMoran Copper & Gold Inc | Preferred                     | 35671D501                   | \$559                                         | 30,607                           | Shares              |              | Sole                                 |                               | X                |  |
| Gap Inc                            | Common                        | 364760108                   | \$3,826                                       | 254,400                          | Shares              |              | Sole                                 |                               | X                |  |
| General Motors Corp                | Option                        | 370442905                   | \$15,113                                      | 2,500                            |                     | Call         | Sole                                 |                               | X                |  |
| General Motors Corp                | Preferred                     | 370442733                   | \$12,685                                      | 474,200                          | Shares              |              | Sole                                 |                               | X                |  |
| General Motors Corp                | Preferred                     | 370442741                   | \$68,510                                      | 2,635,000                        | Shares              |              | Sole                                 |                               | X                |  |
| GENESCO INC                        | Debt                          | 371532AL6                   | \$19,851                                      | 15,010                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |
| Genzyme Corp-Genl Division         | Common                        | 372917104                   | \$1,865                                       | 42,700                           | Shares              |              | Sole                                 |                               | X                |  |
| Goodrich Corp                      | Option                        | 382388906                   | \$1,740                                       | 550                              |                     | Call         | Sole                                 |                               | X                |  |
| Guidant Corp                       | Common                        | 401698105                   | \$208                                         | 4,800                            | Shares              |              | Sole                                 |                               | X                |  |
| HMT TECHNOLOGY CORP                | Debt                          | 403917AD9                   | \$900                                         | 15,000                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |
| HCA Inc                            | Common                        | 404119109                   | \$203                                         | 4,600                            | Shares              |              | Sole                                 |                               | X                |  |
| Hanover Compressor Co              | Common                        | 410768105                   | \$218                                         | 12,100                           | Shares              |              | Sole                                 |                               | X                |  |
| Health Management Associates Inc   | Option                        | 421933952                   | \$622                                         | 300                              |                     | Put          | Sole                                 |                               | X                |  |

Form 13F  
STARO ASSET MANAGEMENT

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|-------------------------------------|-------------------------------|-----------------------------|-----------------------------------------------|----------------------------------|---------------------|-------------|--------------------------------------|-------------------------------|------------------|--|--|
|                                     |                               |                             |                                               | Shares or<br>Principal<br>Amount | Shares/<br>Pm. Amt. | Pu/<br>Call |                                      |                               | Voting Authority |  |  |
| Hormel Foods Corp                   | Common                        | 440452100                   | \$202                                         | 7,400                            | Shares              |             | Sole                                 |                               | X                |  |  |
| Household International Inc         | Debt                          | 441815AN7                   | \$7,412                                       | 9,250                            | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| Human Genome Sciences Inc           | Option                        | 444903908                   | \$1,089                                       | 500                              |                     | Call        | Sole                                 |                               | X                |  |  |
| Human Genome Sciences Inc           | Debt                          | 444903AF5                   | \$21,796                                      | 30,378                           | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| HUTCHINSON TECHNOLOGY               | Debt                          | 448407AC0                   | \$9,183                                       | 9,795                            | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| Inco Ltd                            | Debt                          | 453258AM7                   | \$8,855                                       | 15,300                           | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| IndyMac Bancorp Inc                 | Common                        | 456607100                   | \$207                                         | 8,400                            | Shares              |             | Sole                                 |                               | X                |  |  |
