

NEUROLOGIX INC/DE
Form SC 13D/A
May 17, 2006
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13D/A

(Rule 13d-101)

Under the Securities Exchange Act of 1934

(Amendment No. 1)

Neurologix, Inc.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

64125U109

(CUSIP Number)

Palisade Private Partnership, L.P.

One Bridge Plaza

Suite 695

Fort Lee, NJ 07024

(800) 330-9966

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(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

May 10, 2006

(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 §240.13d-1(e), §240.13d-1(f) or §240.13d-1(g), check the following box. o

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* 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.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D/A

CUSIP No. 64125U109

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons
(entities only)

Palisade Private Partnership, L.P.

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

United States

Number Of	7	Sole Voting Power	
Shares Beneficially	8	Shared Voting Power	6,839,252
Owned By Each	9	Sole Dispositive Power	
Reporting Person With	10	Shared Dispositive Power	6,839,252

11. Aggregate Amount Beneficially Owned by Each Reporting Person

6,839,252

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

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13. Percent of Class Represented by Amount in Row (11)

20.55%

14. Type of Reporting Person.

PN

SCHEDULE 13D/A

CUSIP No. 64125U109

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons
(entities only)

Palisade Private Holdings, LLC.

2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a)
(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

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5. Check if Disclosure of Legal Proceedings Is Required Pursuant to
Items 2(d) or 2(e) o

6. Citizenship or Place of Organization

United States

Number Of	7	Sole Voting Power	
Shares Beneficially	8	Shared Voting Power	6,839,252
Owned By Each	9	Sole Dispositive Power	
Reporting Person With	10	Shared Dispositive Power	6,839,252

11. Aggregate Amount Beneficially Owned by Each Reporting Person

6,839,252

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See Instructions) o

13. Percent of Class Represented by Amount in Row (11)

20.55%

14. Type of Reporting Person.

HC

SCHEDULE 13D/A

CUSIP No. 64125U109

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons
(entities only)

Palisade Capital Management, L.L.C.

2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a)
(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to
Items 2(d) or 2(e)

6. Citizenship or Place of Organization

United States

Number Of	7	Sole Voting Power	
Shares			
Beneficially	8	Shared Voting Power	6,839,252
Owned By			
Each	9	Sole Dispositive Power	
Reporting			
Person With	10	Shared Dispositive Power	6,839,252

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11. Aggregate Amount Beneficially Owned by Each Reporting Person

6,839,252

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See Instructions)

13. Percent of Class Represented by Amount in Row (11)

20.55%

14. Type of Reporting Person.

IA

SCHEDULE 13D/A

CUSIP No. 64125U109

1. Names of Reporting Persons, I.R.S. Identification Nos. of above persons
(entities only)

Steven E. Berman

2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a)
(b)

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3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o

6. Citizenship or Place of Organization

United States

Number Of	7	Sole Voting Power	
Shares Beneficially	8	Shared Voting Power	6,839,252
Owned By Each	9	Sole Dispositive Power	
Reporting Person With	10	Shared Dispositive Power	6,839,252

11. Aggregate Amount Beneficially Owned by Each Reporting Person

6,839,252

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o

13. Percent of Class Represented by Amount in Row (11)

20.55%

14.		3,362,130
1,150	Nassau Cnty. Industrial Dev. Agcy. Rev., Amsterdam at	750,249

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	Harborside, 6.70%, 1/1/43, Ser. A	
10,450	New York City Industrial Dev. Agcy. Rev., Yankee Stadium, 7.00%, 3/1/49 (AGC)	12,581,800
4,900	New York City Municipal Water Finance Auth. Rev., 5.00%, 6/15/37, Ser. D (h)	5,283,474
4,000	New York City Municipal Water Finance Auth. Water & Sewer Rev., Second Generation Resolutions, 4.75%, 6/15/35, Ser. DD (h)	4,422,680
10,000	New York Liberty Dev. Corp. Rev., 1 World Trade Center Project, 5.00%, 12/15/41	11,374,000
11,255	4 World Trade Center Project, 5.00%, 11/15/44	12,641,053
		69,872,919

North Carolina - 1.4%

1,500	Medical Care Commission Rev., Cleveland Cnty. Healthcare, 5.00%, 7/1/35, Ser. A (AMBAC)	1,524,765
6,000	New Hanover Cnty. Rev., New Hanover Regional Medical Center, 5.00%, 10/1/28	6,624,900
		8,149,665

