

ROY W. ADAMS, JR.

ATTORNEY AT LAW

May 14, 2001

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Rules 14a-8(i)(10) and (j)
Section 14(a)
Securities Exchange Act of 1934

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Division of Investment Management
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549



Re: Current Income Shares, Inc.- File No. 811-2357
Request for No-Action Relief Re Closed-End Fund Shareholder Proposal

Ladies and Gentlemen:

In accordance with Rule 14a-8 (the "Rule") under Section 14(a) of the Securities and Exchange Act of 1934, as amended, this letter is written on behalf of Current Income Shares, Inc. (the "Fund"), a closed-end investment company registered under the Investment Company Act of 1940, as amended (the "Act"), requesting the omission of the shareholder proposal described below from the Fund's proxy statement and proxy (the "Proxy Materials") for the Fund's next annual meeting, tentatively scheduled to occur at 11:00 a.m. on Wednesday, September 12, 2001 (the "Meeting").

By a letter to Ms. Rita Dam, the Fund's Secretary, dated December 26, 2000, Mr. Walter Baer, a Fund shareholder (the "Proponent"), notified the Fund of his intention to make the shareholder proposal described below (the "Proposal"), at the Meeting. The Proponent demands that the Proposal be included for consideration by the shareholders in the Proxy Materials.

Six copies of the Proponent's letter with the Proposal and supporting statement are enclosed. Simultaneously herewith, the Fund is sending a copy of this letter to the Proponent informing him of the Fund's intention to omit the Proposal from its Proxy Statement.

The Proposal. Under the Proposal, the Fund's shareholders would recommend to the Fund's Board of Directors (the "Board") that the Fund be merged into the

HighMark_{sm} Bond Fund, an open-end investment company that is registered under the Act (the "Acquiring Fund") and a member of the HighMark_{sm} Funds Family of Funds (the "HighMark Family"), so that following the merger the Fund's shareholders could purchase and redeem at their net asset value the shares the Acquiring Fund received in exchange for their Fund shares.

Background. The Fund's investment adviser, HighMark Capital Management, Inc., a subsidiary of UnionBanCal Corporation ("HCM"), also acts as the investment adviser to the HighMark Funds Family of Funds (the "HighMark Family"), including the Acquiring Fund. The Fund's President also serves as a senior executive with HCM. Two members of the Fund's Board also serve as directors for certain funds of the HighMark Family, including the Acquiring Fund.

Rule 14a-8(i)(10): "Substantially Implemented." Pursuant to sub-section (i)(10) of the Rule, the Fund hereby asserts that the proposal submitted by the Proponent may properly be omitted from its Proxy Materials for the Meeting in reliance on sub-section (i)(10) of the Rule, which permits company to exclude from its proxy materials a stockholder proposal "if the company has already substantially implemented the proposal." See SEC Releases Nos. 39093 (September 16, 1997) and 20091 (August 16, 1983); Morgan Stanley Asia Pacific fund, Inc. (May 13, 1998)(proposal that closed-end fund establish a share buyback program could be omitted because substantially implemented); Baldwin Piano and Organ Co. (March 27, 1997)(proposal that company hire an investment bank to explore any and all alternatives to enhance stockholder value, including the possible sale, merger or other business combination, could be omitted because substantially implemented).

Board's Request for HCM Merger Proposal. In several of its meetings during the last two years, the Fund's Board of Directors (the "Board") extensively considered a possible merger of the Fund into the Acquiring Fund (the "Merger"), including discussions with HCM representatives. In February 2001, Board formally took action to implement the Merger. The Board requested that HCM, as the investment adviser to the Acquiring Fund, coordinate with the HighMark Family to consider and submit to the Board a definitive proposal of terms and conditions for the Merger. Upon receiving the Board's request, HCM indicated that it would attempt to respond promptly.

Merger Declined. By a letter dated originally dated April 13, 2001 and restated May 11, 2001 to correct errata therein (the "Letter"), HCM informed the Board that after careful consideration, HCM declined to pursue the Merger at this time. In reviewing the proposed Merger, HCM reviewed a number of factors, including:

- The expenses to be incurred in effecting the Merger versus the potential future revenue generated assuming the Fund's current asset levels
- The potential "run-off" of the Fund's assets once the Merger was completed because the Acquiring Fund's shares are

redeemable, which made the final (and likely lower) future revenue potential difficult to determine

- The labor-intensive nature from HCM's operations viewpoint, especially the time and effort of HCM's management

In discussing the Letter and HCM's determination not to pursue the Merger with the Board, HCM informed the Board orally that the likelihood of HCM changing this position in the foreseeable future was low. Six copies of the Letter are enclosed.

