

PIMCO Income Strategy Fund II
Form SC 13D/A
September 09, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 4)*

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)

September 9, 2011
(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.

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

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

Brigade Leveraged Capital Structures Fund Ltd.
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A(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)
 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

1,619*
 9. SOLE DISPOSITIVE POWER

0
 10. SHARED DISPOSITIVE POWER

1,619*

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,619*

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

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

25.1%**

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 January 31, 2011, as reported in the Issuer's Form N-CSR filed on March 30, 2011.

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

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

Brigade Capital Management, LLC
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A(a)
GROUP (b)
 3. SEC USE ONLY
 4. SOURCE OF FUNDS

AF
 5. CHECK BOX IF DISCLOSURE OF LEGAL
PROCEEDINGS 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

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

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

25.9%**

14. TYPE OF 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, LLC'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, 2011, as reported in the Issuer's Form N-CSR filed on March 30, 2011.

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

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

Donald E. Morgan, III
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)
 3. SEC USE ONLY
 4. SOURCE OF FUNDS

AF
 5. CHECK BOX IF DISCLOSURE OF LEGAL 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

1,669*
 9. SOLE DISPOSITIVE POWER

0