| Inhale Therapeutic Systems Inc      | Debt                          | 457191AC8                   | \$5,180                                       | 7,000                            | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| Inhale Therapeutic Systems Inc      | Debt                          | 457191AF1                   | \$256                                         | 424                              | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| InterMune Inc                       | Debt                          | 45884XAA1                   | \$4,582                                       | 4,500                            | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| International Rectifier Corp        | Debt                          | 460254AE5                   | \$3,787                                       | 4,069                            | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| Investment Technology Group Inc     | Common                        | 46145F105                   | \$232                                         | 4,400                            | Shares              |             | Sole                                 |                               | X                |  |  |
| Jabil Circuit Inc                   | Common                        | 466313103                   | \$75                                          | 3,200                            | Shares              |             | Sole                                 |                               | X                |  |  |
| Jabil Circuit Inc                   | Debt                          | 466313AA1                   | \$21,046                                      | 22,330                           | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| Johnson & Johnson                   | Common                        | 478160104                   | \$731                                         | 11,262                           | Shares              |             | Sole                                 |                               | X                |  |  |
| Juniper Networks Inc                | Debt                          | 48203RAA2                   | \$3,491                                       | 4,900                            | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| K Mart Corp                         | Common                        | 482584109                   | \$1,770                                       | 1,106,367                        | Shares              |             | Sole                                 |                               | X                |  |  |
| Kulicke & Soffa Industries Inc      | Common                        | 501242101                   | \$568                                         | 27,300                           | Shares              |             | Sole                                 |                               | X                |  |  |
| Kulicke & Soffa Industries Inc      | Debt                          | 501242AE1                   | \$1,081                                       | 1,000                            | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| LSI Logic Corp                      | Common                        | 502161102                   | \$6,378                                       | 375,155                          | Shares              |             | Sole                                 |                               | X                |  |  |
| LSI Logic Corp                      | Debt                          | 502161AD4                   | \$584                                         | 500                              | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| LA Jolla Pharmaceutical Co          | Common                        | 503459109                   | \$1,404                                       | 200,000                          | Shares              |             | Sole                                 |                               | X                |  |  |
| Laboratory Corp Of America Holdings | Debt                          | 50540RAC6                   | \$9,423                                       | 12,638                           | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| Lennar Corp                         | Common                        | 526057104                   | \$1,003                                       | 19,004                           | Shares              |             | Sole                                 |                               | X                |  |  |
| Lennar Corp                         | Option                        | 526057904                   | \$6,595                                       | 1,250                            |                     | Call        | Sole                                 |                               | X                |  |  |
| Lennar Corp                         | Debt                          | 526057AF1                   | \$1,019                                       | 2,415                            | Pm. Amt.            |             | Sole                                 |                               | X                |  |  |
| Level 3 Communications Inc          | Common                        | 52729N100                   | \$178                                         | 50,000                           | Shares              |             | Sole                                 |                               | X                |  |  |
| Lexmark International Inc           | Common                        | 529771107                   | \$206                                         | 3,600                            | Shares              |             | Sole                                 |                               | X                |  |  |
| Lowe's Cos Inc                      | Option                        | 548661907                   | \$4,349                                       | 1,000                            |                     | Call        | Sole                                 |                               | X                |  |  |
| Lucent Technologies Inc             | Common                        | 549463107                   | \$1,931                                       | 408,320                          | Shares              |             | Sole                                 |                               | X                |  |  |



