

PIMCO Income Strategy Fund II
Form SC 13D/A
November 06, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 21)*

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)

November 6, 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 .

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.

72201J203
72201J302
CUSIP
No. 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 MEMBER OF A GROUP (a)
(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)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

0*

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

0*

11. AGGREGATE AMOUNT BENEFICIALLY OWNED
BY EACH REPORTING PERSON

0*

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

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

0%**

14. TYPE OF 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 July 31, 2014, as reported in the Issuer's Form N-CSR filed on October 3, 2014.

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 (b)
OF A
GROUP

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)

- 6.

CITIZENSHIP OR
PLACE OF
ORGANIZATION

Delaware

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
REPORTING
PERSON

7. SOLE VOTING
POWER

0

8. SHARED VOTING
POWER

0*

9. SOLE
DISPOSITIVE
POWER

0

10. SHARED
DISPOSITIVE
POWER

0*

11. AGGREGATE
AMOUNT
BENEFICIALLY
OWNED BY EACH
REPORTING
PERSON

0*

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

EXCLUDES
CERTAIN
SHARES

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

0%**

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 July 31, 2014, as reported in the Issuer's Form N-CSR filed on October 3, 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 MEMBER OF A GROUP (a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

AF

CHECK BOX IF
DISCLOSURE OF
LEGAL

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

6. CITIZENSHIP OR PLACE OF
ORGANIZATION

U.S.A.

NUMBER OF SHARES
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

0*

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE
POWER

0*

AGGREGATE AMOUNT
11. BENEFICIALLY OWNED BY
EACH REPORTING PERSON

0*

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

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

0%**

14. TYPE OF 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 July 31, 2014, as
reported in the Issuer's Form
N-CSR filed on October 3, 2014.

This Amendment No. 21 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, June 6, 2014, August 21, 2014 and September 18, 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:

On October 31, 2014, the Issuer and PIMCO Income Strategy Fund I ("PFL") announced the expiration and final results of the issuer tender offers conducted by the Issuer and PFL (together, the "Tender Offers") for up to 100% of the Shares and up to 100% of the outstanding auction rate preferred shares of PFL (collectively, the "ARPS") at a price equal to 90% of the ARPS' per share liquidation preference of

\$25,000 per share (or \$22,500 per share), and any unpaid dividends accrued on the ARPS through the expiration date of the Tender Offers. The Reporting Persons validly tendered and did not withdraw prior to the expiration of the offering period, and the Issuer and PFL accepted for payment, 100% of the ARPS beneficially owned by the Reporting Persons as of the expiration of the offering period. As a result of such acceptance for payment, the Reporting Persons no longer beneficially own any ARPS.

This is the final amendment to the Schedule 13D and constitutes an exit filing for the Reporting Persons.

Item 6. Contracts, Arrangements, Understandings

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

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.

November 6, 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.

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.

November 6, 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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