

NON-PUBLIC

CONFIDENTIAL

FORM 13F

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28-5806

13FCONP 11/20/03

If amended report check here: _____

Report for the Calendar Year or Quarter Ended December 31, 1996

RECD S.E.C
FEB 18 1997
028

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

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

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 14th day of February 1997.

Staro Asset Management, L.L.C.

(Name of Institutional Investment Manager)

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

PROCESSED

JAN 23 2004

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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. <u>n/a</u>		8. _____	
2. _____		9. _____	
3. _____		10. _____	
4. _____		11. _____	
5. _____		12. _____	
6. _____		13. _____	
7. _____		14. _____	

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Form 13F

Page 1 of 4 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			Item 7: Managers See Instr. V			Item 8: Voting Authority (Shares)		
					(a) Sole	(b) Shared As Defined in Instr. V.	(c) Shared- Other				(a) Sole	(b) Shared	(c) None
Apple Computer Inc.	Options	037833 95 0	\$262.50	350 (P)	X								
Delta Airlines Inc. DEL	Common	247361 10 8	\$4,252,500	60,000	X						X		
Sabre Group Holdings Inc	Common	785905 10 0	\$139,375	5,000	X						X		
Alaska Air Group Inc.	Debt	011659 AD 1	\$7,142,690	6,406	X						X		
Best Buy Co. Inc.	Option	086516 95 1	\$703.50	1,407(P)	X								
Best Buy Co. Inc.	Preferred	08651F 20 0	\$18,296,250	714,000	X						X		
BJ SVCS Co.	Warrant	055482 11 1	\$6,767,750	253,000	X						X		
Boston Chicken Inc.	Debt	100578 AB 9	\$5,017,280	16,000	X						X		
Beazer Homes USA Inc.	Preferred	07556Q 20 4	\$4,152,750	147,000	X						X		
Continental Airs Inc.	Debt	210795 AQ 3	\$7,848,750	7,000	X						X		
Convertible Holding	Common	212551 10 5	\$555,750	38,000	X						X		
Central Garden & Pet Co.	Debt	153527 AA 4	\$11,275,888	11,290	X						X		
Chieftain International	Preferred	168672 20 2	\$1,435,500	44,000	X						X		
3Com Corp.	Debt	885535 AA 2	\$2,603,918	1,180	X						X		
Continental Homes Hldg Corp.	Debt	21148C AD 4	\$2,828,588	2,601	X						X		
Chiquita Brands Intl Inc.	Preferred	170032 40 3	\$4,394,000	104,000	X						X		
Cityscape Financial Corp.	Debt	178778 AA 4	\$1,306,250	1,250	X						X		

"CONFIDENTIAL"

Sheet A General Holdings

Page 2 of 4

STARO ASSET MANAGEMENT

(SEC USE ONLY)

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					(a) Sole	(b) Shared As Defined in Instr. V.	(c) Shared- Other		Voting Authority (Shares)	(a) Sole	(b) Shared
C-Cube Microsystems Cablevision Sys. Corp.	Option	125015 95 7	\$1,078.50	757(P)	X						
Citizens Utils TR	Preferred	12686C 40 6	\$36,140,000	1,807,000	X				X		
Engle Homes, Inc.	Preferred	177351 20 2	\$21,489,000	456,000	X				X		
Freepor- McMoran Copper	Debt	292896 AB 3	\$970,750	1,100	X				X		
Federated Dept. Stores	Common	35671D 10 5	\$2,137,500	76,000	X				X		
Federated Dept. Stores	Warrant	31410H 11 9	\$4,870,500	382,000	X				X		
Flagstar Cos Inc.	Warrant	31410H 12 7	\$5,642,000	434,000	X				X		
Finova Group, Inc.	Preferred	338471 20 4	\$8,000	4,000	X				X		
Glendale Fed Bk Fed Svgs Bk	Common	317928 10 9	\$578,250	9,000	X				X		
General Signal Corp.	Warrants	378507 13 1	\$7,379,000	628,000	X				X		
Hilton Hotels Corp	Debt	370838 AD 6	\$135,000	125	X				X		
Hilton Hotels Corp Integrated Device Technology	Option	432848 90 9	\$275	400(C)	X						
International Technology Corp	Debt	432848 AL 3	\$41,454,488	40,345	X				X		
Kmart Fing I	Debt	458118 AA 4	\$6,502,380	7,474	X				X		
Sholodge Inc.	Preferred	460465 30 5	\$8,514,000	528,000	X				X		
	Preferred	498778 20 8	\$66,198,750	1,390,000	X				X		
	Debt	825034 AA 9	\$2,959,200	3,288	X				X		

"CONFIDENTIAL"

