NON-PUBLIC
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28-5806

FORM 13F

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If amended report check here: ____
Report for the Calendar Year or Quarter Ended March 31, 1997

BEST AVAILABLE COPY

Name of Institutional Investment Manager:
Staro Asset Management, L.L.C.

Business Address:
Street 1500 W. Market Street Suite 200 **City** Mequon **State** WI **Zip** 53092

Name, Phone No., and Title of Person Only Authorized to Submit This Report:

Krista L. Ward (414) 241-1810 Chief Operating Officer

CONFIDENTIAL TREATMENT EXPIRED and CONFIDENTIAL TREATMENT DENIED

ATTENTION – Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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The institutional investment manager submitting this Form and its attachments and the person by whom it is signed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Pursuant to the requirements of the Securities Exchange Act of 1934, the undersigned institutional investment manager has caused this report to be signed on its behalf in the City of Milwaukee and State of WI on the 15th day of May 1997.

Staro Asset Management, L.L.C.
(Name of Institutional Investment Manager)

K Ward
(Manual Signature of Person Duly Authorized to Submit this Report)

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Name and 13F file numbers of ALL Institutional Investment Managers with respect to which this schedule is filed (other than the one filing this report) (List in alphabetical order).

13F File Numbers will be assigned to Institutional Investment Managers after they file their first report.

Name:	13F File No.:	Name:	13F File No.:
1. n/a		8.	
2.		9.	
3.		10.	
4.		11.	
5.		12.	
6.		13.	
7.		14.	

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STARO ASSET MANAGEMENT

(SEC USE ONLY)

Item 1: Name of Issuer	Item 2: Title of Class	Item 3: CUSIP Number	Item 4: Fair Market Value	Item 5: Shares of Principal Amount	Item 6: Investment Discretion (a) Sole	Item 6: (b) Shared As Defined in Instr. V.	Item 6: (c) Shared-Other	Item 7: Managers See Instr. V	Item 8: Voting Authority (Shares) (a) Sole	Item 8: (b) Shared	Item 8: (c) None
Apple Computer Inc.	Options	037833900	$5,625	150(C)	X				X		
Barrick Gold Corp	Common	067901108	$529,219	22,402	X				X		
Analog Devices Inc.	Options	032654955	$7,500	150(P)	X				X		
Analog Devices Inc.	Debt	032654AB1	$13,171,000	10,515	X				X		
Laidlaw Inc.	Debt	50730KAF4	$25,866,100	19,897	X				X		
American General Corp	Preferred	02637G200	$10,503,300	188,400	X				X		
Alaska Air Group Inc.	Debt	011659AD1	$2,645,905	2,060	X				X		
American Airlines	Common	001765106	$15,675,000	190,000	X				X		
Applied Magnetics	Debt	038213AA2	$4,672,500	2,800	X				X		
Baxter International	Common	071813109	$2,766,701	64,157	X				X		
Best Buy Co. Inc.	Preferred	08651F200	$14,586,000	530,400	X				X		
BJ SVCS Co.	Warrant	055482111	$6,114,150	258,800	X				X		
Bema Gold	Debt	08135FAA5	$5,156,845	1,609	X				X		
Bethlehem Steel	Preferred	087509501	$23,201,740	638,920	X				X		
Baby Superstore	Debt	056180AA0	$47,373,372	47,403	X				X		
Boston Scientific Corp	Options	101137957	$203,856	2747(P)	X				X		
British Sky Broadcasting	Common	111013108	$1,673,250	27,600	X				X		
Central Garden & Pet Co.	Debt	153527AA4	$16,305,465	17,439	X				X		
Corporate Express Inc.	Common	219888104	$197,702	19,288	X				X		
Corporate Express Inc.	Debt	219888AE4	$6,740,381	7,965	X				X		
Seacor Holdings Inc.	Debt	811904AC5	$20,318,324	19,490	X				X		
Convertible Holdings Inc.	Common	212551105	$26,550	1,800	X				X		

