

TRANSAMERICA INCOME SHARES INC

Form N-Q

March 01, 2007

As filed with the SEC on March 1, 2007.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT COMPANY**

Investment Company Act file number 811-02273

TRANSAMERICA INCOME SHARES, INC.
(Exact name of registrant as specified in charter)

570 Carillon Parkway, St. Petersburg, Florida
(Address of principal executive offices)

33716
(Zip code)

Dennis P. Gallagher, Esq. P.O. Box 9012, Clearwater, Florida 33758-9771
(Name and address of agent for service)

Registrant's telephone number, including area code: (727) 299-1800

Date of fiscal year end: March 31

Date of reporting period: October 1, 2006 December 31, 2006

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to Rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles. A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Schedule of Investments.

Transamerica Income Shares, Inc.

SCHEDULE OF INVESTMENTS

At December 31, 2006

(all amounts except share amounts in thousands)

(unaudited)

	Principal	Value
MORTGAGE-BACKED SECURITIES (1.2%)		
Crown Castle Towers LLC, Series 2006-1A, Class C -144A		
5.47%, due 11/15/2036	\$ 1,700	\$ 1,698
Total Mortgage-Backed Securities (cost: \$1,700)		1,698
CORPORATE DEBT SECURITIES (96.0%)		
<u>Aerospace (3.0%)</u>		
Boeing Co. (The)		
8.75%, due 08/15/2021	2,000	2,628
Embraer Overseas, Ltd., Guaranteed Note-144A		
6.38%, due 01/24/2017	1,525	1,525
<u>Agriculture (1.1%)</u>		
Michael Foods, Inc.		
8.00%, due 11/15/2013	1,500	1,556
<u>Air Transportation (0.9%)</u>		
FedEx Corp.		
9.65%, due 06/15/2012	1,000	1,191
<u>Amusement & Recreation Services (1.4%)</u>		
Harrah's Operating Co., Inc		
5.50%, due 07/01/2010	1,000	980
Speedway Motorsports, Inc.		
6.75%, due 06/01/2013	1,000	1,000
<u>Automotive (0.3%)</u>		
General Motors Corp		
7.13%, due 07/15/2013	500	471
<u>Automotive Service Stations (0.7%)</u>		
Petro Stopping Centers, LP / Petro Financial Corp		
9.00%, due 02/15/2012	1,000	1,035
<u>Beverages (1.7%)</u>		
Anheuser-Busch Cos., Inc.		
5.75%, due 04/01/2036	875	839
Cia Brasileira de Bebidas		
8.75%, due 09/15/2013	660	769
FBG Finance Ltd.-144A		
5.88%, due 06/15/2035	800	725
<u>Business Credit Institutions (2.5%)</u>		
Pemex Finance, Ltd.		
9.03%, due 02/15/2011	3,315	3,531
<u>Business Services (1.7%)</u>		
Cardtronics, Inc., Senior Subordinated Note		
9.25%, due 08/15/2013	800	842
Hertz Corp.-144A		
10.50%, due 01/01/2016	1,125	1,237