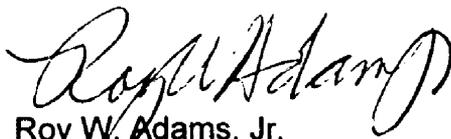
All Possible Actions to Implement the Proposal Have Been Taken. The Fund believes, and the undersigned is of the opinion, that the facts enumerated above demonstrate that both the Board and the Fund already have taken all specific steps possible, in light of HCM determination not to pursue the Merger, to implement each and every action called for by the Proposal. Given HCM's decision, neither the Board nor the Fund realistically can do anything further. Moreover, the Fund's shareholders would gain nothing if the Board and the Fund were forced to repeat and incur the related expenses associated with the actions called for by the Proposal after the Meeting.

Conclusion. On the basis of the foregoing, the Fund respectfully requests your concurrence that that the Fund may omit the Proposal from its Proxy Materials for the Meeting because the Board and the Fund already have substantially implemented the Proposal.

Please direct any questions or comments regarding this matter to me at (925) 631-0222.

Please acknowledge receipt of this filing by date stamping the enclosed copy of this letter and returning it in the enclosed self-addressed stamped envelope.

Very truly yours,



Roy W. Adams, Jr.
Outside Counsel to
Current Income Shares, Inc.

Enclosures

cc: Mr. Walter Baer (w/ enc.)

**Walter S. Baer
344 S. Canyon View Drive
Los Angeles, California 90049**



May 22, 2000

Division of Investment Management
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: Current Income Shares, Inc. – File No.811-2357
Request for No-Action Relief Re Closed-End Fund Shareholder Proposal

Ladies and Gentlemen:

I am writing in opposition to the attached letter dated May 14, 2001 from Roy W. Adams, Jr., Outside Counsel to Current Income Shares, Inc. (the “Fund”), which seeks your approval to omit from the Fund’s proxy materials a shareholder proposal I submitted to the Fund on December 26, 2000. My proposal, a copy of which is also attached, asks shareholders to vote to “recommend to the Board of Directors that the Fund be merged into the HighMark Bond Fund, an open-end fund, so that shareholders can buy and sell shares at net asset value (NAV).”

Mr. Adams’ letter states that in February 2001, the Fund’s Board of Directors (“Board”) requested that HighMark Capital Management (“HCM”), the investment advisor to both the Fund and the HighMark Bond Fund, consider a merger between the two funds. In response, “By a letter originally dated April 13, 2001 and restated May 11, 2001..., HCM informed the Board that after careful consideration, HCM declined to pursue the merger at this time.” Based on these events, Mr. Adams’ letter asks to omit my proposal “because the Board and the Fund already have substantially implemented the Proposal.”

Besides the obvious point that the advisor’s disinclination “to pursue the merger at this time” does not represent substantial implementation of my proposal, the reasoning behind the request to omit my proposal is seriously flawed on at least three counts:

1. HCM’s response does not indicate that it considered the advantages and disadvantages to shareholders of implementing my proposal, but only the financial benefits and costs to HCM. As indicated in Mr. Adams’ letter, HCM principally considered the effects of a merger on its own “future revenue” – i.e., management fees. In contrast, my proposal focuses on increasing shareholder value, which I believe should be the focus of the Fund’s Board and investment advisor as well.
2. There is substantial overlap between the Fund’s Board and management and HCM’s Board of Trustees and management, which suggests possibilities of conflict of interest and casts doubt on HCM’s “careful consideration” of my proposal. As Mr. Adams’

letter notes, the Fund's President is the Managing Director of the HCM mutual funds, including the Bond Fund; and two of the five members of the Fund's Board are also trustees of HighMark mutual funds, including the Bond Fund. Mr. Adam's letter does not point out that a third member of the Fund's Board is also the President and CEO of HCM. Thus, a majority of the Fund's Board has substantial ties to HCM. This may well be why HCM considered only the financial advantages and disadvantages of a merger to itself and not to shareholders.

3. HCM "declined to pursue the merger at this time" without seeking any input from the Fund's shareholders. If the shareholders were to indicate their desire for such a merger, the Fund's Board could well be more persuasive in convincing HCM that the time had come to allow shareholders to realize NAV for their shares. This has been the case with other funds, such as the F&C Emerging Middle East Fund, where a shareholder vote convinced the board and management to take actions to enhance shareholder value that they had previously opposed.

Shareholders should be permitted to voice their opinion on proposals intended to enhance the value of their investments, rather than be silenced by an investment advisor focusing only its own self interest. Consequently, I respectfully ask that you not concur in Mr. Adams' request on behalf of Current Income Shares, Inc. to omit my proposal from the Fund's proxy materials.

Yours very truly,



Walter S. Baer

cc: Roy W. Adams, Jr.