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## Form 13F

## STARO ASSET MANAGEMENT

| Column1:<br>Name of<br>Issuer  | Column2:<br>Title of<br>Class | Column3:<br>CUSIP<br>Number | Column4:<br>Fair Market<br>Value<br>(X\$1000) | Column5:                         |                     |              | Column6:<br>Investment<br>Discretion | Column7:<br>Other<br>Managers | Column8:         |  |  |
|--------------------------------|-------------------------------|-----------------------------|-----------------------------------------------|----------------------------------|---------------------|--------------|--------------------------------------|-------------------------------|------------------|--|--|
|                                |                               |                             |                                               | Shares or<br>Principal<br>Amount | Shares/<br>Pm. Amt. | Put/<br>Call |                                      |                               | Voting Authority |  |  |
| Lucent Technologies Inc        | Option                        | 549463957                   | \$3,141                                       | 6,640                            |                     | Put          | Sole                                 |                               | X                |  |  |
| MDC Corp Inc                   | Common                        | 55267W309                   | \$804                                         | 200,000                          | Shares              |              | Sole                                 |                               | X                |  |  |
| Manufacturers Services Ltd     | Common                        | 565005105                   | \$1,176                                       | 223,600                          | Shares              |              | Sole                                 |                               | X                |  |  |
| Manugistics Group Inc          | Debt                          | 565011AB9                   | \$1,060                                       | 1,224                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Marriott International Inc     | Option                        | 571903902                   | \$4,832                                       | 1,075                            |                     | Call         | Sole                                 |                               | X                |  |  |
| Maverick Tube Corp             | Common                        | 577914104                   | \$184                                         | 11,300                           | Shares              |              | Sole                                 |                               | X                |  |  |
| McKesson Corp                  | Common                        | 58155Q103                   | \$1,160                                       | 31,000                           | Shares              |              | Sole                                 |                               | X                |  |  |
| Medtronic Inc                  | Common                        | 585055106                   | \$203                                         | 4,500                            | Shares              |              | Sole                                 |                               | X                |  |  |
| Medtronic Inc                  | Debt                          | 585055AB2                   | \$10,088                                      | 10,000                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Merrill Lynch & Co Inc         | Common                        | 590188108                   | \$18,624                                      | 336,291                          | Shares              |              | Sole                                 |                               | X                |  |  |
| Merrill Lynch & Co Inc         | Option                        | 590188908                   | \$11,076                                      | 2,000                            |                     | Call         | Sole                                 |                               | X                |  |  |
| Merrill Lynch & Co Inc         | Debt                          | 590188A65                   | \$19,395                                      | 38,888                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Merrill Lynch & Co Inc         | Debt                          | 590188A73                   | \$19,455                                      | 18,980                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Micron Technology Inc          | Common                        | 595112103                   | \$26                                          | 800                              | Shares              |              | Sole                                 |                               | X                |  |  |
| Micron Technology Inc          | Option                        | 595112953                   | \$29,610                                      | 9,000                            |                     | Put          | Sole                                 |                               | X                |  |  |
| Millennium Pharmaceuticals Inc | Common                        | 599902103                   | \$3                                           | 118                              | Shares              |              | Sole                                 |                               | X                |  |  |
| Millennium Pharmaceuticals Inc | Debt                          | 599902AB9                   | \$4,550                                       | 5,000                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| MIPS Technologies Inc          | Common                        | 604567206                   | \$255                                         | 38,000                           | Shares              |              | Sole                                 |                               | X                |  |  |
| MIRANT CORP                    | Common                        | 604675108                   | \$474                                         | 32,800                           | Shares              |              | Sole                                 |                               | X                |  |  |
| MIRANT CORP                    | Debt                          | 604675AB4                   | \$26,993                                      | 37,360                           | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| MIRANT TRUST I                 | Preferred                     | 60467Q102                   | \$3,319                                       | 93,500                           | Shares              |              | Sole                                 |                               | X                |  |  |
| Mylan Laboratories             | Common                        | 628530107                   | \$200                                         | 6,800                            | Shares              |              | Sole                                 |                               | X                |  |  |
| NTN Communications Inc         | Common                        | 629410309                   | \$133                                         | 119,762                          | Shares              |              | Sole                                 |                               | X                |  |  |
| Navistar International Corp    | Common                        | 63934E108                   | \$266                                         | 6,000                            | Shares              |              | Sole                                 |                               | X                |  |  |
| Neotherapeutics Inc            | Common                        | 640656104                   | \$113                                         | 69,400                           | Shares              |              | Sole                                 |                               | X                |  |  |
| Network Associates Inc         | Debt                          | 640938AB2                   | \$1,427                                       | 3,060                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Newfield Exploration Co        | Common                        | 651290108                   | \$203                                         | 5,500                            | Shares              |              | Sole                                 |                               | X                |  |  |
| Newfield Exploration Co        | Preferred                     | 651291205                   | \$2,451                                       | 45,185                           | Shares              |              | Sole                                 |                               | X                |  |  |
| News Corp Ltd                  | Debt                          | 652482A23                   | \$3,790                                       | 8,000                            | Pm. Amt.            |              | Sole                                 |                               | X                |  |  |
| Nexel Communications Inc       | Option                        | 65332V903                   | \$538                                         | 1,000                            |                     | Call         | Sole                                 |                               | X                |  |  |

