

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB/A-1

(x) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1996

or

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-20047

ROYALE INVESTMENTS, INC.
(Exact Name of Registrant as Specified in its Charter)

MINNESOTA	41-1691930
(State or Other Jurisdiction of Incorporation)	(IRS Employer Identification No.)

3430 LIST PLACE, MINNEAPOLIS, MINNESOTA	55416
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 612/920-4078

Securities registered pursuant to Section 12(b) of the Act: NONE

Securities registered pursuant to Section 12(g) of the Act:
COMMON STOCK, .01 PAR VALUE

Check whether the issuer (1) filed all reports required to be filed by
Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12
months (or for such shorter period that the registrant was required to file such
reports), and (2) has been subject to such filing requirements for the past 90
days. Yes X No
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Check if disclosure of delinquent filers in response to Item 405 of
Regulation S-B is not contained in this form, and no disclosure will be
contained, to the best of registrant's knowledge, in definitive proxy or
information statements incorporated by reference in Part III of this Form 10-KSB
or any amendment to this Form 10-KSB. []

State issuer's revenues for its most recent fiscal year: \$2,509,548

State the aggregate market value of the voting stock held by non-affiliates
computed by reference to the price at which the stock was sold, or the average
bid and ask prices of such stock, as of a specified date within 60 days. (SEE
definition of affiliate in Rule 12b-2 of the Exchange Act): \$7,100,000 AS OF
MARCH 14, 1997

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

State the number of shares outstanding of each of the registrant's classes
of common stock, as of the latest practicable date: 1,420,000 SHARES OF COMMON
STOCK AS OF MARCH 14, 1997

DOCUMENTS INCORPORATED BY REFERENCE

NONE

Transitional Small Business Disclosure Format (check one) Yes _____ No X

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS;
COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

The following table sets forth certain information regarding the directors
and executive officers of the Company.

<TABLE>
<CAPTION>

Name	Age	Office	Director Since
<S>	<C>	<C>	<C>
Vernon R. Beck	55	President, Treasurer and Director	1988
John Parsinen	54	Vice President, Secretary and Director	1988
Orvin J. Hall	70	Director	1990
Kurt Schoenrock	64	Director	1990
Kenneth D. Wethe	55	Director	1990
Allen C. Gehrke	62	Director	1995

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VERNON R. BECK is Chairman of the Board of Directors of the Company. Mr. Beck has served as President of the Company since 1988 and as President of Crown Advisors, Inc., the Company's advisor, since its inception in 1988. Since 1976, Mr. Beck has been President of Vernon Beck & Associates, Inc. a commercial mortgage banking and real estate development firm, which has developed and financed numerous commercial real estate projects. Mr. Beck is a former commercial loan officer with IDS Mortgage Corporation and senior analyst with Northwestern National Life Insurance Company. Mr. Beck is also Vice President of Enterprise Maintenance, LLC, a company which provides maintenance services to commercial buildings.

JOHN PARSINEN has over 29 years of experience in commercial real estate. Mr. Parsinen has developed and owns various real estate projects. Mr. Parsinen has been a senior attorney at Parsinen Kaplan Levy Rosberg & Gotlieb, P.A. (Minneapolis, Minnesota) since it was formed in 1982. Mr. Parsinen specializes in commercial real estate and represents mortgage lenders, brokers, and developers in all types of residential and commercial transactions. Mr. Parsinen owns 50% of Guaranty Title, Inc., a Minneapolis-based real estate title insurance company. Mr. Parsinen was a general partner of Earle Brown

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Commons Limited Partnership II, which owned and operated an elderly housing facility in Brooklyn Center, MN. In 1994, the limited partnership initiated a Chapter 11 bankruptcy reorganization proceeding to restructure certain tax and debt obligations. The bankruptcy was dismissed in 1995 and the project was sold. Mr. Parsinen is Vice President of Crown Advisors, Inc., the Company's advisor, and also an owner of Enterprise Maintenance, LLC.

ORVIN J. HALL has over 31 years of real estate experience. Mr. Hall is now retired from Towle Real Estate, a Minneapolis-based real estate management company. Mr. Hall has been a real estate sales associate for several agencies since 1980. Prior to that, Mr. Hall worked as Mortgage Branch Manager for Investors Diversified Services, Inc. for 14 years, Mortgage Underwriter at Northwestern National Life Insurance Company for five years and worked for five years at Equitable Life Assurance Society of the United States. Mr. Hall is a Member of the Appraisal Institute (MAI).

KURT SCHOENROCK has over 31 years in real estate activities. Mr. Schoenrock is currently an officer and director of Suncoast Appraisers, a full line real estate appraisal and consulting firm in St. Petersburg, Florida. Prior to starting his own appraisal firm, Mr. Schoenrock, for approximately 20 years, was the senior real estate appraiser for Aid Association for Lutherans (AAL), the world's largest fraternal association with assets exceeding \$3.5 billion. Mr. Schoenrock is a licensed real estate broker in the State of Florida. Mr. Schoenrock is a Member of the Appraisal Institute (MAI).

