

Zosano Pharma Corp  
Form SC 13G/A  
March 29, 2017

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

**SCHEDULE 13G/A**

**(Amendment No. 1)**

**Under the Securities Exchange Act of 1934**

ZOSANO PHARMA CORPORATION

(Name of Issuer)

Common Shares

(Title of Class of Securities)

98979H103

(CUSIP Number)

March 28, 2017

(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- ☐ Rule 13d-1(b)
- ☒ Rule 13d-1(c)
- ☐ Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).



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	NAMES OF REPORTING PERSONS
	I.R.S. IDENTIFICATION
1.	NOS. OF ABOVE PERSONS (ENTITIES ONLY)
	Rosalind Advisors, Inc.
	CHECK THE
	APPROPRIATE BOX IF
	A MEMBER OF A
2.	GROUP
	(see instructions)
	(a) <input type="radio"/>
	(b) <input type="radio"/>
3.	SEC USE ONLY
	CITIZENSHIP OR PLACE
4.	OF ORGANIZATION
	ONTARIO, CANADA
	SOLE
	VOTING
5.	POWER
	0
	SHARED
NUMBER OF	VOTING
SHARES	POWER
6.	
BENEFICIALLY	2,083,100
OWNED BY	SOLE
EACH	DISPOSITIVE
REPORTING	POWER
PERSON WITH	7.
	0
	SHARED
	DISPOSITIVE
8.	POWER
	2,083,100
9.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING

PERSON

2,083,100

10. CHECK IF THE  
AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES  
CERTAIN SHARES  
(see instructions) ..

11. PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (9)

5.5%<sup>1</sup>

12. TYPE OF REPORTING  
PERSON (see instructions)

CO

<sup>1</sup> This percentage is calculated based upon 36,365,997 shares of the Issuer's common stock outstanding as of March 22, 2017.

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	NAMES OF REPORTING PERSONS
	I.R.S. IDENTIFICATION
1.	NOS. OF ABOVE PERSONS (ENTITIES ONLY)
	Steven Salamon
	CHECK THE
	APPROPRIATE BOX IF
	A MEMBER OF A
2.	GROUP
	(see instructions)
	(a) <input type="radio"/>
	(b) <input type="radio"/>
3.	SEC USE ONLY
	CITIZENSHIP OR PLACE
4.	OF ORGANIZATION
	ONTARIO, CANADA
	SOLE
	VOTING
5.	POWER
	0
	SHARED
NUMBER OF	VOTING
SHARES	POWER
6.	
BENEFICIALLY	2,083,100
OWNED BY	SOLE
EACH	DISPOSITIVE
REPORTING	POWER
PERSON WITH	7.
	0
	SHARED
	DISPOSITIVE
8.	POWER
	2,083,100
9.	AGGREGATE AMOUNT
	BENEFICIALLY OWNED
	BY EACH REPORTING

PERSON

2,083,100

10. CHECK IF THE  
AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES  
CERTAIN SHARES  
(see instructions) ..

11. PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (9)

5.5%<sup>2</sup>

12. TYPE OF REPORTING  
PERSON (see instructions)

IN

<sup>2</sup> This percentage is calculated based upon 36,365,997 shares of the Issuer's common stock outstanding as of March 22, 2017.

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	NAMES OF REPORTING PERSONS
	I.R.S. IDENTIFICATION
1.	NOS. OF ABOVE PERSONS (ENTITIES ONLY)
	Rosalind Master Fund L.P.
	CHECK THE
	APPROPRIATE BOX IF
	A MEMBER OF A
2.	GROUP
	(see instructions)
	(a) <input type="radio"/>
	(b) <input type="radio"/>
3.	SEC USE ONLY
	CITIZENSHIP OR PLACE
4.	OF ORGANIZATION
	CAYMAN ISLANDS
	SOLE
	VOTING
5.	POWER
	0
	SHARED
NUMBER OF	VOTING
SHARES	POWER
6.	
BENEFICIALLY	
OWNED BY	584,761
EACH	SOLE
REPORTING	DISPOSITIVE
PERSON WITH	POWER
7.	
	0
	SHARED
	DISPOSITIVE
8.	POWER
	584,761
9.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING

PERSON

584,761

10. CHECK IF THE  
AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES  
CERTAIN SHARES  
(see instructions) ..

11. PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (9)

1.6%<sup>3</sup>

12. TYPE OF REPORTING  
PERSON (see instructions)

PN

<sup>3</sup> This percentage is calculated based upon 36,365,997 shares of the Issuer's common stock outstanding as of March 22, 2017.



