

LIPSON ARTHUR D  
Form 4  
December 14, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
LIPSON ARTHUR D

2. Issuer Name and Ticker or Trading Symbol  
PIONEER MUNICIPAL & EQUITY INCOME TRUST [[PBF]]

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
12/13/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)

C/O WESTERN INVESTMENT LLC, 7050 SOUTH UNION PARK CENTER, SUITE 590

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

MIDVALE, UT 84047

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Equity Swap (obligation to purchase)	\$ 13.36	12/13/2007		P/K <sup>(1)</sup>		1,100 <sup>(1)</sup>		12/13/2007	05/05/2008	Common Stock, no par value	1,100

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LIPSON ARTHUR D C/O WESTERN INVESTMENT LLC 7050 SOUTH UNION PARK CENTER, SUITE 590 MIDVALE, UT 84047			X	

## Signatures

By: /s/ Arthur D. Lipson  
Date: 12/14/2007

\*\*Signature of Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) On December 13, 2007, Western Investment Activism Partners LLC (WIAP) and a securities broker (Broker) amended the cash settled equity swap contract originally entered into on May 29, 2007 between Broker and WIAP so as to add a notional 1,100 shares of common stock of the Issuer to the equity notional amount of the shares subject to the equity swap. By the terms of the equity swap: (i) WIAP will be obligated to pay to Broker the equity notional amount of the shares subject to the equity swap (Reference Shares) as of the beginning of the valuation period (which resets monthly), plus interest, and (ii) Broker will be obligated to pay to WIAP the market value of the Reference Shares as of the end of the valuation period. Any dividends received by Broker on the Reference Shares during the term of the equity swap will be paid to WIAP. All balances will be cash settled and there will be no transfer to WIAP of voting or dispositive power over the Reference Shares.
  - (2) Following the December 13, 2007 amendment to the cash settled equity swap contract, there is an aggregate of 1,092,400 shares of common stock underlying the equity swap contract between WIAP and Broker.
  - (3) For purposes of Section 16 of the Securities Exchange Act of 1934, as amended, and the Rules promulgated thereunder, as the sole managing member of Western Investment LLC (Western) which in turn is the managing member of WIAP, Mr. Lipson may be deemed to beneficially own the shares of common stock underlying the equity swap. Each of Mr. Lipson, Western and WIAP disclaims such

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beneficial ownership except to the extent of his or its pecuniary interest therein, if any.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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