KENNETH D. WETHE is a certified public accountant (CPA). He has a master's degree in business administration (MBA) from Pepperdine University and has over 26 years of experience in the group insurance and employee benefits area. Mr. Wethe is a Fellow of the Life Office Management Institute. Since 1990, Mr. Wethe has been the owner and principal officer of Wethe & Associates, a Dallas-based firm providing independent risk management, insurance and employee benefit services to school districts and governmental agencies. Since 1988, Mr. Wethe also has been a consultant to Robert W. Lazarus & Associates in the area of employee benefits.

ALLEN C. GEHRKE has over 43 years of real estate construction and development experience. Mr. Gehrke is a private investor who retired from Fleming Companies, Inc., in 1995 after 35 years with the company. His most recent position with the Milwaukee division of Fleming was Senior Vice President of Corporate Development. His responsibilities included management of all

company physical assets, market research, store design and construction, fixture purchasing and installation, lease negotiations and real estate financing. Prior to his employment with Fleming Companies, he was in the construction business for 7 years with Midwest Contractors and L.A. Construction Co. of Milwaukee. Mr. Gehrke is a former director of United Cerebral Palsy, Milwaukee Yacht Club, and Keep Greater Milwaukee Beautiful.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORT COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's directors and executive officers to file reports of changes in beneficial ownership of the Company's common stock with the Securities and Exchange Commission. Based on information provided to the Company, the Company is not aware of any executive officer or director of the Company who failed to timely file any report required to be filed.

ITEM 10. EXECUTIVE COMPENSATION

No individual officer of the Company was paid any cash or other compensation for the years ended December 31, 1994, 1995 or 1996. Mr. Beck and Mr. Parsinen each received options to purchase 2,500 shares of Common Stock from the Company pursuant to the Company's Stock Option Plan for Directors during the year ended December 31, 1996. The options become exercisable May 20, 1997 at an option price of \$5.625 per share. No officer of the Company has received options or warrants to purchase securities of the Company by reason of that person's position as an officer, and no options or warrants held by officers of the Company were exercised, adjusted or repriced in 1994, 1995 or 1996.

CERTAIN INFORMATION REGARDING THE BOARD OF DIRECTORS AND COMMITTEES

AUDIT COMMITTEE. The Company has a standing Audit Committee which currently consists of Kenneth D. Wethe (Chairman) and Orvin J. Hall. The Audit Committee reviews, recommends and reports to the board on (1) independent auditors, (2) the quality and effectiveness of internal controls, (3) engagement or discharge of the independent auditors, (4) professional services provided by the independent auditors, and (5) the review and approval of major changes in the Company's accounting principles and practices. During 1996, the Audit Committee held one meeting.

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The Board presently does not have a Compensation Committee and acts as its own Nominating Committee.

During the year ended December 31, 1996, the Board of the Company held five regular meetings and four special meetings. No director attended fewer than 75% of the aggregate number of meetings of the Board and the committees on which they serve.

COMPENSATION OF DIRECTORS

DIRECTORS' FEES AND EXPENSES.

Directors who are not officers of the Company receive an annual fee of \$3,000, plus \$500 for each meeting (other than telephonic Board meetings) they attend. Directors incurring travel expenses in connection with their duties as directors of the Company are reimbursed in full. The total directors' fees and travel expense reimbursement in the year 1996 was approximately \$18,000. Mr. Beck and Mr. Parsinen received no fees in connection with board meetings for 1996.

AUTOMATIC OPTION GRANTS

Since 1993, the Company has maintained a Stock Option Plan for Directors. A total of 75,000 shares of the Company's common stock are reserved for issuance under this plan. Each director of the Company is eligible to participate in the plan. The plan provides that each director will receive, upon initial election or appointment, an option to purchase 2,500 shares of the Company's common stock at the then fair market value of the common stock. The plan also provides for the grant of an option to purchase an additional 2,500 shares of the Company's common stock upon each director's re-election to the Board. The options become exercisable in full one year after date of grant and expire ten years from the date of grant.

