

GROSS WILLIAM H
Form 4
May 21, 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

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(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 [PFL]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

C/O PIMCO, 840 NEWPORT
CENTER DRIVE, SUITE 100

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
05/20/2010

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

NEWPORT BEACH, CA 92660

(City) (State) (Zip)

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

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. Transaction 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	05/20/2010		P		100,000	A	\$ 10.23
Common Stock							520,633
							3,726
							D ⁽¹⁾
							I
							By Spouse

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

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form
displays a currently valid OMB control
number.**

SEC 1474
(9-02)

Edgar Filing: GROSS WILLIAM H - Form 4

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 Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

GROSS WILLIAM H
C/O PIMCO
840 NEWPORT CENTER DRIVE, SUITE 100
NEWPORT BEACH, CA 92660

See Remarks

Signatures

/s/ Michael J. Flaherty, Attorney-in-Fact for William H.
Gross

05/21/2010

__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).

(1) The reporting person's Form 4 filed on May 7, 2010 reported 421,500 aggregate shares held directly following the reported transactions. The reporting person subsequently filed an amended Form 4 ("Form 4/A") on May 12, 2010 correcting the actual number of shares received pursuant to an oversubscription privilege under a rights offering (as more fully described in footnotes to the Form 4 originally filed on 4/8/10). The correction reported on Form 4/A resulted in a decrease of 867 shares held by the reporting person. The aggregate shares reported as held directly on Line 1, Column 5, Table I on this Form 4 reflect the decrease of 867 shares previously reported on the Form 4/A.

Remarks:

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

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.