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iPayment, Inc., Senior Subordinated Note 9.75%, due 05/15/2014	350	360
<u>Chemicals & Allied Products (3.2%)</u>		
ICI Wilmington, Inc. 4.38%, due 12/01/2008	3,400	3,336
Ineos Group Holdings PLC-144A 8.50%, due 02/15/2016		500 477
Mosaic Global Holdings, Inc., Senior Note-144A 7.63%, due 12/01/2016	400	414
Reichhold Industries, Inc., Senior Note-144A 9.00%, due 08/15/2014	300	294
<u>Commercial Banks (9.6%)</u>		
ACE Cash Express, Inc., Senior Note-144A 10.25%, due 10/01/2014	250	253
Barclays Bank PLC 6.28%, due 12/15/2034(a) (b)	1,500	1,476
HBOS PLC-144A 5.92%, due 10/01/2015(a) (b)	1,400	1,373
HSBC Capital Funding LP-144A 10.18%, due 06/30/2030(a) (b)	1,500	2,216
HSBK Europe BV-144A 7.75%, due 05/13/2013	500	527
Shinsei Finance Cayman, Ltd.-144A 6.42%, due 07/20/2016(a) (b)	1,000	999
Wachovia Capital Trust III 5.80%, due 03/15/2011(a) (b)	1,396	1,408
Wells Fargo & Co. 4.20%, due 01/15/2010	2,000	1,948
Wells Fargo Capital X 5.95%, due 12/15/2036	1,270	1,245
ZFS Finance USA Trust I-144A 6.45%, due 12/15/2065(b)	2,000	2,040
<u>Communication (8.5%)</u>		
Comcast Corp. 7.05%, due 03/15/2033	2,050	2,192
EchoStar DBS Corp., Senior Note 7.13%, due 02/01/2016	1,250	1,250
Intelsat Subsidiary Holding Co., Ltd. 8.25%, due 01/15/2013	800	812
Kabel Deutschland GmbH 10.63%, due 07/01/2014	1,000	1,109
News America Holdings 9.25%, due 02/01/2013	2,985	3,503
Viacom, Inc., Senior Note 6.25%, due 04/30/2016	3,100	3,079
<u>Department Stores (1.0%)</u>		
Neiman-Marcus Group, Inc. 9.00%, due 10/15/2015	1,275	1,391
<u>Electric Services (4.6%)</u>		
AES Gener SA 7.50%, due 03/25/2014	1,500	1,589
Dominion Resources, Inc. 5.69%, due 05/15/2008	1,900	1,903
PSEG Funding Trust 5.38%, due 11/16/2007	3,000	2,994
<u>Electronic Components & Accessories (0.8%)</u>		
NXP BV, Senior Note-144A 7.88%, due 10/15/2014	275	284
Sensata Technologies BV, Senior Note-144A 8.25%, due 05/01/2014	850	816
<u>Food & Kindred Products (1.2%)</u>		
	1,140	1,128

ConAgra Foods, Inc,-144A
5.82%, due 06/15/2017

ConAgra Foods, Inc. 9.75%, due 03/01/2021	235	305
Nutro Products, Inc.-144A 10.75%, due 04/15/2014	290	317
<u>Food Stores (0.9%)</u>		
Stater Brothers Holdings, Inc. 8.13%, due 06/15/2012	1,200	1,218
<u>Gas Production & Distribution (3.9%)</u>		
El Paso Corp. 7.63%, due 09/01/2008	1,000	1,030
Kinder Morgan Energy Partners, LP 7.75%, due 03/15/2032	1,500	1,708
Markwest Energy Part/Finance-144A 8.50%, due 07/15/2016	700	728
Northwest Pipeline 9.00%, due 08/01/2022	175	180
Southern Union Co., Senior Note 6.15%, due 08/16/2008	1,800	1,807
<u>Holding & Other Investment Offices (5.8%)</u>		
Ameriprise Financial, Inc. 7.52%, due 06/01/2066(b)	2,000	2,196
Healthcare Realty Trust, Inc. REIT, Senior Note 8.13%, due 05/01/2011	1,350	1,464
Hospitality Properties Trust REIT 6.30%, due 06/15/2016	1,968	2,014
Hutchison Whampoa International, Ltd.-144A 7.45%, due 11/24/2033	1,500	1,730
Rouse Co., LP/TRC Co-Issuer, Inc. REIT, Senior Note-144 A 6.75%, due 05/01/2013	800	803
<u>Hotels & Other Lodging Places (4.6%)</u>		

Percentage: Approximately 5.6%

- (b)
1. Sole power to vote or direct vote: 77,585,000
 2. Shared power to vote or direct vote: 0
 3. Sole power to dispose or direct the disposition: 77,585,000
 4. Shared power to dispose or direct the disposition: 0

(c) Lone Star Value GP has not entered into any transactions in the Shares during the past 60 days. The transactions in the Shares on behalf of Lone Star Value Investors during the past 60 days are set forth in Schedule A and are incorporated herein by reference.

C. Lone Star Value Management

(a) Lone Star Value Management, as the investment manager of Lone Star Value Investors, may be deemed the beneficial owner of the 77,585,000 Shares owned by Lone Star Value Investors.