The following table sets forth outstanding options granted to officers and directors of the Company under the Stock Option Plan for Directors:

NAME	NUMBER OF SECURITIES	VESTING DATE	EXERCISE PRICE PER SHARE	EXPIRATION DATE
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Vernon R. Beck	2,500	5-24-94	\$9.50	5-24-03
	2,500	5-16-95	9.87	5-16-04
	2,500	5-15-96	5.38	5-15-05
	2,500	5-20-97	5.63	5-20-06
John Parsinen	2,500	5-24-94	9.50	5-24-03
	2,500	5-16-95	9.87	5-16-04
	2,500	5-15-96	5.38	5-15-05
	2,500	5-20-97	5.63	5-20-06
Kenneth D. Wethe	2,500	5-24-94	9.50	5-24-03
	2,500	5-16-95	9.87	5-16-04
	2,500	5-15-96	5.38	5-15-05
	2,500	5-20-97	5.63	5-20-06

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Orvin J. Hall	2,500	5-24-94	9.50	5-24-03
	2,500	5-16-95	9.87	5-16-04
	2,500	5-15-96	5.38	5-15-05
	2,500	5-20-97	5.63	5-20-06
Kurt Schoenrock	2,500	5-24-94	9.50	5-24-03
	2,500	5-16-95	9.87	5-16-04
	2,500	5-15-96	5.38	5-15-05
	2,500	5-20-97	5.63	5-20-06
Allen C. Gehrke	2,500	5-15-96	5.38	5-15-05
	2,500	5-20-97	5.63	5-20-06

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information as of March 31, 1997, relating to the number of shares of Common Stock beneficially owned by each director and by all executive officers and directors as a group. The Company is not aware of any beneficial owner of more than five percent (5%) of the outstanding shares of the Company's common stock.

SHARES OF COMMON STOCK

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----- DIRECTORS AND OFFICERS -----	BENEFICIALLY OWNED	
	NUMBER (1)	PERCENT
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Vernon R. Beck	23,116 (2) (3)	1.6%
John Parsinen	20,687 (2) (3)	1.5%
Orvin J. Hall	7,500 (3) (4)	*
Kurt Schoenrock	7,606 (3) (4)	*
Kenneth D. Wethe	7,724 (3) (4)	*
Allen C. Gehrke	2,750 (3) (5)	*
All executives, officers and directors as a group (seven individuals)	69,726 (6)	4.9%

* Less than one percent (1%)

- (1) Unless otherwise noted, each person or group identified possesses sole voting and investment power with respect to such shares.
- (2) Includes fifty percent of the 26,374 shares of Common Stock owned by Crown Advisors, Inc., the Company's Advisor, which is owned equally by Messrs. Beck and Parsinen. See "Certain Transactions and Related Transactions."
- (3) Does not include 2,500 shares of Common Stock issuable upon exercise of options granted in 1996 under the Company's Stock Option Plan for Directors as they are not presently exercisable.
- (4) Includes 7,500 shares of common stock issuable upon exercise of presently exercisable options.
- (5) Includes 2,500 shares of common stock issuable upon exercise of presently exercisable options.
- (6) Includes 40,000 shares of common stock issuable upon exercise of presently exercisable options.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Effective December 23, 1991, the Company issued five-year warrants to each of Vernon R. Beck, John Parsinen, Orvin J. Hall, Kurt Schoenrock and Kenneth D. Wethe to purchase 10,000, 10,000, 2,500, 2,500 and 2,500 shares of Common Stock, respectively, at a purchase price of \$10 per share. These warrants expired on December 23, 1996. Options to purchase 2,500 shares of Common Stock were also granted to the Company's directors in 1993, 1994, 1995 and 1996 under the Company's Stock Option Plan for Directors.

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These options expire ten years after their issue date. See the table under "CERTAIN INFORMATION REGARDING THE BOARD OF DIRECTORS AND COMMITTEES".

Subject to the supervision of the Company's Board of Directors, the business of the Company is managed by the Advisor, which provides investment advisory and administrative services to the Company. The Advisor is owned by John Parsinen and Vernon R. Beck, officers and directors of the Company. As of March 31, 1997, the Advisor employed three persons on a full-time basis.

Pursuant to an advisory agreement, the Company must pay the Advisor certain advisory fees, expenses and performance fees, as defined in the agreement and a 3% fee for each real estate acquisition or disposition. For each of the years ended December 31, 1996 and 1995, the advisory fee was \$250,000. For the year ended December 31, 1994, the advisory fee was \$240,000 and the acquisition fee was \$271,000. There have been no performance fees in any of the above years.

Upon termination of the advisory agreement, the Company must pay a fee equal to 3% of the invested real estate assets plus 25% of the increase in value of invested real estate assets from the date of acquisition to the date of termination.

Parsinen Kaplan Levy Rosberg & Gotlieb, P.A. was compensated for legal services provided to the Company in connection with the 1991 initial public offering of its Common Stock and the acquisition of the Company's properties in 1992, 1993 and 1994. The firm continues to provide legal services to the Company, and incurred legal fees of \$9,000 in 1996 and \$0 in 1995. John Parsinen is an officer, director and shareholder of Parsinen Kaplan Levy Rosberg & Gotlieb, P.A.

See also Item 10.

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SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 16, 1997

ROYALE INVESTMENTS, INC.

By: /s/ Vernon R. Beck

Vernon R. Beck
President and
Chief Executive Officer