

GROSS WILLIAM H
Form 4
November 19, 2010

FORM 4

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

OMB APPROVAL

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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 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)
07/09/2010

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

NEWPORT BEACH, CA 92660

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

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	(A) or (D)	Price			
COMMON STOCK	07/09/2010		G	V	75,000	A	\$ 0	75,000 ⁽¹⁾	I	BY CHILD TRUST #5
COMMON STOCK	07/09/2010		G	V	90,000	A	\$ 0	90,000 ⁽²⁾	I	BY CHILD TRUST #9
COMMON STOCK								3,726	I	BY SPOUSE
COMMON STOCK								526,093	D	

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

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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 Beneficially Owned (Instr. 3 and 4)
				Code	V	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 Flaherty, Attorney-in-Fact for William H. Gross

11/19/2010

__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) As of July 9, 2010 (the "Effective Date"), the reporting person acquired shared investment control over the securities held by Child Trust #5 and therefore may be deemed to be the beneficial owner of such securities. The amount reflected in Box 5 represents shares acquired by Child Trust #5 prior to the Effective Date. The shares were purchased on April 13, 2010 in multiple transactions at prices ranging from \$11.22 to \$11.70, inclusive. The foregoing transactions are disclosed solely for informational purposes. The reporting person expressly disclaims beneficial ownership of securities held by Child Trust #5 to the extent held prior to the Effective Date.

(2) As of the Effective Date, the reporting person acquired shared investment control over the securities held by Child Trust #9 and therefore may be deemed to be the beneficial owner of such securities. The amount reflected in Box 5 represents shares acquired by Child Trust #9 prior to the Effective Date. The shares were purchased on April 13, 2010 in multiple transactions at prices ranging from

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\$11.129 to \$11.28, inclusive. The foregoing transactions are disclosed solely for informational purposes. The reporting person expressly disclaims beneficial ownership of securities held by Child Trust #9 to the extent held prior to the Effective Date.

Remarks:

The Reporting Person is Portfolio Manager of the Issuer. The Reporting Person is the Co-Chief Investment Officer of Pacific I

With respect to any weighted average price reported herein, the reporting person undertakes to provide to the Issuer, any secur

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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