Form 13F  
STARO ASSET MANAGEMENT

| Column1:<br>Name of<br>Issuer | Column2:<br>Title of<br>Class | Column3:<br>CUSIP<br>Number | Column4:<br>Fair Market<br>Value<br>(X\$1000) | Column5:                         |                     |              | Column6:<br>Investment<br>Discretion | Column7:          |      | Column8: |      |
|-------------------------------|-------------------------------|-----------------------------|-----------------------------------------------|----------------------------------|---------------------|--------------|--------------------------------------|-------------------|------|----------|------|
|                               |                               |                             |                                               | Shares or<br>Principal<br>Amount | Shares/<br>Pm. Amt. | Put/<br>Call |                                      | Other<br>Managers | Sole | Shared   | None |
| Nextel Communications Inc     | Debt                          | 65332VBC6                   | \$15,286                                      | 30,120                           | Pm. Amt.            |              | Sole                                 |                   | X    |          |      |
| NORTEL NETWORKS CORP.         | Debt                          | 656568AB8                   | \$28,633                                      | 40,470                           | Pm. Amt.            |              | Sole                                 |                   | X    |          |      |
| Northwest Airlines Corp       | Common                        | 667280101                   | \$1,253                                       | 65,700                           | Shares              |              | Sole                                 |                   | X    |          |      |
| Nvidia Corp                   | Common                        | 67066G104                   | \$89                                          | 2,000                            | Shares              |              | Sole                                 |                   | X    |          |      |
| Nvidia Corp                   | Option                        | 67066G904                   | \$16,799                                      | 3,787                            |                     | Call         | Sole                                 |                   | X    |          |      |
| Offshore Logistics Inc        | Debt                          | 676255AF9                   | \$1,404                                       | 1,300                            | Pm. Amt.            |              | Sole                                 |                   | X    |          |      |
| Ohio Casualty Corp            | Common                        | 677240103                   | \$1,799                                       | 95,000                           | Shares              |              | Sole                                 |                   | X    |          |      |
| Omnicom Group                 | Option                        | 681919906                   | \$16,048                                      | 1,700                            |                     | Call         | Sole                                 |                   | X    |          |      |
| Omnicom Group                 | Debt                          | 681919AK2                   | \$24,600                                      | 24,000                           | Pm. Amt.            |              | Sole                                 |                   | X    |          |      |
| Orchid BioSciences Inc        | Common                        | 68571P100                   | \$1,094                                       | 437,600                          | Shares              |              | Sole                                 |                   | X    |          |      |
| Organogenesis Inc             | Common                        | 685906109                   | \$2,921                                       | 2,101,282                        | Shares              |              | Sole                                 |                   | X    |          |      |
| Owens-Illinois Inc            | Preferred                     | 690768502                   | \$1,221                                       | 47,900                           | Shares              |              | Sole                                 |                   | X    |          |      |
| Pall Corp                     | Common                        | 696429307                   | \$229                                         | 11,200                           | Shares              |              | Sole                                 |                   | X    |          |      |
| Pathmark Stores Inc           | Warrant                       | 70322A119                   | \$286                                         | 24,338                           | Shares              |              | Sole                                 |                   | X    |          |      |
| Performance Food Group Co     | Common                        | 713755106                   | \$1,858                                       | 56,900                           | Shares              |              | Sole                                 |                   | X    |          |      |
| PerkinElmer Inc               | Common                        | 714046109                   | \$209                                         | 11,309                           | Shares              |              | Sole                                 |                   | X    |          |      |
| PerkinElmer Inc               | Option                        | 714046959                   | \$231                                         | 125                              |                     | Put          | Sole                                 |                   | X    |          |      |
| PerkinElmer Inc               | Debt                          | 714046AA7                   | \$10,197                                      | 20,393                           | Pm. Amt.            |              | Sole                                 |                   | X    |          |      |
| PHOTRONICS INC                | Debt                          | 719405AA0                   | \$28,163                                      | 22,850                           | Pm. Amt.            |              | Sole                                 |                   | X    |          |      |
| PLACER DOME INC               | Common                        | 725906101                   | \$221                                         | 18,000                           | Shares              |              | Sole                                 |                   | X    |          |      |
| Pogo Tr. I                    | Preferred                     | 73044P208                   | \$5,741                                       | 84,894                           | Shares              |              | Sole                                 |                   | X    |          |      |
| Polo Ralph Lauren Corp        | Common                        | 731572103                   | \$204                                         | 7,000                            | Shares              |              | Sole                                 |                   | X    |          |      |
| Praxair Inc                   | Common                        | 74005P104                   | \$203                                         | 3,400                            | Shares              |              | Sole                                 |                   | X    |          |      |
| Primus Telecommunications GP  | Common                        | 741929103                   | \$138                                         | 270,800                          | Shares              |              | Sole                                 |                   | X    |          |      |
| Protein Design Labs Inc       | Debt                          | 74369LAB9                   | \$3,192                                       | 3,800                            | Pm. Amt.            |              | Sole                                 |                   | X    |          |      |
| Providian Financial Corp      | Common                        | 74406A102                   | \$2,265                                       | 300,000                          | Shares              |              | Sole                                 |                   | X    |          |      |
| Providian Financial Corp      | Option                        | 74406A902                   | \$566                                         | 750                              |                     | Call         | Sole                                 |                   | X    |          |      |
| Providian Financial Corp      | Debt                          | 74406AAA0                   | \$345                                         | 500                              | Pm. Amt.            |              | Sole                                 |                   | X    |          |      |
| Providian Financial Corp      | Debt                          | 74406AAB8                   | \$2,935                                       | 10,120                           | Pm. Amt.            |              | Sole                                 |                   | X    |          |      |
| Proxim Inc                    | Common                        | 744284100                   | \$1,020                                       | 425,066                          | Shares              |              | Sole                                 |                   | X    |          |      |