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		NAMES OF REPORTING PERSONS
		I.R.S. IDENTIFICATION
		NOS. OF ABOVE
1.		PERSONS (ENTITIES ONLY)
		Rosalind Capital Partners L.P.
		CHECK THE
		APPROPRIATE BOX IF
2.		A MEMBER OF A
		GROUP
		(see instructions)
		(a) <input type="radio"/>
		(b) <input type="radio"/>
3.		SEC USE ONLY
		CITIZENSHIP OR PLACE
4.		OF ORGANIZATION
		ONTARIO, CANADA
	5.	SOLE VOTING POWER
		0
NUMBER OF SHARES	6.	SHARED VOTING POWER
BENEFICIALLY OWNED BY		1,498,339
EACH		SOLE
REPORTING	7.	DISPOSITIVE POWER
PERSON WITH		0
	8.	SHARED DISPOSITIVE POWER
		1,498,339
9.		AGGREGATE AMOUNT BENEFICIALLY OWNED

BY EACH REPORTING  
PERSON

1,498,339

10. CHECK IF THE  
AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES  
CERTAIN SHARES  
(see instructions) ..  
PERCENT OF CLASS  
REPRESENTED BY  
11. AMOUNT IN ROW (9)

4.0%<sup>4</sup>

12. TYPE OF REPORTING  
PERSON (see instructions)

PN

<sup>4</sup> This percentage is calculated based upon 36,365,997 shares of the Issuer's common stock outstanding as of March 22, 2017.

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**Item 1.**

(a) Name of Issuer: ZOSANO PHARMA CORPORATION

Address of Issuer's Principal Executive Offices

(b) 34790 Ardentech Court

Fremont, CA 94555, United States

**Item 2.**

Name of Person Filing

Rosalind Advisors, Inc. ("Advisor" to RCP & RMF)

(a) Rosalind Master Fund L.P. ("RMF")

Rosalind Capital Partners L.P. ("RCP")

Steven Salamon ("President")

Steven Salamon is the portfolio manager of the Advisor which advises RCP & RMF.

(b) Address of the Principal Office or, if none, residence

Rosalind Advisors, Inc.

175 Bloor Street East

Suite 1316, North Tower

Toronto, Ontario

M4W 3R8 Canada

Rosalind Master Fund L.P.

P.O. Box 309

Ugland House, Grand Cayman

KY1-1104, Cayman Islands

Rosalind Capital Partners L.P.

175 Bloor Street East

Suite 1316, North Tower

Toronto, Ontario

M4W 3R8 Canada

Steven Salamon

175 Bloor Street East

Suite 1316, North Tower

Toronto, Ontario

M4W 3R8 Canada

Citizenship

Rosalind Advisors, Inc.: Ontario, Canada

Rosalind Master Fund L.P.: Cayman Islands

(c)

Rosalind Capital Partners L.P.: Ontario, Canada

Steven Salamon: Ontario, Canada

(d) Title of Class of Securities  
Common Stock

(e) CUSIP Number  
98979H103

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**Item 3.** If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) ☐ Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b) ☐ Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) ☐ Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) ☐ Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) ☐ An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f) ☐ An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g) ☐ A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);
- (h) ☐ A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) ☐ A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) ☐ Group, in accordance with §240.13d-1(b)(1)(ii)(J).

**Item 4. Ownership.**

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount  
beneficially  
owned:

Rosalind Master  
Fund L.P. is the  
record owner of  
220,761 shares,  
and warrants to  
acquire 364,000  
shares of  
common stock.

Rosalind Capital  
Partners L.P. is

the record owner  
of 562,339  
shares, and  
warrants to  
acquire 936,000  
shares of  
common stock

Rosalind  
Advisors, Inc. is  
the investment  
advisor to RCP  
and RMF and  
may be deemed  
to be the  
beneficial owner  
of shares held by  
RCP and RMF.

Steven Salamon  
is the portfolio  
manager of the  
Advisor and may  
be deemed to be  
the beneficial  
owner of shares  
held by RCP and  
RMF.

Notwithstanding  
the foregoing,  
the Advisor and  
Mr. Salamon  
disclaim  
beneficial  
ownership of the  
shares.