Sheet A General Holdings

Page 3 of 4

STARO ASSET MANAGEMENT

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Leasing Solutions Inc.	Debt	522113 AA 7	\$2,935,250	2,950	X				X		
Money Store Inc.	Preferred	60934T 20 0	\$9,061,125	331,000	X				X		
Mesa Inc.	Preferred	590911 20 2	\$162,500	26,000	X				X		
National Data Corp.	Debt	635621 AA 3	\$208,750	200	X				X		
National Semi- Conductor Corp.	Debt	637640 AA 1	\$6,895,000	7,000	X				X		
PennCorp Finl Group Inc.	Preferred	708094 20 6	\$1,082,250	13,000	X				X		
Phycor Inc.	Debt	71940F AB 6	\$13,107,133	13,426	X				X		
Platinum Technology Inc.	Debt	72764T AA 9	\$5,921,438	4,950	X				X		
HS Res Inc	Common	404297 10 3	\$247,500	15,000	X				X		
Patina Oil & Gas Corp.	Preferred	703224 20 4	\$12,362,500	430,000	X				X		
Patina Oil & Gas Corp.	Warrant	703224 11 3	\$459,000	216,000	X				X		
Pride Pete Svcs Inc.	Debt	741541 AA 4	\$11,297,214	6,203	X				X		
Quantum Corp.	Debt	747906 AB 1	\$58,920,188	42,465	X				X		
Sunglass Hut Intl Inc.	Common	86736F 10 6	\$72,500	10,000	X				X		
Reynolds Metals Co.	Common	761763 10 1	\$338,250	6,000	X				X		
Robbins & Myers, Inc.	Debt	770196 AA 1	\$627,000	550	X				X		
Oregon Metallurgical Corp.	Common	685899 10 6	\$96,750	3,000	X				X		

"CONFIDENTIAL"

Sheet A General Holdings

Page 4 of 4

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Renal Treatment Ctrs. Inc.	Debt	759671 AA 8	\$6,515,750	6,700	X				X				
SCI Sys Inc.	Debt	783890 AD 8	\$45,255,438	39,785	X				X				
Solelectron Corp.	Debt	834182 AB 3	\$29,881,375	27,700	X				X				
St. Paul Cap L L C	Preferred	792856 20 5	\$12,807,500	235,000	X				X				
Stone Container Corp.	Common	861589 10 9	\$22,313	1,500	X				X				
TPI Enterprises Inc.	Debt	872623 AA 1	\$9,482,000	10,845	X				X				
Tyco Toys Inc.	Preferred	902128 20 6	\$6,824,250	674,000	X				X				
Trans World Airis Inc.	Preferred	893349 81 1	\$19,019,000	836,000	X				X				
Trans World Airis Inc.	Option	893349 95 7	\$2,854.06	2785(P)	X								
USAir Group Inc.	Preferred	911905 30 5	\$118,298	1,900	X				X				
Unisys Corp.	Debt	909214 AZ 1	\$7,487,188	6,175	X				X				
United States Filter Corp.	Debt	911843 AF 7	\$8,104,188	25,525	X				X				
Wang Labs Inc.	Preferred	93369N 20 8	\$3,185,000	65,000	X				X				
Western Gas Res Inc.	Preferred	958259 30 1	\$7,200,000	192,000	X				X				
WHX Corp	Preferred	929248 20 1	\$13,667,500	355,000	X				X				
WHX Corp	Preferred	929248 30 0	\$14,689,000	397,000	X				X				
TOTAL COLUMNS:			\$591,054,373.31										
Sheet B Risk Arb Totals:			\$34,379,881.25										
AGGREGATE TOTALS:			\$625,434,254.56										

"CONFIDENTIAL"

Form 13F

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Page 1 of 1

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Capitol Amern Finl Corp.	Common	14055J 10 3	\$509,250	14,000	X				X		
Conseco Inc.	Option	208464 90 7	\$1,756.25	500(C)	X						
Conseco Inc.	Option	208464 95 7	\$150	100(P)	X						
FHP Intl Corp.	Common	302426 10 1	\$2,041,875	55,000	X				X		
First Fed Bancshs of Eau Clair	Common	32019Q 10 4	\$5,164,125	282,000	X				X		
Health Images Inc.	Common	422178 10 3	\$665,000	40,000	X				X		
Noram Energy Corp.	Common	655419 10 9	\$2,905,875	189,000	X				X		
Research Medical Inc.	Common	761004 10 0	\$10,934,250	478,000	X				X		
SQA Inc.	Common	784637 10 0	\$2,726,500	82,000	X				X		
Syrattech Corp.	Common	871824 10 8	\$1,984,500	63,000	X				X		
Ventritex, Inc.	Debt	922814 AA 6	\$6,871,800	4,405	X				X		
Vons Cos Inc.	Common	928869 10 6	\$574,800	9,600	X				X		
TOTAL COLUMNS			\$34,379,881.25								