Form 13F  
STARO ASSET MANAGEMENT

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|-----------------------------------------|-------------------------------|-----------------------------|-----------------------------------------------|----------------------------------|---------------------|--------------|--------------------------------------|-------------------------------|----------|--------|
|                                         |                               |                             |                                               | Shares or<br>Principal<br>Amount | Shares/<br>Pm. Amt. | Put/<br>Call |                                      |                               | Sole     | Shared |
| Quest Diagnostics Inc.                  | Debt                          | 74834LAF7                   | \$14,479                                      | 13,000                           | Pm. Amt.            |              | Sole                                 |                               | X        |        |
| Racing Champions Ertl Corp              | Common                        | 750069106                   | \$200                                         | 10,400                           | Shares              |              | Sole                                 |                               | X        |        |
| Revlon Inc                              | Common                        | 761525500                   | \$292                                         | 45,000                           | Shares              |              | Sole                                 |                               | X        |        |
| Rigel Pharmaceuticals Inc               | Common                        | 766559108                   | \$341                                         | 98,800                           | Shares              |              | Sole                                 |                               | X        |        |
| Royal Caribbean Cruises Ltd             | Debt                          | 780153AM4                   | \$5,329                                       | 12,998                           | Pm. Amt.            |              | Sole                                 |                               | X        |        |
| SPX Corp                                | Debt                          | 784635AD6                   | \$14,621                                      | 19,692                           | Pm. Amt.            |              | Sole                                 |                               | X        |        |
| SPX Corp                                | Debt                          | 784635AF1                   | \$219                                         | 315                              | Pm. Amt.            |              | Sole                                 |                               | X        |        |
| St Jude Medical Inc                     | Common                        | 790849103                   | \$201                                         | 2,600                            | Shares              |              | Sole                                 |                               | X        |        |
| Sanmina-SCI Corp                        | Debt                          | 800907AB3                   | \$1,882                                       | 2,214                            | Pm. Amt.            |              | Sole                                 |                               | X        |        |
| Sanmina-SCI Corp                        | Debt                          | 800907AD9                   | \$2,055                                       | 6,000                            | Pm. Amt.            |              | Sole                                 |                               | X        |        |
| Schering-Plough Corp                    | Common                        | 806605101                   | \$200                                         | 6,400                            | Shares              |              | Sole                                 |                               | X        |        |
| SEALED AIR CORP (NEW)                   | Option                        | 81211K900                   | \$15,042                                      | 3,195                            |                     | Call         | Sole                                 |                               | X        |        |
| SEALED AIR CORP (NEW)                   | Preferred                     | 81211K209                   | \$20,621                                      | 450,722                          | Shares              |              | Sole                                 |                               | X        |        |
| Semtech Corp                            | Debt                          | 816850AD3                   | \$18,912                                      | 17,350                           | Pm. Amt.            |              | Sole                                 |                               | X        |        |
| Sepracor Inc                            | Common                        | 817315104                   | \$312                                         | 16,100                           | Shares              |              | Sole                                 |                               | X        |        |
| Sepracor Inc                            | Option                        | 817315904                   | \$1,940                                       | 1,000                            |                     | Call         | Sole                                 |                               | X        |        |
| Sepracor Inc                            | Debt                          | 817315AL8                   | \$7,020                                       | 13,000                           | Pm. Amt.            |              | Sole                                 |                               | X        |        |
| Sepracor Inc                            | Debt                          | 817315AQ7                   | \$10,800                                      | 18,000                           | Pm. Amt.            |              | Sole                                 |                               | X        |        |
| ServiceMaster Co                        | Common                        | 81760N109                   | \$180                                         | 13,100                           | Shares              |              | Sole                                 |                               | X        |        |
| Silicon Graphics Inc                    | Common                        | 827056102                   | \$213                                         | 50,000                           | Shares              |              | Sole                                 |                               | X        |        |
| Silicon Graphics Inc                    | Debt                          | 827056AC6                   | \$5,791                                       | 9,493                            | Pm. Amt.            |              | Sole                                 |                               | X        |        |
| Smithfield Foods Inc                    | Common                        | 832248108                   | \$214                                         | 8,200                            | Shares              |              | Sole                                 |                               | X        |        |
| SOLECTRON CORP                          | Common                        | 834182107                   | \$1,560                                       | 200,017                          | Shares              |              | Sole                                 |                               | X        |        |
| SOLECTRON CORP                          | Debt                          | 834182AL1                   | \$9,986                                       | 25,200                           | Pm. Amt.            |              | Sole                                 |                               | X        |        |
| Sprint Corp-PCS Group                   | Common                        | 852061506                   | \$8,796                                       | 854,800                          | Shares              |              | Sole                                 |                               | X        |        |
| Sprint Corp-PCS Group                   | Option                        | 852061906                   | \$7,203                                       | 7,000                            |                     | Call         | Sole                                 |                               | X        |        |
| Sprint Corp-PCS Group                   | Preferred                     | 852061605                   | \$5,699                                       | 420,300                          | Shares              |              | Sole                                 |                               | X        |        |
| Standard Automotive Corp                | Common                        | 853097103                   | \$8                                           | 41,500                           | Shares              |              | Sole                                 |                               | X        |        |
| Standard Automotive Corp                | Preferred                     | 853097202                   | \$12                                          | 64,730                           | Shares              |              | Sole                                 |                               | X        |        |
| Starwood Hotels & Resorts Worldwide Inc | Common                        | 85590A203                   | \$26                                          | 700                              | Shares              |              | Sole                                 |                               | X        |        |

