

UNITED STATES OF AMERICA  
BEFORE THE  
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT COMPANY ACT OF 1940

Release No. 28754 / June 1, 2009

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In the Matter of

FLAHERTY & CRUMRINE PREFERRED INCOME FUND  
INCORPORATED

FLAHERTY & CRUMRINE PREFERRED INCOME OPPORTUNITY  
FUND INCORPORATED

FLAHERTY & CRUMRINE/CLAYMORE PREFERRED SECURITIES  
INCOME FUND INCORPORATED

FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND  
INCORPORATED

301 E. Colorado Boulevard

Suite 720

Pasadena, CA 91101

(812-13598)

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ORDER UNDER SECTION 6(c) OF THE INVESTMENT COMPANY ACT OF 1940  
GRANTING AN EXEMPTION FROM SECTIONS 18(a)(1)(A) AND (B) OF THE ACT

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 filed an application on November 4, 2008, and amendments to the application on March 23, 2009 and April 23, 2009, requesting an order under section 6(c) of the Investment Company Act of 1940 (“Act”) for an exemption from sections 18(a)(1)(A) and (B) of the Act. The order would permit each applicant to issue or incur debt that would be used to redeem the applicant’s auction preferred shares issued prior to February 1, 2008 that are outstanding at the time of such issuance or incurrence of debt (“post-order debt”), and to refinance such post-order debt, subject to the 200% asset coverage requirement ordinarily applicable to a senior security that is stock. The exemption period would be from the date of the order until October 31, 2010. The order also would permit each applicant to declare dividends or any other distributions on, or purchase, capital stock during the exemption period, provided that

any such post-order debt has asset coverage of at least 200% after deducting the amount of such transaction.

On May 8, 2009, a notice of the filing of the application was issued (Investment Company Act Release No. 28722). The notice gave interested persons an opportunity to request a hearing and stated that an order disposing of the application would be issued unless a hearing was ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered and it is found, on the basis of the information set forth in the application, as amended, that granting the requested exemption is appropriate in and consistent with the public interest, and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Accordingly, in the matter of Flaherty & Crumrine Preferred Income Fund Incorporated, *et al.*, (File No. 812-13598),

IT IS ORDERED, under section 6(c) of the Act, that the requested exemption from sections 18(a)(1)(A) and (B) of the Act is granted, effective immediately, subject to the conditions contained in the application, as amended.

For the Commission, by the Division of Investment Management, under delegated authority.

Florence E. Harmon  
Deputy Secretary