

PIMCO MUNICIPAL INCOME FUND III  
 Form 4/A  
 December 31, 2008

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

OMB APPROVAL  
 OMB Number: 3235-0287  
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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

(Print or Type Responses)

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

2. Issuer Name and Ticker or Trading Symbol  
**PIMCO MUNICIPAL INCOME FUND III [PMX]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 840 NEWPORT CENTER DRIVE, SUITE 100  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 03/22/2005

\_\_\_\_ Director  
 \_\_\_\_ 10% Owner  
 \_\_\_\_ Officer (give title below)  Other (specify below)  
**EXECUTIVE COMMITTEE MEMBER**

NEWPORT BEACH, CA 92660

4. If Amendment, Date Original Filed(Month/Day/Year)  
 03/23/2005

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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. 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 (D) Price                                                |                                                                                               |                                                          |                                                       |
| COMMON STOCK                    | 03/22/2005                           |                                                    | P                              | 3,200 A \$ 14.3                                                   | 457,981                                                                                       | D <sup>(1)</sup>                                         |                                                       |
| COMMON STOCK                    |                                      |                                                    |                                |                                                                   | 28,999                                                                                        | I <sup>(1)</sup>                                         | BY CHILD'S TRUST #1                                   |
| COMMON STOCK                    |                                      |                                                    |                                |                                                                   | 28,999                                                                                        | I <sup>(1)</sup>                                         | BY CHILD'S TRUST #2                                   |
| COMMON STOCK                    |                                      |                                                    |                                |                                                                   | 29,002                                                                                        | I <sup>(1)</sup>                                         | BY CHILD'S                                            |

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.**

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(9-02)

**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. Number of Derivative Securities Owned Beneficially (Instr. 5) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------|
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------|

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director    10% Owner    Officer    Other

GROSS WILLIAM H  
840 NEWPORT CENTER DRIVE  
SUITE 100  
NEWPORT BEACH, CA 92660

EXECUTIVE COMMITTEE MEMBER

## Signatures

/S/ STEVEN LUDWIG, ATTORNEY-IN-FACT FOR WILLIAM H. GROSS

12/22/2008

\_\_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) 3,500 shares were previously reported as acquired by the reporting person on 3/22/2005, when such shares were actually acquired by his 501(c)(3) family foundation. The securities beneficially owned, as reported under Column 5 herein, reflect the aggregate holdings of the reporting person and excludes any shares held by the 501(c)(3) family foundation as of 3/23/2005, on which date a Form 4 was filed with erroneous holdings reported. Additionally, the reporting person acquired an aggregate of 7,280.96 shares ("Reinvestment Shares") on various dates under a qualifying dividend reinvestment plan. The Reinvestment Shares were not previously reported in the reporting person's aggregate holdings but are now reflected in the aggregate holdings set forth in Column 5.

**Remarks:**

Pacific Investment Management Company LLC (PIMCO) is the investment adviser of the Issuer. Mr. Gross is a member of P

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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