

Flaherty & Crumrine/CLAYMORE PREFERRED SECURITIES INCOME FUND INC  
Form DEF 14A  
February 25, 2010

**SCHEDULE 14A  
PROXY STATEMENT**

**PURSUANT TO SECTION 14(A) OF THE SECURITIES EXCHANGE ACT OF 1934**

Filed by Registrant

Filed by Party other than the Registrant  
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential for Use of the Commission Only as permitted by Rule 14a-6(e)(2)

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-11c or Rule 14a-12

**Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated**  
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

\_\_\_\_\_

(2) Aggregate number of securities to which transaction applies:

\_\_\_\_\_

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11. (Set forth the amount on which the filing fee is calculated and state how it was determined): \_\_\_\_\_

\_\_\_\_\_

(4) Proposed maximum aggregate value of transaction:

\_\_\_\_\_

(5) Total fee paid:

\_\_\_\_\_

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously

paid: \_\_\_\_\_

(2) Form, Schedule or Registration Statement

No.: \_\_\_\_\_

(3) Filing Party:

\_\_\_\_\_

(4) Date Filed:

\_\_\_\_\_

\_\_\_\_\_

**FLAHERTY & CRUMRINE PREFERRED INCOME FUND INCORPORATED (NYSE: PFD)**  
**FLAHERTY & CRUMRINE PREFERRED INCOME OPPORTUNITY FUND INCORPORATED (NYSE: PFO)**  
**FLAHERTY & CRUMRINE/CLAYMORE PREFERRED SECURITIES INCOME FUND INCORPORATED (NYSE: FFC)**  
**FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND INCORPORATED (NYSE: FLC)**

301 E. Colorado Boulevard, Suite 720  
Pasadena, California 91101

**NOTICE OF ANNUAL MEETINGS OF SHAREHOLDERS**

To Be Held on April 22, 2010

To the Shareholders:

Notice is hereby given that the Annual Meetings of Shareholders of Flaherty & Crumrine Preferred Income Fund Incorporated, Flaherty & Crumrine Preferred Income Opportunity Fund Incorporated, Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated and Flaherty & Crumrine/Claymore Total Return Fund Incorporated (each, a Fund and collectively, the Funds), each a Maryland corporation, will be held at the offices of Flaherty & Crumrine Incorporated, 301 E. Colorado Boulevard, Suite 720, Pasadena, California 91101 at 8:30 a.m. PT, on April 22, 2010, for the following purposes:

Each Fund:

1. To elect Directors of each Fund (Proposal 1).
2. To transact such other business as may properly come before the Annual Meetings or any adjournments thereof.

**Your vote is important!**

The Board of Directors of each Fund has fixed the close of business on January 22, 2010 as the record date for the determination of shareholders of each Fund entitled to notice of and to vote at the Annual Meetings and any adjournments or postponements thereof.

By Order of the Boards of Directors,

February 25, 2010

CHAD C. CONWELL  
Secretary

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 22, 2010.**

The notice of Annual Meetings of Shareholders, joint proxy statement and proxy cards for the Funds are available to you on each Fund's website [www.preferredincome.com](http://www.preferredincome.com) for PFD and PFO and [www.fcclaymore.com](http://www.fcclaymore.com) for FFC and FLC. You are encouraged to review all of the information contained in the proxy materials before voting.

For directions to the Annual Meetings, please call 1-626-795-7300 or 1-866-751-6315.

**SEPARATE PROXY CARDS ARE ENCLOSED FOR EACH FUND IN WHICH YOU OWN SHARES. SHAREHOLDERS WHO DO NOT EXPECT TO ATTEND THE ANNUAL MEETINGS ARE REQUESTED TO COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD(S). The proxy card(s) should be returned in the enclosed envelope, which needs no postage if mailed in the continental United States. Instructions for the proper execution of proxies are set forth on the inside cover.**

### INSTRUCTIONS FOR SIGNING PROXY CARDS

The following general rules for signing proxy cards may be of assistance to you and may minimize the time and expense to the Fund(s) involved in validating your vote if you fail to sign your proxy card(s) properly.