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3Com Corp	Common	885535104	$1,408,250	43,000	X				X		
3Com Corp	Debt	885535AA2	$492,000	410	X				X		
Continental Homes Holding Corp	Debt	21148CAD4	$2,490,458	2,601	X				X		
Cityscape	Debt	178778AA4	$945,225	12,500	X				X		
CUC International	Debt	126545AB8	$353,054	370	X				X		
C-Cube Microsystems	Common	125015107	$1,471,350	57,700	X				X		
C-Cube Microsystems	Debt	125015AA5	$22,205,205	21,249	X				X		
Cablevision Systems Corp	Preferred	12686C406	$32,791,412	1,670,900	X				X		
Cyrix Corporation	Common	232815100	$228,000	12,000	X				X		
Cyrix Corporation	Debt	232815AA8	$4,386,250	5,500	X				X		
Dell Computer	Common	247025109	$374,938	5,500	X				X		
Designer Holdings Ltd	Common	250571106	$64,575	16,400	X				X		
Elsag Bailey	Common	N2925S101	$512,000	32,000	X				X		
EMC Corp	Options	268648952	$25,000	200(P)	X				X		
Engle Homes	Debt	292896AB3	$955,317	1,100	X				X		
Falcon Building Products	Common	305916108	$5,353,250	305,900	X				X		
Freeport-McMoran Copper	Common	35671D105	$113,388	386	X				X		
Federated Department Stores	Warrants	31410H119	$4,553,400	379,450	X				X		
Federated Department Stores	Warrants	31410H127	$3,385,050	470,200	X				X		
Federal National Mtg Assn	Options	313586909	$50,000	500(C)	X				X		
Finova Group Inc.	Common	317928109	$2,285,725	33,800	X				X		
Glendale Federal Savings Bank	Warrants	378507131	$6,882,096	529,392	X				X		
New Germany Fund	Common	644465106	$549,752	39,268	X				X		
Chieftain International	Preferred	168672202	$654,900	23,600	X				X		
Hilton Hotels	Preferred	432848208	$31,897,998	1,390,800	X				X		
Hometown Buffet	Debt	437862AA3	$6,468,000	7,040	X				X		
Hewlett-Packard Co	Options	428236903	$150,000.00	500(C)	X				X		

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Inacom Corp	Common	45323G109	$170,625	7,500	X				X		
Ipalco Enterprises	Common	462613100	$881,513	29,021	X				X		
International Technology Corp	Preferred	460465305	$8,507,550	527,600	X				X		
J Baker Inc.	Debt	057232AA8	$6,349,260	7,134	X				X		
Kmart Financing	Preferred	498778208	$57,489,219	1,082,150	X				X		
Key Energy Group Inc.	Debt	492914AA4	$3,692,600	2,495	X				X		
Leasing Solutions Inc.	Debt	522113AA7	$1,490,750	16,755	X				X		
Sholodge Inc.	Debt	825034AA9	$2,932,139	3,288	X				X		
MFS Government Markets Income Trust	Common	552939100	$3,250	500	X				X		
Microsoft Corp	Preferred	594918203	$15,154,150	186,800	X				X		
Mesa Inc	Preferred	590911202	$194,007	26,306	X				X		
Nuevo Energy Co	Common	670509108	$1,032,288	26,900	X				X		
National Semiconductor Corp	Debt	637640AA1	$2,992,500	3,000	X				X		
Oregon Metallurgical Corp	Common	685899106	$475,200	26,400	X				X		
Oxford Resources Corp	Common	691808109	$5,418,206	129,390	X				X		
Occidental Pete Corp	Preferred	674599790	$27,015,338	410,100	X				X		
Platinum Technology	Debt	72764TAA9	$6,076,750	5,450	X				X		
Pharmaceurical Marketing Svs	Debt	717123AA1	$5,039,512	6,430	X				X		
Patina Oil & Gas Corp	Common	703224105	$1,310,138	151,900	X				X		
Patina Oil & Gas Corp	Preferred	703224204	$9,993,845	352,206	X				X		
Pride Petroleum Services	Debt	741541AA4	$4,347,219	2,403	X				X		
Patina Oil & Gas Corp	Warrants	703224113	$482,136	350,644	X				X		
Qualcom Inc	Options	747525953	$50,000	250(P)	X				X		
Quidel Corp	Common	74838J101	$239,088	61,700	X				X		
Quantum Corp	Debt	747906AB1	$32,615,637	17,965	X				X		
Rite Aid Corp	Options	767754904	$69,375	300(C)	X				X		