Form 13F  
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|-----------------------------------------|-------------------------------|-----------------------------|-----------------------------------------------|----------------------------------|---------------------|--------------|--------------------------------------|-------------------------------|----------|---------------------------------|
|                                         |                               |                             |                                               | Shares or<br>Principal<br>Amount | Shares/<br>Pm. Amt. | Put/<br>Call |                                      |                               | Sole     | Voting Authority<br>Shared None |
| Starwood Hotels & Resorts Worldwide Inc | Option                        | 85590A903                   | \$3,761                                       | 1,000                            |                     | Call         | Sole                                 |                               | X        |                                 |
| Stilwell Financial Inc                  | Common                        | 860831106                   | \$1,141                                       | 46,600                           | Shares              |              | Sole                                 |                               | X        |                                 |
| STMicroelectronics NV                   | Debt                          | 861012AB8                   | \$32,130                                      | 31,500                           | Pm. Amt.            |              | Sole                                 |                               | X        |                                 |
| SYMANTEC CORP                           | Common                        | 871503108                   | \$1,339                                       | 32,500                           | Shares              |              | Sole                                 |                               | X        |                                 |
| SYMANTEC CORP                           | Option                        | 871503908                   | \$824                                         | 200                              |                     | Call         | Sole                                 |                               | X        |                                 |
| TJX Cos Inc                             | Debt                          | 872540AL3                   | \$1,178                                       | 1,540                            | Pm. Amt.            |              | Sole                                 |                               | X        |                                 |
| Target Corp                             | Common                        | 87612E106                   | \$2,251                                       | 52,200                           | Shares              |              | Sole                                 |                               | X        |                                 |
| Teradyne Inc                            | Common                        | 880770102                   | \$213                                         | 5,400                            | Shares              |              | Sole                                 |                               | X        |                                 |
| Teradyne Inc                            | Debt                          | 880770AD4                   | \$13,213                                      | 7,850                            | Pm. Amt.            |              | Sole                                 |                               | X        |                                 |
| Thermo Electron Corp                    | Common                        | 883556102                   | \$214                                         | 10,300                           | Shares              |              | Sole                                 |                               | X        |                                 |
| Tivo Inc                                | Common                        | 888706108                   | \$1,925                                       | 363,200                          | Shares              |              | Sole                                 |                               | X        |                                 |
| Transocean Sedco Forex Inc              | Debt                          | 893830AA7                   | \$2,241                                       | 3,750                            | Pm. Amt.            |              | Sole                                 |                               | X        |                                 |
| Triarc Cos                              | Debt                          | 895927AB7                   | \$2,168                                       | 6,000                            | Pm. Amt.            |              | Sole                                 |                               | X        |                                 |
| Triquint Semiconductor Inc              | Common                        | 89674K103                   | \$1,032                                       | 85,900                           | Shares              |              | Sole                                 |                               | X        |                                 |
| Tyco International Ltd                  | Debt                          | 902118AW8                   | \$574                                         | 856                              | Pm. Amt.            |              | Sole                                 |                               | X        |                                 |
| Tyco International Ltd                  | Common                        | 902124106                   | \$25,057                                      | 775,281                          | Shares              |              | Sole                                 |                               | X        |                                 |
| Tyco International Ltd                  | Option                        | 902124906                   | \$20,766                                      | 6,425                            |                     | Call         | Sole                                 |                               | X        |                                 |
| Tyco International Ltd                  | Debt                          | 902124AC0                   | \$74,753                                      | 117,954                          | Pm. Amt.            |              | Sole                                 |                               | X        |                                 |
| US Bancorp                              | Debt                          | 902973AE6                   | \$5,578                                       | 7,500                            | Pm. Amt.            |              | Sole                                 |                               | X        |                                 |
| Union Pacific Corp                      | Common                        | 907818108                   | \$484                                         | 7,790                            | Shares              |              | Sole                                 |                               | X        |                                 |
| United Rentals Inc                      | Common                        | 911363109                   | \$93                                          | 3,400                            | Shares              |              | Sole                                 |                               | X        |                                 |
| Veritas Software Corp                   | Debt                          | 92343RAA1                   | \$7,102                                       | 5,527                            | Pm. Amt.            |              | Sole                                 |                               | X        |                                 |
| Verizon Communications Inc              | Option                        | 92343V904                   | \$4,610                                       | 1,000                            |                     | Call         | Sole                                 |                               | X        |                                 |
| Verizon Communications Inc              | Debt                          | 92344GAN6                   | \$9,284                                       | 17,192                           | Pm. Amt.            |              | Sole                                 |                               | X        |                                 |
| Vishay Intertechnology Inc              | Debt                          | 928298AD0                   | \$2,956                                       | 5,381                            | Pm. Amt.            |              | Sole                                 |                               | X        |                                 |
| Vodafone Group Plc                      | Common                        | 92857W100                   | \$29,780                                      | 1,639,462                        | Shares              |              | Sole                                 |                               | X        |                                 |
| WHX Corp                                | Preferred                     | 929248201                   | \$55                                          | 21,000                           | Shares              |              | Sole                                 |                               | X        |                                 |
| Washington Mutual Inc                   | Common                        | 939322103                   | \$202                                         | 6,100                            | Shares              |              | Sole                                 |                               | X        |                                 |
| Washington Mutual Inc                   | Option                        | 939322903                   | \$331                                         | 100                              |                     | Call         | Sole                                 |                               | X        |                                 |
| Weatherford International Inc           | Debt                          | 947074AB6                   | \$13,240                                      | 20,527                           | Pm. Amt.            |              | Sole                                 |                               | X        |                                 |