1. Individual Accounts: Sign your name exactly as it appears in the registration on the proxy card(s).
2. Joint Accounts: Either party may sign, but the name of the party signing should conform exactly to a name shown in the registration.
3. All Other Accounts: The capacity of the individual signing the proxy card should be indicated unless it is reflected in the form registration. For example:

#### Registration

#### Valid Signature

##### Corporate Accounts

- (1) ABC Corp.
- (2) ABC Corp.
- (3) ABC Corp. c/o John Doe, Treasurer
- (4) ABC Corp. Profit Sharing Plan

ABC Corp.  
John Doe, Treasurer  
John Doe  
John Doe, Trustee

##### Trust Accounts

- (1) ABC Trust
- (2) Jane B. Doe, Trustee  
u/t/d 12/28/78

Jane B. Doe, Trustee  
Jane B. Doe

##### Custodian or Estate Accounts

- (1) John B. Smith, Cust.,  
f/b/o John B. Smith, Jr. UGMA
- (2) John B. Smith, Executor,  
Estate of Jane Smith

John B. Smith  
John B. Smith, Jr., Executor

---

**FLAHERTY & CRUMRINE PREFERRED INCOME FUND INCORPORATED (NYSE: PFD)  
FLAHERTY & CRUMRINE PREFERRED INCOME OPPORTUNITY FUND INCORPORATED (NYSE:  
PFO)  
FLAHERTY & CRUMRINE/CLAYMORE PREFERRED SECURITIES INCOME FUND INCORPORATED  
(NYSE:FFC)  
FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND INCORPORATED (NYSE: FLC)**

301 E. Colorado Boulevard, Suite 720  
Pasadena, California 91101

**ANNUAL MEETINGS OF SHAREHOLDERS**

April 22, 2010

**JOINT PROXY STATEMENT**

This document is a joint proxy statement ( Joint Proxy Statement ) for Flaherty & Crumrine Preferred Income Fund Incorporated ( Preferred Income Fund or PFD ), Flaherty & Crumrine Preferred Income Opportunity Fund Incorporated ( Preferred Income Opportunity Fund or PFO ), Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated ( Preferred Securities Income Fund or FFC ) and Flaherty & Crumrine/Claymore Total Return Fund Incorporated ( Total Return Fund or FLC ) (each a Fund and collectively, the Funds ). This Joint Proxy Statement is furnished in connection with the solicitation of proxies by each Fund s Board of Directors (each, a Board and collectively, the Boards ) for use at the Annual Meeting of Shareholders of each Fund to be held on April 22, 2010, at 8:30 a.m. PT, at the offices of Flaherty & Crumrine Incorporated, 301 E. Colorado Boulevard, Suite 720, Pasadena, California 91101 and at any adjournments or postponements thereof (each a Meeting and collectively, the Meetings ).

A Notice of Annual Meetings of Shareholders and proxy card for each Fund of which you are a shareholder accompany this Joint Proxy Statement. Proxy solicitations will be made, beginning on or about February 25, 2010, primarily by mail, but proxy solicitations may also be made by telephone, telefax or personal interviews conducted by officers of each Fund, Flaherty & Crumrine Incorporated ( Flaherty & Crumrine ), the investment adviser of each Fund, Claymore Securities, Inc., the servicing agent of FFC and FLC, and PNC Global Investment Servicing (U.S.) Inc. ( PNC ), the transfer agent and administrator of each Fund and a member of The PNC Financial Services Group, Inc. Costs of proxy solicitation and expenses incurred in connection with the preparation of this Joint Proxy Statement and its enclosures will be shared proportionally by the Funds. Each Fund also will reimburse brokerage firms and others for their expenses in forwarding solicitation material to the beneficial owners of its shares. This Joint Proxy Statement and form of proxy are first being sent to shareholders on or about February 25, 2010.

**THE ANNUAL REPORT OF EACH FUND, INCLUDING AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2009, IS AVAILABLE UPON REQUEST, WITHOUT CHARGE, BY WRITING TO PNC GLOBAL INVESTMENT SERVICING (U.S.) INC., P.O. BOX 43027, PROVIDENCE, RHODE ISLAND 02940-3027, OR CALLING 1-800-331-1710. EACH FUND S ANNUAL REPORT IS ALSO AVAILABLE ON THE FUNDS WEBSITES WWW.PREFERREDINCOME.COM FOR PFD AND PFO AND WWW.FCCLAYMORE.COM FOR FFC AND FLC THE SECURITIES AND EXCHANGE COMMISSION S ( SEC ) WEBSITE (WWW.SEC.GOV) OR, FOR FFC AND FLC ONLY, BY CALLING CLAYMORE SECURITIES, INC. AT 1-866-233-4001.**

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 22, 2010.**

The notice of Annual Meetings of Shareholders, joint proxy statement and proxy cards for the Funds are available to you on each Fund s website [www.preferredincome.com](http://www.preferredincome.com) for PFD and PFO and [www.fcclaymore.com](http://www.fcclaymore.com) for FFC and FLC. You are encouraged to review all of the information contained in the proxy materials before voting.

