



FLC ANNOUNCES REDEMPTION OF ALL OUTSTANDING PREFERRED SHARES
PASADENA, CALIFORNIA – June 8, 2009

The Board of Directors of Flaherty & Crumrine/Claymore Total Return Fund Incorporated (NYSE: FLC) has announced that the Fund will optionally redeem all of its outstanding auction preferred stock (“APS”) at a redemption price equal to the liquidation preference of \$25,000 per share, plus the amount of accumulated but unpaid dividends, for consideration of approximately \$29 million. The Fund currently intends to draw on its existing debt facility to finance this redemption. After this redemption, borrowings from its debt facility will be the Fund’s sole source of leverage.

On June 1, 2009, the Securities and Exchange Commission granted the Fund, and related Flaherty & Crumrine Funds, temporary relief from the debt coverage requirements to which the Fund is subject under the Investment Company Act of 1940 (the “1940 Act”). The 1940 Act requires asset coverage of at least 300% for debt-based leverage and at least 200% for equity-based leverage. The SEC’s order temporarily lowers the debt asset coverage requirement for the Fund to at least 200% specifically in order to permit debt financings sufficient to redeem currently outstanding APS. This relief expires on October 31, 2010, by which time all the Fund’s borrowings must have asset coverage of at least 300%.

Subject to satisfying the notice and other requirements that apply to APS redemptions, shares of the Fund’s T7 series of APS are expected to be redeemed on June 24, 2009 and shares of the Fund’s W28 series are expected to be redeemed on July 9, 2009.

The Fund intends to redeem the following amounts of APS:

<u>Series</u>	<u>CUSIP</u>	<u>No. of Shares</u> <u>Outstanding</u>	<u>No. of Shares</u> <u>Redeemed</u>	<u>Aggregate Amount</u> <u>Redeemed</u>
T7	338479207	580	580	\$14,500,000
W28	338479306	580	580	\$14,500,000

FLC was organized in 2003 as a closed-end, diversified investment company. FLC invests primarily in preferred and other income-producing securities with a primary investment objective of high current income and a secondary objective of capital appreciation. FLC is managed by Flaherty & Crumrine Incorporated, an independent investment adviser which was founded in 1983 to specialize in the management of portfolios of preferred and related securities. Flaherty & Crumrine also manages three other U.S. closed-end funds: Flaherty & Crumrine/Claymore Preferred Securities Income Fund (NYSE: FFC), Flaherty & Crumrine Preferred Income Fund (NYSE: PFD); and Flaherty & Crumrine Preferred Income Opportunity Fund (NYSE: PFO).

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