Form 13F  
STARO ASSET MANAGEMENT

| Column1:<br>Name of<br>Issuer     | Column2:<br>Title of<br>Class | Column3:<br>CUSIP<br>Number | Column4:<br>Fair Market<br>Value<br>(X\$1000) | Column5:                         |                     | Column6:<br>Investment<br>Discretion | Column7:<br>Other<br>Managers | Column8:<br>Voting Authority |             |
|-----------------------------------|-------------------------------|-----------------------------|-----------------------------------------------|----------------------------------|---------------------|--------------------------------------|-------------------------------|------------------------------|-------------|
|                                   |                               |                             |                                               | Shares or<br>Principal<br>Amount | Shares/<br>Pm. Amt. | Put/<br>Call                         |                               | Sole                         | Shared None |
| WebMD Corp                        | Common                        | 94769M105                   | \$276                                         | 36,000                           | Shares              |                                      |                               | X                            |             |
| Western Gas Resources Inc         | Preferred                     | 958259301                   | \$2,517                                       | 49,850                           | Shares              |                                      |                               | X                            |             |
| Westwood One Inc                  | Common                        | 961815107                   | \$203                                         | 5,300                            | Shares              |                                      |                               | X                            |             |
| Williams Communications Group Inc | Common                        | 969455104                   | \$5                                           | 32,896                           | Shares              |                                      |                               | X                            |             |
| Wire One Technologies Inc         | Common                        | 976521104                   | \$1,126                                       | 237,000                          | Shares              |                                      |                               | X                            |             |
| WorldCom Inc - WorldCom Group     | Common                        | 98157D106                   | \$2,285                                       | 339,089                          | Shares              |                                      |                               | X                            |             |
| WorldCom Inc - WorldCom Group     | Option                        | 98157D906                   | \$674                                         | 1,000                            |                     | Call                                 |                               | X                            |             |
| XL CAPITAL LTD                    | Debt                          | 98372PAB4                   | \$14,415                                      | 22,972                           | Pm. Amt.            |                                      |                               | X                            |             |
| XL CAPITAL LTD                    | Debt                          | 98372PAD0                   | \$4,155                                       | 7,043                            | Pm. Amt.            |                                      |                               | X                            |             |
| XM Satellite Radio Holdings Inc   | Common                        | 983759101                   | \$3,451                                       | 250,600                          | Shares              |                                      |                               | X                            |             |
| XM Satellite Radio Holdings Inc   | Debt                          | 983759AA9                   | \$4,490                                       | 4,063                            | Pm. Amt.            |                                      |                               | X                            |             |
| Xerox Corp.                       | Debt                          | 984121BB8                   | \$11,275                                      | 20,000                           | Pm. Amt.            |                                      |                               | X                            |             |
| Loral Space & Communications      | Preferred                     | G56462149                   | \$5,461                                       | 1,016,050                        | Shares              |                                      |                               | X                            |             |
| Royal Caribbean Cruises Ltd       | Common                        | V7780T103                   | \$7,716                                       | 342,152                          | Shares              |                                      |                               | X                            |             |
| General Holdings Totals:          |                               |                             | \$1,731,710                                   |                                  |                     |                                      |                               |                              |             |
| Risk Arb Totals:                  |                               |                             | \$32,007                                      |                                  |                     |                                      |                               |                              |             |
| Aggregate Totals:                 |                               |                             | \$1,763,717                                   |                                  |                     |                                      |                               |                              |             |
| General Holdings Total Records:   |                               |                             | 284                                           |                                  |                     |                                      |                               |                              |             |
| Risk Arb Total Records:           |                               |                             | 10                                            |                                  |                     |                                      |                               |                              |             |
| Total Records:                    |                               |                             | 294                                           |                                  |                     |                                      |                               |                              |             |