For directions to the Annual Meetings, please call 1-626-795-7300 or 1-866-751-6315.

**SEPARATE PROXY CARDS ARE ENCLOSED FOR EACH FUND IN WHICH YOU OWN SHARES. SHAREHOLDERS WHO DO NOT EXPECT TO ATTEND THE ANNUAL MEETINGS ARE REQUESTED TO COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD(S). The proxy card(s) should be returned in the enclosed envelope, which needs no postage if mailed in the continental United States.**

**Instructions for the proper execution of proxies are set forth on the inside cover.**

If the enclosed proxy card is properly executed and returned in time to be voted at the relevant Meeting, the Shares (as defined below) represented thereby will be voted in accordance with the instructions marked thereon. Unless instructions to the contrary are marked thereon, a proxy will be voted FOR the election of the nominees for Director. Any shareholder who has given a proxy has the right to revoke it at any time prior to its exercise either by attending the relevant Meeting and voting his or her Shares in person or by submitting a letter of revocation or a later-dated proxy to the appropriate Fund delivered at the above address prior to the date of the Meeting.

Under the Bylaws of each Fund, the presence in person or by proxy of the holders of a majority of the outstanding Shares of the Fund entitled to vote shall be necessary and sufficient to constitute a quorum for the transaction of business (a Quorum) at that Fund's Meeting. In the event that a Quorum is not present at a Meeting, or in the event that a Quorum is present but sufficient votes to approve any of the proposals are not received, the persons named as proxies may propose one or more adjournments of the Meeting to permit further solicitation of proxies. Any such adjournment will require the affirmative vote of a majority of those Shares represented at the Meeting in person or by proxy. If a Quorum is present, the persons named as proxies will vote those proxies which they are entitled to vote FOR a proposal in favor of such an adjournment with respect to that proposal and will vote those proxies required to be voted AGAINST a proposal against any such adjournment with respect to that proposal. A shareholder vote may be taken on a proposal in the Joint Proxy Statement prior to any such adjournment if sufficient votes have been received for approval of that proposal.

Each Fund has one class of capital stock outstanding: common stock, par value \$0.01 per share (the Common Stock or the Shares). Each Share is entitled to one vote at the Meeting with respect to matters to be voted on, with pro rata voting rights for any fractional Shares. On the record date, January 22, 2010, the following number of Shares of each Fund were issued and outstanding:

Name of Fund	Common Stock Outstanding
Preferred Income Fund (PFD)	10,678,130
Preferred Income Opportunity Fund (PFO)	11,906,765
Preferred Securities Income Fund (FFC)	42,687,988
Total Return Fund (FLC)	9,776,333

To the knowledge of each Fund and its Board, the following shareholder(s), or group as that term is defined in Section 13(d) of the Securities Exchange Act of 1934, as amended (the 1934 Act), is the beneficial owner or owner of record of more than 5% of the relevant Fund's outstanding Shares as of January 22, 2010

Name and Address of Beneficial/Record Owner	Title of Class	Amount and Nature of Ownership	Percent of Class
Cede & Co.** Depository Trust Company 55 Water Street, 25 <sup>th</sup> Floor New York, NY 10041	Common Stock	PFD 10,234,167 (record)	95.90%
		PFO 11,429,149 (record)	95.99%
		FFC 42,611,865 (record)	99.86%
		FLC 9,765,409 (record)	99.89%
Fifth Third Bancorp <sup>1</sup> Fifth Third Center Cincinnati, OH 45263	Common Stock	PFO 1,330,930(beneficial)	12.00%
First Trust Portfolios L.P. <sup>2</sup> First Trust Advisors L.P.	Common Stock	FFC 2,448,032(beneficial)	5.70%

