

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

SCHEDULE 13G
(Amendment No. ___)

Under the Securities Exchange Act of 1934

Landstar System Inc
(Name of Issuer)

Common
(Title of Class of Securities)

515098101
(CUSIP Number)

12/31/99
(Date of Event which Requires
Filing of this Statement)

Check the appropriate box to designate the rule pursuant to
which this Schedule is filed:

Rule 13d-1(b)
 Rule 13d-1(a)
 Rule 13d-1(d)

*The remainder of this cover page shall be filled out or a
reporting person's initial filing on this form with respect to
the subject class of securities, and for any subsequent
amendment containing information which would alter the
disclosures provided in a prior cover page.

The information required in the remainder of this cover page
shall not be deemed to be "filed" for the purpose of Section 18
of the Securities Exchange Act of 1934 ("Act") or otherwise
subject to the liabilities of that section of the Act but shall
be subject to all other provisions of the Act (however, see the
Notes).

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1Name of Reporting Person
Kestrel Investment Management Corporation
IRS Identification No. of Above Person94-3173193

2Check the Appropriate Box if a Member of a Group
(a)
(b)

3SEC USE ONLY

4Citizenship or Place of Organization

California

5Sole Voting Power

396,600

NUMBER OF6Shared Voting Power
SHARES
BENEFICIALLY-0-
OWNED BY EACH
REPORTING7Sole Dispositive Power
PERSON WITH

497,500

8Shared Dispositive Power

-0-

9Aggregate Amount Beneficially Owned by each Reporting Person

497,500

10Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares*

11Percent of Class Represented by Amount in Row 9

5.2%

12Type of Reporting Person*

CO, IA

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1Name of Reporting PersonDavid J. Steirman
IRS Identification No. of Above Person

2Check the Appropriate Box if a Member of a Group
(a)
(b)

3SEC USE ONLY

4Citizenship or Place of Organization

United States

5Sole Voting Power

396,600

NUMBER OF6Shared Voting Power
SHARES
BENEFICIALLY-0-
OWNED BY EACH
REPORTING7Sole Dispositive Power
PERSON WITH
497,500

8Shared Dispositive Power

-0-

9Aggregate Amount Beneficially Owned by each Reporting Person

497,500

10Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares*

11Percent of Class Represented by Amount in Row 9

5.2%

12Type of Reporting Person*

IN

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1Name of Reporting PersonAbbott J. Keller

IRS Identification No. of Above Person

2Check the Appropriate Box if a Member of a Group

(a)

(b)

3SEC USE ONLY

4Citizenship or Place of Organization

United States

5Sole Voting Power

396,600

NUMBER OF6Shared Voting Power

SHARES

BENEFICIALLY-0-

OWNED BY EACH

REPORTING7Sole Dispositive Power

PERSON WITH

497,500

8Shared Dispositive Power

-0-

9Aggregate Amount Beneficially Owned by each Reporting Person

497,500

10Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares*

11Percent of Class Represented by Amount in Row 9

5.2%

12Type of Reporting Person*

IN

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Item 1(a).Name of Issuer.

Landstar System Inc

Item 1(b).Address of Issuer's Principal Executive Offices.

4160 WOODCOCK DRIVE
JACKSONVILLE, FL 32207

Item 2(a).Names of Persons Filing.

Kestrel Investment Management Corporation, David J.
Steirman and Abbott J. Keller.

Item 2(b).Address of Principal Business Office or, if none,
Residence.

The business address of Kestrel Investment Management
Corporation, David J. Steirman and Abbott J. Keller is 411
Borel Avenue, Suite 403, San Mateo, CA 94402.

Item 2(c).Citizenship.

Kestrel Investment Management Corporation is a California
corporation, David J. Steirman and Abbott J. Keller are
citizens of the United States of America.

Item 2(d).Title of Class of Securities.

Common

Item 2(e).CUSIP Number.

515098101

Item 3.Type of Reporting Person.

Kestrel Investment Management Corporation is an investment advisor registered under Section 203 of the Investment Advisors Act of 1940. David J. Steirman and Abbott J. Keller are the sole shareholders of Kestrel Investment Management Corporation.

Item 4.Ownership.

Reference is made hereby made to Items 5-9 and 11 of pages two (2), three (3) and four (4) of this Schedule G, which Items are incorporated by reference herein.

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Item 5.Ownership of Five Percent or Less of a Class.

Not applicable.

Item 6.Ownership of More Than Five Percent on Behalf of Another Person.

Kestrel Investment Management Corporation is deemed to be the beneficial owner of the number of securities reflected in items 5-9 and 11 of page two (2) of this Schedule G pursuant to separate arrangements whereby it acts as investment adviser to certain persons, in which it also holds an ownership interest. Each person for whom Kestrel Investment Management Corporation acts as investment adviser has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the common stock purchased or held pursuant to such arrangements. David J. Steirman and Abbott J. Keller are deemed to be the beneficial owners of the number of securities reflected in Items 5-9 and 11 of page two (2) of this Schedule G pursuant to their ownership interests in Kestrel Investment Management Corporation

Item 7.Identification and Classification of the Subsidiary which Acquired the Security Being Reported on by the Parent Holding Company.

Not applicable.

Item 8.Identification and Classification of Members of the Group.

Not applicable.

Item 9.Notice of Dissolution of Group.

Not applicable.

Item 10.Certification.

By signing below, each of the undersigned certifies that, to the best of their respective knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

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Signature

After reasonable inquiry and to the best of their respective knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

DATED:

DAVID J. STEIRMAN

/s/ David J. Steirman

David J. Steirman

DATED:

ABBOTT J. KELLER

/s/ ABBOTT J. KELLER

Abbott J. Keller

DATED:

KESTREL INVESTMENT MANAGEMENT CORPORATION

/s/ David J. Steirman

By:David J. Steirman
Its:President