

PIMCO Income Strategy Fund II  
Form SC 13D/A  
August 21, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

SCHEDULE 13D  
THE SECURITIES EXCHANGE ACT OF 1934  
(Amendment No. 19)\*

PIMCO Income Strategy Fund II  
(Name of Issuer)

Auction-Rate Preferred Shares  
(Title of Class of Securities)

72201J203  
72201J302  
72201J401  
72201J500  
72201J609  
(CUSIP Number)

Brigade Leveraged Capital Structures Fund Ltd.  
c/o Ogier Fiduciary Services (Cayman) Limited  
89 Nexus Way  
Camana Bay  
Grand Cayman KY1-9007  
Attention: Donald E. Morgan, III

Copies to:

Raymond Gietz, Esq.  
Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153  
(212) 310-8000  
(Name, Address and Telephone Number of Person Authorized to Receive  
Notices and Communications)

August 20, 2014  
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

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The remainder of this cover page shall be filled out for 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 disclosures provided in a prior cover page.

\*No additional purchases or sales have been made since the date of the reporting persons' last filing.

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CUSTOMER  
No. 72201J203  
72201J302  
72201J401  
72201J500  
72201J609

NAME OF  
REPORTING  
PERSONS

1. I.R.S.  
IDENTIFICATION  
NOS. OF ABOVE  
PERSONS  
(ENTITIES ONLY)

Brigade Leveraged  
Capital Structures  
Fund Ltd.

CHECK  
THE  
APPROPRIATE

2. BOX IF A (a)   
MEMBER  
OF A  
GROUP  
(b)

3. SEC USE ONLY

4. SOURCE OF  
FUNDS

WC

5. CHECK   
BOX IF  
DISCLOSURE  
OF LEGAL  
PROCEEDINGS  
IS  
REQUIRED  
PURSUANT  
TO ITEMS

2(d) OR  
2(e)

CITIZENSHIP OR  
6. PLACE OF  
ORGANIZATION

Cayman Islands

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON

7. SOLE VOTING  
POWER

0

8. SHARED VOTING  
POWER

1,619\*

SOLE  
9. DISPOSITIVE  
POWER

0

SHARED  
10. DISPOSITIVE  
POWER

1,619\*

AGGREGATE  
AMOUNT  
BENEFICIALLY  
11. OWNED BY EACH  
REPORTING  
PERSON

1,619\*

12. CHECK    
BOX IF  
THE  
AGGREGATE

AMOUNT  
IN ROW  
(11)  
EXCLUDES  
CERTAIN  
SHARES

PERCENT OF  
CLASS  
13 REPRESENTED  
BY AMOUNT IN  
ROW (11)

25.1%\*\*

TYPE OF  
14. REPORTING  
PERSON

CO

\* Consistent with the Securities and Exchange Commission's Auction Rate Securities Global Exemptive Relief no action letter issued on September 22, 2008, these amounts reflect Brigade Leveraged Capital Structures Fund Ltd.'s combined holdings in the separate series of auction rate preferred shares of the issuer identified by the CUSIP numbers set forth on the cover page of this Schedule 13D Amendment, which are treated herein as one class of securities.

\*\* Percentage calculation is based on the number of Issuer's Auction-Rate Preferred Shares outstanding as of January 31, 2014, as reported in the Issuer's

Form N-CSRS filed on  
March 31, 2014.

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CUSTOMER  
No. 72201J203  
72201J302  
72201J401  
72201J500  
72201J609

NAME OF  
REPORTING  
PERSONS

1. I.R.S.  
IDENTIFICATION  
NOS. OF ABOVE  
PERSONS  
(ENTITIES ONLY)

Brigade Capital  
Management, LP

CHECK  
THE  
APPROPRIATE

2. BOX IF A (a)   
MEMBER  
OF A  
GROUP  
(b)

3. SEC USE ONLY

4. SOURCE OF  
FUNDS

AF

CHECK  
BOX IF  
DISCLOSURE  
OF LEGAL  
PROCEEDINGS

5. IS   
REQUIRED  
PURSUANT  
TO ITEMS  
2(d) OR  
2(e)

CITIZENSHIP OR  
6. PLACE OF  
ORGANIZATION

Delaware

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON

7. SOLE VOTING  
POWER

0

8. SHARED VOTING  
POWER

1,669\*

9. SOLE  
DISPOSITIVE  
POWER

0

10. SHARED  
DISPOSITIVE  
POWER

1,669\*

11. AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON

1,669\*

12. CHECK    
BOX IF  
THE  
AGGREGATE  
AMOUNT  
IN ROW  
(11)



EXCLUDES  
CERTAIN  
SHARES

PERCENT OF  
CLASS  
13 REPRESENTED  
BY AMOUNT IN  
ROW (11)

25.9%\*\*

TYPE OF  
14. REPORTING  
PERSON

IA

\* Consistent with the Securities and Exchange Commission's Auction Rate Securities Global Exemptive Relief no action letter issued on September 22, 2008, these amounts reflect Brigade Capital Management, LP's combined holdings in the separate series of auction rate preferred shares of the issuer identified by the CUSIP numbers set forth on the cover page of this Schedule 13D Amendment, which are treated herein as one class of securities.

\*\* Percentage calculation is based on the number of Issuer's Auction-Rate Preferred Shares outstanding as of January 31, 2014, as reported in the Issuer's Form N-CSRS filed on March 31, 2014.