Ohio - 3.4%

500	Allen Cnty. Catholic Healthcare Rev., Allen Hospital, 5.00%, 6/1/38,	540,755
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	Ser. A	
	Buckeye	
	Tobacco	
	Settlement	
	Financing Auth.	
	Rev., Ser. A-2,	
2,350	5.875%, 6/1/47	2,110,582
7,290	6.00%, 6/1/42	6,751,488
5,000	6.50%, 6/1/47	4,878,900
3,500	Hamilton Cnty.	
	Rev., Christ	
	Hospital Project,	
	5.00%, 6/1/42	3,774,890

PIMCO Municipal Income Fund III Schedule of Investments

December 31, 2012 (unaudited) (continued)

Principal Amount (000s)		Value*
\$ 500	Higher Educational Fac. Commission Rev., Univ. Hospital Health Systems, 6.75%, 1/15/39, Ser. 2009-A (Pre-refunded @ \$100, 1/15/15) (c)	\$ 563,925
500	Montgomery Cnty. Rev., Miami Valley Hospital, 6.25%, 11/15/39, Ser. A (Pre-refunded @ \$100, 11/15/14) (c)	554,955
		19,175,495
Pennsylvania - 2.7%		
1,000	Allegheny Cnty. Hospital Dev. Auth. Rev., Univ. of Pittsburgh Medical Center, 5.625%, 8/15/39	1,126,970
4,000	Berks Cnty. Municipal Auth. Rev., Reading Hospital Medical Center, 5.00%, 11/1/44, Ser. A	4,426,680
	Cumberland Cnty. Municipal Auth. Rev., Messiah Village Project, Ser. A,	
750	5.625%, 7/1/28	795,135
670	6.00%, 7/1/35	714,059
1,000	Dauphin Cnty. General Auth. Rev., Pinnacle Health System Project, 6.00%, 6/1/36, Ser. A	1,131,940
1,250	Harrisburg Auth. Rev., Harrisburg Univ. of Science, 6.00%, 9/1/36, Ser. B (e)	986,188
100	Luzerne Cnty. Industrial Dev. Auth. Rev., Pennsylvania American Water Co., 5.50%, 12/1/39	111,461
	Philadelphia Water & Sewer Rev.,	
2,000	5.00%, 11/1/28	2,369,920
500	5.25%, 1/1/36, Ser. A	557,790
3,000	Turnpike Commission Rev., 5.125%, 12/1/40, Ser. D	3,254,610
		15,474,753
Puerto Rico - 1.0%		
	Sales Tax Financing Corp. Rev.,	
2,400	5.00%, 8/1/40, Ser. A (AGM) (h)	2,537,448
3,000	5.375%, 8/1/38, Ser. C	3,091,050
		5,628,498
South Carolina - 1.3%		
1,000	Greenwood Cnty. Rev., Self Regional Healthcare, 5.375%, 10/1/39	1,105,350
5,305	Jobs-Economic Dev. Auth. Rev., Bon Secours Health System, 5.625%, 11/15/30, Ser. B	5,324,894
800	State Ports Auth. Rev., 5.25%, 7/1/40	895,472
		7,325,716
Tennessee - 0.5%		
1,250	Claiborne Cnty. Industrial Dev. Board Rev., Lincoln Memorial Univ. Project, 6.625%, 10/1/39	1,419,987
1,000	Johnson City Health & Educational Facs. Board Rev., Mountain States Health Alliance, 6.00%, 7/1/38, Ser. A	1,201,430
		2,621,417
Texas - 9.0%		
1,300	Dallas Rev., Dallas Civic Center, 5.25%, 8/15/38 (AGC)	1,456,858
3,000	Harris Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor College of Medicine, 5.00%, 11/15/37	3,380,520
2,000	Municipal Gas Acquisition & Supply Corp. III Rev., 5.00%, 12/15/26	2,197,220
	North Harris Cnty. Regional Water Auth. Rev.,	