The Charger Corporation  
120 East Liberty Drive, Suite 400  
Wheaton, IL 60187



Name and Address of Beneficial/Record Owner	Title of Class	Amount and Nature of Ownership	Percent of Class
Spectrum Asset Management, Inc. <sup>3,4</sup> 2 High Ridge Park Stamford, CT 06905	Common Stock	FFC 2,971,500(beneficial)	6.97%
Principal Financial Group, Inc. <sup>3,4</sup> 711 High Street Des Moines, IA 50392-0088	Common Stock	FLC 566,750(beneficial)	5.79%
Sit Investments Associates, Inc. <sup>5</sup> 3300 IDS Center 80 South Eighth Street Minneapolis, MN 55402	Common Stock	FLC 583,701(beneficial)	5.97%
Claymore Securities Defined Portfolios, Series 305, 352, 390, 434, 453, 459, 468, 494, 590, 596, 601, 614, 621 and 635 <sup>6</sup> 2455 Corporate West Drive Lisle, IL 60532	Common Stock	FLC 557,832(beneficial)	5.70%
Morgan Stanley 1585 Broadway New York, NY 10036	Common Stock	FLC 611,434(beneficial)	6.30%

\* As of January 22, 2010, the Directors and officers, as a group, owned less than 1% of the Shares of each Fund.

\*\* A nominee partnership of The Depository Trust Company.

<sup>1</sup> Information obtained from a Form 13F filed by Fifth Third Bancorp with the SEC reporting share ownership as of

September 30,  
2009.

2 Information obtained from a Schedule 13G filed by First Trust Portfolios L.P. ( FT Portfolios ), First Trust Advisors L.P. ( FT Advisors ) and The Charger Corporation ( Charger ) with the SEC reporting share ownership as of December 31, 2009. Based on that filing, FT Portfolios, FT Advisors and Charger have the shared power to vote or direct the vote or dispose or direct the disposition of 2,448,032 Shares of Common Stock.

3 Information obtained from a Schedule 13G filed by Spectrum Asset Management, Inc. ( Spectrum ) with the SEC reporting share ownership as of December 31, 2009. Based on that filing, Spectrum and Principal Financial Group Inc. ( Principal ) have the shared power to vote or

direct the vote or dispose or direct the disposition of 2,971,500 Shares of Common Stock.

4 Information obtained from a Schedule 13G filed by Spectrum with the SEC reporting share ownership as of December 31, 2008. Based on that filing, Spectrum and Principal have the shared power to vote or direct the vote or dispose or direct the disposition of 566,750 Shares of Common Stock.

5 Information obtained from a Schedule 13G/A filed by Sit Investment Associates, Inc. ( SIA ) with the SEC reporting share ownership as of December 31, 2009. Based on that filing, SIA and its affiliated entities have the sole power to vote or direct the vote or dispose or direct the disposition of 583,701 Shares of Common Stock.

6

Information  
obtained from a  
Schedule 13G/A  
filed by  
Claymore  
Securities, Inc.  
with the SEC  
reporting share  
ownership as of  
December 31,  
2009. Based on  
that filing,  
Claymore  
Securities  
Defined  
Portfolios has  
the sole power to  
vote or direct the  
vote or dispose  
or direct the  
disposition of  
557,832 Shares  
of Common  
Stock.

7 Information  
obtained from a  
Schedule 13G  
filed by Morgan  
Stanley and Van  
Kampen Funds,  
Inc. ( Van  
Kampen ) with  
the SEC  
reporting share  
ownership as of  
December 31,  
2009. Based on  
that filing,  
Morgan Stanley  
and Van  
Kampen have  
the sole power to  
vote or direct the  
vote or dispose  
or direct the  
disposition of  
611,434 Shares  
of Common  
Stock.

This Joint Proxy Statement is being used in order to reduce the preparation, printing, handling and postage expenses that would result from the use of a separate proxy statement for each Fund. Shareholders of each Fund will

vote as a single class. Shareholders of each Fund will vote separately for each of PFD, PFO, FFC and FLC on the proposal on which shareholders of that Fund are entitled to vote. Separate proxy cards are enclosed for each Fund in which a shareholder is a record owner of Shares. Thus, if a proposal is approved by shareholders of one or more Funds and not approved by shareholders of one or more other Funds, the proposal will be implemented for the Fund or Funds that approved the proposal and will not be implemented for any Fund that did not approve the proposal. It is therefore essential that shareholders complete, date and sign each enclosed proxy card. *Shareholders of each Fund are entitled to vote on the proposal pertaining to that Fund.*

**PROPOSAL 1: ELECTION OF DIRECTORS**

At the Meetings, shareholders are being asked to consider the election of Directors of each Fund. The Board of each Fund is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three-year term and until their successors are duly elected and qualified.