CUSTOMER  
No. 72201J203  
72201J302  
72201J401  
72201J500  
72201J609

NAME OF  
REPORTING  
PERSONS

1. I.R.S.  
IDENTIFICATION  
NOS. OF ABOVE  
PERSONS  
(ENTITIES ONLY)

Donald E. Morgan,  
III

CHECK  
THE  
APPROPRIATE

2. BOX IF A (a)   
MEMBER  
OF A  
GROUP  
(b)

3. SEC USE ONLY

4. SOURCE OF  
FUNDS

AF

CHECK  
BOX IF  
DISCLOSURE  
OF LEGAL  
PROCEEDINGS

5. IS   
REQUIRED  
PURSUANT  
TO ITEMS  
2(d) OR  
2(e)

CITIZENSHIP OR  
6. PLACE OF  
ORGANIZATION

U.S.A.

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON

7. SOLE VOTING  
POWER

0

8. SHARED VOTING  
POWER

1,669\*

9. SOLE  
DISPOSITIVE  
POWER

0

10. SHARED  
DISPOSITIVE  
POWER

1,669\*

11. AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON

1,669\*

12. CHECK    
BOX IF  
THE  
AGGREGATE  
AMOUNT  
IN ROW

(11)  
EXCLUDES  
CERTAIN  
SHARES

PERCENT OF  
CLASS  
13 REPRESENTED  
BY AMOUNT IN  
ROW (11)

25.9%\*\*

TYPE OF  
14. REPORTING  
PERSON

IN

\* Consistent with the Securities and Exchange Commission's Auction Rate Securities Global Exemptive Relief no action letter issued on September 22, 2008, these amounts reflect Donald E. Morgan, III's combined holdings in the separate series of auction rate preferred shares of the issuer identified by the CUSIP numbers set forth on the cover page of this Schedule 13D Amendment, which are treated herein as one class of securities.

\*\* Percentage calculation is based on the number of Issuer's Auction-Rate Preferred Shares outstanding as of January 31, 2014, as reported in the Issuer's Form N-CSRS filed on March 31, 2014.



This Amendment No. 19 ("Amendment No. 19") amends the Schedule 13D first filed with the Securities and Exchange Commission on January 28, 2011, as amended on March 10, 2011, April 29, 2011, July 15, 2011, September 9, 2011, September 21, 2011, October 24, 2011, November 14, 2011, December 1, 2011, February 29, 2012, May 10, 2012, June 6, 2012, August 1, 2012, May 3, 2013, June 28, 2013, September 20, 2013, April 24, 2014, May 5, 2014 and June 6, 2014 (the "Schedule 13D"), and is being filed by Brigade Leveraged Capital Structures Fund Ltd., a Cayman Islands exempted company ("Brigade LCSF"), Brigade Capital Management, LP, a Delaware limited partnership ("Brigade CM") and Donald E. Morgan, III (each a "Reporting Person" and collectively the "Reporting Persons"), with respect to the Auction-Rate Preferred Shares, par value \$.00001 per share ("Shares"), of PIMCO Income Strategy Fund II, a Massachusetts business trust (the "Issuer"). Unless otherwise indicated herein, all capitalized terms used and not defined herein have the respective meanings assigned to them in the Schedule 13D.

Item 4. Purpose of  
Transaction.

Item 4 is  
supplemented  
by the  
following:

As previously  
disclosed, from  
time to time, the  
Reporting  
Persons have  
had discussions  
with the  
sub-advisor and  
investment  
manager of the  
Issuer  
concerning the  
Reporting  
Persons'  
proposal that  
the Issuer  
pursue leverage  
alternatives for  
the outstanding  
Shares and use  
the resulting  
funds to make  
an issuer tender  
offer for the  
Shares. These  
discussions  
have  
recommenced  
and, to facilitate

these discussions, the Reporting Persons have entered into a confidentiality agreement with the sub-advisor and investment manager of the Issuer.

However, there is no guarantee that any agreement will be reached with respect to an issuer tender offer for the Shares.

The Reporting Persons evaluate their investment in the Shares and purposes for holding such Shares on an ongoing basis and reserve the right to change their intentions and develop plans or proposals at any time, as they deem appropriate.

Contracts, Arrangements, Understandings  
Item 6. or Relationships with Respect to Securities of the Issuer.

Item 6 is supplemented by the



following:

The Reporting  
Persons have  
entered into a  
Joint Filing  
Agreement, a  
copy of which  
is attached  
hereto as  
Exhibit A.

Material to be  
Item 7. Filed as  
Exhibits.

Exhibit A: Joint  
Filing  
Agreement

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

August 21, 2014

(Date)

Brigade Leveraged Capital Structures Fund Ltd.

/s/ Donald E. Morgan, III

(Signature)

Director

(Name/Title)

Brigade Capital Management, LP\*

By: /s/ Donald E. Morgan, III

(Signature)

Managing Member of its General Partner

(Name/Title)

/s/ Donald E. Morgan, III\*

(Signature)

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).

\* The Reporting Persons disclaim beneficial ownership in the Shares reported herein except to the extent of their pecuniary interest therein.

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Exhibit A

Joint Filing Agreement

Pursuant to Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended, each of the undersigned hereby agrees that only one statement containing the information required by Schedule 13D need be filed with respect to the ownership by each of the undersigned of PIMCO Income Strategy Fund II.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

August 21, 2014

(Date)

Brigade Leveraged Capital Structures Fund Ltd.

/s/ Donald E. Morgan, III

(Signature)

Director

(Name/Title)

Brigade Capital Management, LP

By: /s/ Donald E. Morgan, III

(Signature)

Managing Member of its General Partner

(Name/Title)

/s/ Donald E. Morgan, III

(Signature)

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