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5,500	5.25%, 12/15/33	6,106,100
5,500	5.50%, 12/15/38	6,120,180
North Texas Tollway Auth. Rev.,		
3,000	5.00%, 1/1/38	3,274,200
600	5.50%, 9/1/41, Ser. A	715,626
10,800	5.625%, 1/1/33, Ser. A	12,174,516
700	5.75%, 1/1/33, Ser. F	777,315
2,000	Sabine River Auth. Pollution Control Rev., TXU Energy, 5.20%, 5/1/28, Ser. C	195,500
3,000	Tarrant Cnty. Cultural Education Facs. Finance Corp. Rev., Baylor Health Care Systems Project, 6.25%, 11/15/29	3,613,590
Texas Municipal Gas Acquisition & Supply Corp. I Rev.,		
150	5.25%, 12/15/26, Ser. A	175,867
8,100	6.25%, 12/15/26, Ser. D	10,375,452
500	Wise Cnty. Rev., Parker Cnty. Junior College Dist., 8.00%, 8/15/34	581,075
		51,144,019

Virginia - 0.3%

1,000	Fairfax Cnty. Industrial Dev. Auth. Rev., Inova Health Systems, 5.50%, 5/15/35, Ser. A	1,145,060
1,000	James City Cnty. Economic Dev. Auth. Rev., United Methodist Homes, 5.50%, 7/1/37, Ser. A	750,560
		1,895,620

Washington - 3.7%

Health Care Facs. Auth. Rev.,		
500	Kadlec Regional Medical Center, 5.50%, 12/1/39	548,625
1,000	Seattle Cancer Care Alliance, 7.375%, 3/1/38	1,228,490
18,680	Tobacco Settlement Auth. of Washington Rev., 6.50%, 6/1/26	19,435,606
		21,212,721

West Virginia - 0.2%

1,000	Hospital Finance Auth. Rev., Highland Hospital, 9.125%, 10/1/41	1,269,860
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Wisconsin - 0.4%

Health & Educational Facs. Auth. Rev.,

PIMCO Municipal Income Fund III Schedule of Investments

December 31, 2012 (unaudited) (continued)

Principal Amount (000s)		Value*
\$ 1,000	Aurora Health Care, Inc., 5.625%, 4/15/39, Ser. A	\$ 1,114,390
1,000	Prohealth Care, Inc., 6.625%, 2/15/39	1,180,260
		2,294,650
	Total Municipal Bonds & Notes (cost-\$492,352,742)	552,512,481
VARIABLE RATE NOTES (a)(d)(f)(g) - 3.0%		
California - 0.4%		
1,675	Los Angeles Community College Dist., GO, 11.731%, 8/1/33, Ser. 3096	2,367,964
Florida - 1.1%		
5,000	Greater Orlando Aviation Auth. Rev., 8.037%, 10/1/39, Ser. 3174	6,259,600
Texas - 1.5%		
6,500	JPMorgan Chase Putters/Drivers Trust, GO, 7.98%, 2/1/17, Ser. 3480	8,670,090
	Total Variable Rate Notes (cost-\$13,079,496)	17,297,654
	Total Investments (cost-\$505,432,238) (i)-100.0%	\$ 569,810,135

Industry classification of portfolio holdings as a percentage of total investments at December 31, 2012 was as follows:

Revenue Bonds:	
Health, Hospital & Nursing Home Revenue	20.1%
Tobacco Settlement Funded	12.0
Water Revenue	10.6
Natural Gas Revenue	7.5
Miscellaneous Revenue	6.1
Sewer Revenue	5.1
Port, Airport & Marina Revenue	4.6
Recreational Revenue	4.3
College & University Revenue	3.5
Highway Revenue Tolls	3.4
Industrial Revenue	2.7
Lease (Appropriation)	2.4
Local or Guaranteed Housing	1.7
Electric Power & Lighting Revenue	1.6
Miscellaneous Taxes	1.0
Sales Tax Revenue	1.0
Transit Revenue	0.7
Ad Valorem Property Tax	0.1
Tax Increment/ Allocation Revenue	0.0

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Total Revenue Bonds	88.4%
General Obligation	9.1
Tax Allocation	1.2
Special Assessments	1.0
Certificates of Participation	0.3
Total Investments	100.0%

Notes to Schedule of Investments:

* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, on the basis of quotes obtained from a quotation reporting system, established market makers, or independent pricing services. The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the mean between the last quoted bid and ask price. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics.