**Nominees for the Boards of Directors**

Each nominee named below has consented to serve as a Director if elected at the relevant Meeting. If a designated nominee declines or otherwise becomes unavailable for election, however, the proxy confers discretionary power on the persons named therein to vote in favor of a substitute nominee or nominees.

Mr. Gust, a Class III Director of PFD, has been nominated for a three-year term to expire at PFD's 2013 Annual Meeting of Shareholders and until his successor is duly elected and qualified. Mr. Crumrine and Mr. Wulf, each a Class II Director of PFO, have each been nominated for a three-year term to expire at PFO's 2013 Annual Meeting of Shareholders and until their successors are duly elected and qualified. Mr. Crumrine and Mr. Wulf, each a Class III Director of FFC and FLC, have each been nominated for a three-year term to expire at each Fund's 2013 Annual Meeting of Shareholders and until their successors are duly elected and qualified. Shareholders of each Fund's Common Stock are entitled to elect the nominees for election to the Board of Directors of the relevant Fund.

**Information About Directors and Officers**

Set forth in the table below are the existing Directors and nominees for election to the Boards of Directors of the Funds, including information relating to their respective positions held with each Fund, a brief statement of their principal occupations during the past five years and other directorships, if any.

Name, Address, and Age	Current Position(s)  Held with Funds	Term of Office and Length of  Time Served*	Principal Occupation(s) During Past  Five Years	Number of Funds In Fund Complex Overseen by Director**	Other Directorships Held by Director
<b>NON-INTERESTED DIRECTORS:</b>					
<b>David Gale</b> Delta Dividend Group, Inc.  220 Montgomery Street Suite 1920  San Francisco, CA 94104  Age: 60	Director	<b>Class I Director</b> PFD since 1997  PFO since 1997 FFC since inception FLC since inception	President of Delta Dividend Group, Inc. (investments)	4	None
<b>Morgan Gust</b>  301 E. Colorado Boulevard  Suite 720	Director  and  Nominating	<b>Class III Director</b> PFD since inception PFO since inception	Owner and operator of various entities engaged in agriculture and real	4	CoBiz  Financial, Inc.  (financial

Pasadena, CA 91101	Committee	<b>Class II Director</b>	estate; Former	services)
Age: 62	Chairman	FFC since inception FLC since inception	President of Giant Industries, Inc. (petroleum refining and marketing) from March 2002 through June 2007	





Suite 720  
Pasadena, CA  
91101  
Age: 51

FFC since inception  
FLC since inception

**R. Eric Chadwick** Chief Financial Officer, Vice President and Treasurer  
301 E. Colorado Boulevard  
Suite 720  
Pasadena, CA  
91101  
Age: 34

PFD since 2004  
PFO since 2004  
FFC since 2004  
FLC since 2004

Director of Flaherty & Crumrine since June 2006; Vice President of Flaherty & Crumrine

**Chad C. Conwell** Chief Compliance Officer, Vice President and Secretary  
301 E. Colorado Boulevard  
Suite 720  
Pasadena, CA  
91101  
Age: 37

PFD since 2005  
PFO since 2005  
FFC since 2005  
FLC since 2005

Chief Compliance Officer of Flaherty & Crumrine since September 2005; Vice President since July 2005;

Attorney with Paul, Hastings, Janofsky & Walker LLP from September 1998 to June 2005

**Bradford S. Stone** Vice President and Assistant Treasurer  
47 Maple Street  
Suite 403  
Summit NJ 07901  
Age: 50

PFD since 2003  
PFO since 2003  
FFC since 2003  
FLC since inception

Director of Flaherty & Crumrine since June 2006; Vice President of Flaherty & Crumrine