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Robbins & Meyers Ins	Debt	770196AA1	$6,289,654	5,272	X				X		
SCI Systems	Debt	783890AD8	$46,946,981	38,285	X				X		
Simula Inc.	Common	829206101	$1,625,000	104,000	X				X		
St. Paul Capital	Preferred	792856205	$4,855,200	81,600	X				X		
Sports Authority 5.25% (Reg)	Debt	849176AC6	$12,576,200	13,820	X				X		
TransWorld Airlines	Common	893349837	$2,787,487	401,800	X				X		
TransWorld Air 8% Series 144A	Preferred	893349811	$15,973,309	780,900	X				X		
TransWorld Airlines	Options	893349957	$94,325	682(P)	X				X		
Unisys Corp	Debt	909214AZ1	$7,170,163	6,175,000	X				X		
U.S. Filter Corp	Options	911843959	$62,812	150(P)	X				X		
U.S. Filter Corp	Debt	911843AF7	$32,484,344	32,525	X				X		
US West Inc	Preferred	912889409	$2,079,673	44,131	X				X		
Vanstar Corp	Common	92208M108	$762,300	92,400	X				X		
Wang Laboratories	Preferred	93369N208	$1,515,166	25,150	X				X		
Western Gas	Preferred	958259301	$6,916,350	188,200	X				X		
Wheeling Pittsburgh	Preferred	929248201	$13,727,000	392,200	X				X		
Wheeling Pittsburgh	Preferred	929248300	$6,878,438	200,100	X				X		
Wynn's International Inc	Common	983198108	$943,500	40,800	X				X		
Zenith	Options	989349955	$85,613	650(P)	X				X		
Zenith	Common	989349105	$480,938	47,500	X				X		
TOTAL COLUMNS:			$707,063,826.00								
Sheet B Risk Arb Totals:			$217,887,499.00								
AGGREGATE TOTALS:			**$924,951,325.00**								

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STARO ASSET MANAGEMENT

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Item 1: Name of Issuer	Item 2: Title of Class	Item 3: CUSIP Number	Item 4: Fair Market Value	Item 5: Shares of Principal Amount	Item 6: Investment Discretion (a) Sole	Item 6: (b) Shared As Defined in Instr. V.	Item 6: (c) Shared-Other	Item 7: Managers See Instr. V	Item 8: Voting Authority (Shares) (a) Sole	Item 8: (b) Shared	Item 8: (c) None
AST Research	Debt	001907AB0	$9,161,130	23,000	X				X		
Belden & Blake Corp	Common	077447100	$1,759,594	68,500	X				X		
Crop Growers Corporation	Common	227297108	$7,684,950	788	X				X		
Dean Witter Discover & Co	Common	24240V101	$3,181,500	90,900	X				X		
First USA Inc.	Common	33743H105	$30,327,788	715,700	X				X		
First USA Inc.	Options	33743H955	$884,563	2,065	X				X		
Greenwich Air Services	Common	396781205	$2,175,000	75,000	X				X		
Healthsource Inc	Common	42221E104	$20,922,300	1,020,600	X				X		
Healthsource Inc	Debt	42221EAA2	$9,041,875	92,500	X				X		
Healthsource Inc	Debt	42221EAC8	$34,650,420	35,448	X				X		
Horizon/CMS Healthcare Corp	Common	440400109	$571,950	36,900	X				X		
Inphynet Medical Management	Common	457971109	$1,852,200	67,200	X				X		
ITT Corp	Common	450912100	$2,655,263	45,100	X				X		
ITT Corp	Options	450911952	$103,250	1,175	X				X		
Leslie's Poolmart	Common	527069108	$140,000	10,000	X				X		
Mafco Consolidated Group Inc.	Common	559025101	$1,088,000	34,000	X				X		
Noram Energy Corp	Common	655419109	$4,737,038	323,900	X				X		
Noram Energy Corp	Preferred	65541W207	$17,828,570	294,400	X				X		
Petrolite Corp	Common	716723101	$13,681,525	231,400	X				X		
Reflectone Inc	Common	758657100	$3,638,250	154,000	X				X		
Standard Federal Banc Corp	Common	853386100	$632,200	10,900	X				X		

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Standard Financial Inc.	Common	853403103	$3,092,700	135,200	X				X		
Ultrak Inc.	Common	903898401	$747,000	41,500	X				X		
Universal Hospital Services	Common	91359L109	$4,453,213	256,300	X				X		
UNC Inc	Common	903070100	$2,137,500	15,000	X				X		
Ventritex Inc.	Common	922814108	$3,519,175	210,100	X				X		
Ventritex Inc.	Options	922814958	$120,313	350(P)	X				X		
Ventritex Inc.	Debt	922814AA6	$5,106,194	4,405,000	X				X		
Banc One Corp	Options	059438951	$1,421,875	8,660	X				X		
Production Operators Corp	Common	743080103	$30,572,163	542,300	X				X		
Sheet B Risk Arb Totals:			**$217,887,499.00**								
TOTALS:			**$217,887,499.00**								

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