

GROSS WILLIAM H

Form 4

April 01, 2010

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
GROSS WILLIAM H

2. Issuer Name and Ticker or Trading
Symbol
PIMCO Income Strategy Fund II
[PFN]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O PIMCO, 840 NEWPORT
CENTER DRIVE, SUITE 100

3. Date of Earliest Transaction
(Month/Day/Year)
04/01/2010

____ Director ____ 10% Owner
____ Officer (give title ____X____ Other (specify
below) below)
See Remarks

(Street)
NEWPORT BEACH, CA 92660

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
X Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock	04/01/2010		X		6,933	A	<u>11</u>	27,732	I	By Spouse
Common Stock								147,873	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
Subscription Rights (Right to Buy)	\$ 8.87 ⁽¹⁾	04/01/2010		X	20,799 ⁽²⁾	03/24/2010 04/23/2010	Common Stock 6,932 ⁽²⁾

Reporting Owners

Reporting Owner Name / Address	Relationships
GROSS WILLIAM H C/O PIMCO 840 NEWPORT CENTER DRIVE, SUITE 100 NEWPORT BEACH, CA 92660	Director 10% Owner Officer Other
	See Remarks

Signatures

Kevin Broadwater, Attorney-in-Fact for William H. Gross
04/01/2010

Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

The subscription price will be determined based upon a formula equal to 90% of the average of the last reported sale prices of the Fund's common shares on the NYSE on April 23, 2010 (the "Expiration Date") and on each of the four preceding trading days (the "Formula Price"). If, however, the Formula Price is less than 80% of the Fund's net asset value per common share on the Expiration Date, then the

(1) subscription price will be 80% of the Fund's net asset value per common share on that day. Rights holders may not know the Subscription Price at the time of exercise and will be required initially to pay for both the common shares subscribed for pursuant to the primary subscription and, if eligible, any additional common shares subscribed for pursuant to the over-subscription privilege at the estimated subscription price of \$8.87 per common share.

(2) The subscription rights entitle the holder to purchase one new common share for every three rights held (1-for-3).

Remarks:

Mr. Gross is Portfolio Manager of the Issuer. Mr. Gross is the Co-Chief Information Officer of Pacific Investment Management

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Exhibit List: Exhibit 24.1 - Power of Attorney

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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