Name, Address, and Age	Current	Term of Office	Principal Occupation(s)	Number of Funds In Other Directorships Held Overseen by Director
	Position(s) Held with Funds	and Length of Time Served*	During Past Five Years	
<b>Laurie C. Lodolo</b> 301 E. Colorado Boulevard Suite 720 Pasadena, CA 91101 Age: 46	Assistant Compliance Officer, Assistant Treasurer and Assistant Secretary	PFD since 2004 PFO since 2004 FFC since 2004 FLC since 2004	Assistant Compliance Officer and Secretary of Flaherty & Crumrine	

\* The Class II Directors of PFO and the Class III Directors of PFD, FFC and FLC have each been nominated for a three-year term to expire at each Fund's 2013 Annual Meeting of Shareholders and until their successors are duly elected and qualified. The Class I Director of PFO, the Class II Directors of PFD, FFC and FLC will serve until each Fund's Annual Meeting of Shareholders in 2012 and until their successors are duly elected and qualified. The Class I Directors of PFD, and the Class I Director of FFC and FLC and the Class III Directors of PFO will serve

until each Fund's Annual Meeting of Shareholders in 2011 and until their successors are duly elected and qualified.

\*\* The funds in the fund complex are: Flaherty & Crumrine Preferred Income Fund Incorporated, Flaherty & Crumrine Preferred Income Opportunity Fund Incorporated, Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated and Flaherty & Crumrine/Claymore Total Return Fund Incorporated (collectively the Flaherty & Crumrine Fund Family).

(1) Interested person of the Funds as defined in the Investment Company Act of 1940 (the 1940 Act). Mr. Crumrine is considered an interested person because of his affiliation with Flaherty & Crumrine, which acts as each Fund's investment adviser.

**Beneficial Ownership of Shares in Funds and Fund Complex for each Director and Nominee for Election as Director**

Set forth in the table below is the dollar range of equity securities in each Fund and the aggregate dollar range of equity securities in the Flaherty & Crumrine Fund Family beneficially owned by each Director.

Name of Director or Nominee	Dollar Range of Equity Securities Held in Fund*(1)				Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Director in Family of Investment Companies*(2)
	PFD	PFO	FFC	FLC	Total
<b>NON-INTERESTED DIRECTORS:</b>					
David Gale	C	C	D	C	E
Morgan Gust	C	C	C	C	E
Karen H. Hogan	B	B	B	B	C
Robert F. Wulf	C	B	C	C	D
<b>INTERESTED DIRECTOR:</b>					
Donald F. Crumrine	D <sup>(3)</sup>	D <sup>(3)</sup>	E <sup>(3)</sup>	D <sup>(3)</sup>	E <sup>(3)</sup>

\* Key to Dollar Ranges

- A. None
- B. \$1 - \$10,000
- C. \$10,001 - \$50,000
- D. \$50,001 - \$100,000
- E. over \$100,000

All shares were valued as of January 22, 2010.

(1) This information has been furnished by each Director as of January 22, 2010. Beneficial Ownership is determined in accordance with Rule 16a-1(a)(2) under the 1934 Act.

(2) The Directors, Nominees and executive officers of each Fund, as a group, less than 1% of each Fund.

(3) Includes shares of the Fund held by Flaherty & Crumrine, of which the reporting person is a shareholder and director.

Prior to January 26, 2010, each Director of each Fund who is not a director, officer or employee of Flaherty & Crumrine or any of its affiliates received from each Fund a fee of \$9,000 per annum plus \$500 for each in-person meeting attended, and \$150 for each telephone meeting attended. In addition, prior to February 1, 2010, the Audit Committee Chairman received from each Fund an annual fee of \$2,500. As of January 26, 2010, each Director of each Fund who is not a director, officer or employee of Flaherty & Crumrine or any of its affiliates receives from each Fund a fee of \$9,000 per annum plus \$750 for each in-person meeting attended, and \$250 for each telephone meeting attended. In addition, as of February 1, 2010, the Audit Committee Chairman receives from each Fund an annual fee of \$3,000. Each Director of each Fund is reimbursed for travel and out-of-pocket expenses associated with attending Board and committee meetings. During the fiscal year ended November 30, 2009, the Board of Directors held twelve meetings for PFD (eight of which were held by telephone conference call), twelve meetings for PFO (eight of which were held by telephone conference call), ten meetings for FFC (six of which were held by telephone conference call) and eleven meetings for FLC (seven of which were held by telephone conference call). Each Director of each Fund then serving in such capacity attended at least 75% of the meetings of Directors and of any Committee of which he or she is a member. The aggregate remuner