The Board of Trustees (the Board) has adopted procedures for valuing portfolio securities and other financial derivative instruments in circumstances where market quotes are not readily available, and has delegated the responsibility for applying the valuation methods to Allianz Global Investors Fund Management LLC (the Investment Manager) and Pacific Investment Management Company LLC (the Sub-Adviser), an affiliate of the Investment Manager. The Fund's Valuation Committee was established by the Board to oversee the implementation of the Fund's valuation methods and to make fair value determinations on behalf of the Board, as instructed. The Sub-Adviser monitors the continued appropriateness of methods applied and determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Sub-Adviser determines that a valuation method may no longer be appropriate, another valuation method may be selected, or the Valuation Committee will be convened to consider the matter and take any appropriate action in accordance with procedures set forth by the Board. The Board shall review the appropriateness of the valuation methods and these methods may be amended or supplemented from time to time by the Valuation Committee.

Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days.

The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold, and these differences could be material. The Fund's net asset value (NAV) is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open for business.

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$19,411,719, representing 3.4% of total investments.
- (b) Illiquid.
- (c) Pre-refunded bonds are collateralized by U.S. Government or other eligible securities which are held in escrow and used to pay principal and interest and retire the bonds at the earliest refunding date (payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate).
- (d) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (e) In default.
- (f) Inverse Floater The interest rate shown bears an inverse relationship to the interest rate on another security or the value of an index. The interest rate disclosed reflects the rate in effect on December 31, 2012.

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- (g) Variable Rate Notes Instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and/or whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on December 31, 2012.
- (h) Residual Interest Bonds held in Trust Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (i) At December 31, 2012, the cost basis of portfolio securities for federal income tax purposes was \$472,452,185. Gross unrealized appreciation was \$69,703,407; gross unrealized depreciation was \$4,599,672; and net unrealized appreciation was \$65,103,735. The difference between book and tax cost was attributable to inverse floater transactions.

Glossary:

AGC - insured by Assured Guaranty Corp.

AGM - insured by Assured Guaranty Municipal Corp.

AMBAC - insured by American Municipal Bond Assurance Corp.

CP - Certificates of Participation

FHA - insured by Federal Housing Administration

GO - General Obligation Bond

IBC - Insurance Bond Certificate

NPFGC - insured by National Public Finance Guarantee Corp.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (*i.e.* the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy are described below:

Level 1 quoted prices in active markets for identical investments that the Fund has the ability to access

Level 2 valuations based on other significant observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates or other market corroborated inputs

Level 3 valuations based on significant unobservable inputs (including the Sub-Adviser's or Valuation Committee's own assumptions and single broker quotes in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Fund generally uses to evaluate how to classify each major category of assets and liabilities for Level 2 and Level 3, in accordance with Generally Accepted Accounting Principles.

Municipal Bonds & Notes and Variable Rate Notes Municipal bonds & notes and variable rate notes are valued by independent pricing services based on pricing models that take into account, among other factors, information received from market makers and broker-dealers, current trades, bid-want lists, offerings, market movements, the callability of the bond, state of issuance, benchmark yield curves, and bond or note insurance. To the extent that these inputs are observable, the values of municipal bonds & notes and variable rate notes are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

The valuation techniques used by the Funds to measure fair value during the three months ended December 31, 2012 were intended to maximize the use of observable inputs and to minimize the use of unobservable inputs.

The Funds' policy is to recognize transfers between levels at the end of the reporting period. An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in aggregate, that is significant to the fair value measurement. The objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation techniques used. Investments categorized as Level 1 or 2 as of period end may have been transferred between Levels 1 and 2 since the prior period due to changes in the valuation method utilized in valuing the investments.

A summary of the inputs used at December 31, 2012 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments for more detailed information on Investments in Securities):

	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Value at 12/31/12
Investments in Securities - Assets				
Municipal Bonds & Notes	\$	\$ 552,512,481	\$	\$ 552,512,481
Variable Rate Notes		17,297,654		17,297,654
Totals	\$	\$ 569,810,135	\$	\$ 569,810,135

At December 31, 2012, there were no transfers between Levels 1 and 2.

Item 2. Controls and Procedures

(a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a-3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits

(a) Exhibit 99.302 Cert. Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: PIMCO Municipal Income Fund III

By: /s/ Brian S. Shlissel
Brian S. Shlissel, President & Chief Executive Officer

Date: February 20, 2013

By: /s/ Lawrence G. Altadonna
Lawrence G. Altadonna, Treasurer, Principal Financial &
Accounting Officer

Date: February 20, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Brian S. Shlissel
Brian S. Shlissel, President & Chief Executive Officer

Date: February 20, 2013

By: /s/ Lawrence G. Altadonna
Lawrence G. Altadonna, Treasurer, Principal Financial &
Accounting Officer

Date: February 20, 2013