Percentage: Approximately 5.6%

- (b)
1. Sole power to vote or direct vote: 77,585,000
 2. Shared power to vote or direct vote: 0
 3. Sole power to dispose or direct the disposition: 77,585,000

4. Shared power to dispose or direct the disposition: 0

(c)Lone Star Value Management has not entered into any transactions in the Shares during the past 60 days. The transactions in the Shares on behalf of Lone Star Value Investors during the past 60 days are set forth in Schedule A and are incorporated herein by reference.

CUSIP NO. 67107W100

D. Mr. Eberwein

(a) Mr. Eberwein, as the manager of Lone Star Value GP and sole member of Lone Star Value Management, may be deemed the beneficial owner of the 77,585,000 Shares owned by Lone Star Value Investors.

Percentage: Approximately 5.6%

- (b)
1. Sole power to vote or direct vote: 77,585,000
 2. Shared power to vote or direct vote: 0
 3. Sole power to dispose or direct the disposition: 77,585,000
 4. Shared power to dispose or direct the disposition: 0

(c) Mr. Eberwein has not entered into any transactions in the Shares during the past 60 days. The transactions in the Shares on behalf of Lone Star Value Investors during the past 60 days are set forth in Schedule A and are incorporated herein by reference.

The Reporting Persons, as members of a “group” for the purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, may be deemed the beneficial owner of the Shares directly owned by the other Reporting Persons. Each Reporting Person disclaims beneficial ownership of such Shares except to the extent of his or its pecuniary interest therein.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Shares.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

On November 24, 2014, the Reporting Persons entered into a Joint Filing Agreement in which the Reporting Persons agreed to the joint filing on behalf of each of them of statements on Schedule 13D with respect to securities of the Issuer, to the extent required by applicable law. A copy of this agreement is attached as exhibit 99.1 hereto and is incorporated herein by reference.

Other than as described herein, there are no contracts, arrangements, understandings or relationships among the Reporting Persons, or between the Reporting Persons and any other person, with respect to the securities of the Issuer.

Item 7. Material to be Filed as Exhibits.

99.1 Joint Filing Agreement by and among Lone Star Value Investors, LP, Lone Star Value Investors GP, LLC, Lone Star Value Management, LLC and Jeffrey E. Eberwein, dated November 24, 2014.

CUSIP NO. 67107W100

SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: November 24, 2014

Lone Star Value Investors, LP

By: Lone Star Value Investors GP, LLC
General Partner

By: /s/ Jeffrey E. Eberwein
Name: Jeffrey E. Eberwein
Title: Manager

Lone Star Value Investors GP, LLC

By: /s/ Jeffrey E. Eberwein
Name: Jeffrey E. Eberwein
Title: Manager

Lone Star Value Management, LLC

By: /s/ Jeffrey E. Eberwein
Name: Jeffrey E. Eberwein
Title: Sole Member

/s/ Jeffrey E. Eberwein
Jeffrey E. Eberwein

CUSIP NO. 67107W100

SCHEDULE A

Transactions in the Securities of the Issuer During the Past Sixty Days

Ordinary Shares* Purchased/(Sold)	Price (\$) Per Share*	Date of Purchase / Sale
100,000	2.6913	09/26/2014
50,000	2.6998	09/26/2014
100,000	2.6998	09/29/2014
200,000	2.7000	09/29/2014
26,807	2.7000	09/30/2014
12,700	2.6790	10/01/2014
10,493	2.6972	10/02/2014
5,400	2.6754	10/06/2014
8,700	2.6900	10/07/2014
10,900	2.4638	10/08/2014
3,300	2.2600	10/09/2014
21,700	2.1632	10/10/2014
25,000	1.9651	10/15/2014
25,000	1.9562	10/16/2014
10,000	1.9323	11/12/2014
15,000	1.9677	11/13/2014
10,000	1.9657	11/13/2014
15,000	1.9438	11/14/2014
10,000	1.9800	11/17/2014
15,000	1.9982	11/17/2014
10,000	1.9903	11/17/2014
50,400	1.9974	11/17/2014
37,000	1.9975	11/18/2014
77,600	1.9875	11/19/2014
50,000	2.0000	11/20/2014
50,000	1.9900	11/20/2014
50,000	1.9900	11/21/2014
50,000	2.0000	11/21/2014
1,700	1.9994	11/24/2014

* American Depositary Share each representing 50 ordinary shares, par value \$0.00002 per share, of the Issuer.