Form 13F

STARO ASSET MANAGEMENT

| Column1:<br>Name of<br>Issuer | Column2:<br>Title of<br>Class | Column3:<br>CUSIP<br>Number | Column4:<br>Fair Market<br>Value<br>(X\$1000) | Column5:                         |                     | Column6:<br>Investment<br>Discretion | Column7:<br>Other<br>Managers | Column8: |        |      |
|-------------------------------|-------------------------------|-----------------------------|-----------------------------------------------|----------------------------------|---------------------|--------------------------------------|-------------------------------|----------|--------|------|
|                               |                               |                             |                                               | Shares or<br>Principal<br>Amount | Shares/<br>Pm. Amt. | Put/<br>Call                         |                               | Sole     | Shared | None |
| <b>Risk Arb Holdings</b>      |                               |                             |                                               |                                  |                     |                                      |                               |          |        |      |
| AT&T Corp                     | Common                        | 001957109                   | \$785                                         | 50,000                           | Shares              |                                      |                               | X        |        |      |
| AT&T Canada Inc               | Common                        | 00207Q202                   | \$2,706                                       | 100,500                          | Shares              |                                      |                               | X        |        |      |
| American Water Works Co Inc   | Common                        | 030411102                   | \$2,267                                       | 51,760                           | Shares              |                                      |                               | X        |        |      |
| Brooks Automation Inc         | Common                        | 11434A100                   | \$1,345                                       | 29,600                           | Shares              |                                      |                               | X        |        |      |
| DaVita Inc                    | Common                        | 23918K108                   | \$648                                         | 25,600                           | Shares              |                                      |                               | X        |        |      |
| General Mtrs. Corp            | Common                        | 370442832                   | \$568                                         | 34,500                           | Shares              |                                      |                               | X        |        |      |
| Hewlett-Packard Co            | Common                        | 428236103                   | \$1,866                                       | 104,000                          | Shares              |                                      |                               | X        |        |      |
| Loews Corp                    | Common                        | 540424108                   | \$4,382                                       | 74,800                           | Shares              |                                      |                               | X        |        |      |
| Security Capital Group Inc    | Common                        | 81413P204                   | \$16,428                                      | 645,000                          | Shares              |                                      |                               | X        |        |      |
| DAVITA INC                    | Debt                          | 89151AAC1                   | \$1,013                                       | 1,000                            | Pm. Amt.            |                                      |                               | X        |        |      |
| <b>Risk Arb Totals:</b>       |                               |                             | \$32,007                                      |                                  |                     |                                      |                               |          |        |      |
| <b>Total Records:</b>         |                               |                             | 10                                            |                                  |                     |                                      |                               |          |        |      |