(b) Percent of  
class:

Rosalind  
Advisors, Inc. –  
5.5%

Rosalind Master  
Fund L.P. – 1.6%

Rosalind Capital  
Partners L.P. –  
4.0%

Steven Salamon –  
5.5%

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- (c) Number of shares as to which the person has:
- Shared power to vote or to direct the vote
- Rosalind Advisors, Inc. – 2,083,100
- (i) Rosalind Master Fund L.P. – 584,761
- Rosalind Capital Partners L.P. – 1,498,339
- Steven Salamon – 2,083,100
- (ii) Sole power to dispose or to direct the disposition of – 0
- (iii) Shared power to dispose or to direct the disposition of



Rosalind  
Advisors,  
Inc. –  
2,083,100

Rosalind  
Master  
Fund L.P. –  
584,761

Rosalind  
Capital  
Partners  
L.P. –  
1,498,339

Steven  
Salamon –  
2,083,100

*Instruction.* For computations regarding securities which represent a right to acquire an underlying security *see* §240.13d-3(d)(1).

**Item 5. Ownership of Five Percent or Less of a Class.**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following ☐.

*Instruction.* Dissolution of a group requires a response to this item.

**Item 6. Ownership of More than Five Percent on Behalf of Another Person.**

**Item 7– 9**Not Applicable

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Item Cation paid to the Directors of each Fund for the fiscal year ended November 30, 2009 is set forth below:  
10.

	Annual Director Fees	Board Meeting and Committee Meeting Fees	Travel and Out-of-Pocket Expenses*
PFD	\$ 36,000	\$ 26,700	\$ 2,128
PFO	\$ 36,000	\$ 27,150	\$ 2,128
FFC	\$ 36,000	\$ 26,400	\$ 2,128
FLC	\$ 36,000	\$ 27,000	\$ 2,128

\* Includes reimbursement for travel and out-of-pocket expenses for both interested and non-interested Directors ( Independent Directors ).

#### Audit Committee Report

The role of each Fund's Audit Committee is to assist the Board of Directors in its oversight of: (i) the integrity of each Fund's financial statements and the independent audit thereof; (ii) each Fund's accounting and financial reporting policies and practices, its internal controls and, as appropriate, the internal controls of certain service providers; (iii) each Fund's compliance with legal and regulatory requirements; and (iv) the independent auditor's qualifications, independence and performance. Each Fund's Audit Committee is also required to prepare an audit committee report pursuant to the rules of the SEC for inclusion in each Fund's annual proxy statement. Each Audit Committee operates pursuant to a charter (the Audit Committee Charter or Charter ) that was most recently reviewed and approved by the Board of Directors of each Fund on January 26, 2010 and which is available on PFD and PFO's website at [www.preferredincome.com](http://www.preferredincome.com) and FFC and FLC's website at [www.fcclaymore.com](http://www.fcclaymore.com). As set forth in the Charter, management is responsible for the (i) preparation, presentation and integrity of each Fund's financial statements, (ii) maintenance of appropriate accounting and financial reporting principles and policies and (iii) maintenance of internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The Funds' independent registered public accounting firm, KPMG LLP (the independent accountants or KPMG ), is responsible for planning and carrying out proper audits and reviews of each Fund's financial statements and expressing an opinion as to their conformity with accounting principles generally accepted in the United States of America.

In performing its oversight function, at a meeting held on January 25, 2010, the Audit Committee reviewed and discussed with management of each Fund and the independent accountants, the audited financial statements of each Fund as of and for the fiscal year ended November 30, 2009, and discussed the audit of such financial statements with the independent accountants.

**In addition, the Audit Committee discussed with the independent accountants the accounting principles applied by each Fund and such other matters brought to the attention of the Audit Committee by the independent accountants required by Statement of Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1 AU Section 380), as adopted by the Public Accounting Oversight Board in Rule 3200T. The Audit Committee also received from the independent accountants the written disclosures and statements required by the SEC's independence rules, delineating relationships**

between the independent accountants and each Fund and discussed the impact that any such relationships might have on the objectivity and independence of the independent accountants.

As set forth above, and as more fully set forth in each Fund's Audit Committee Charter, the Audit Committee has significant duties and powers in its oversight role with respect to the Fund's financial reporting procedures, internal control systems, and the independent audit process.

The members of the Audit Committee are not, and do not represent themselves to be, professionally engaged in the practice of auditing or accounting and are not employed by each Fund for accounting, financial management or internal control. Moreover, the Audit Committee relies on and makes no independent verification of the facts presented to it or representations made by management or the independent accountants. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles and policies, or internal controls and procedures, designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not provide assurance that the audit of each Fund's financial statements has been carried out in accordance with generally accepted accounting standards or that the financial statements are presented in accordance with generally accepted accounting principles.

Based on its consideration of the audited financial statements and the discussions referred to above with management and the independent accountants, and subject to the limitations on the responsibilities and role of the Audit Committee set forth in the Charter and those discussed above, the Audit Committee of each Fund recommended to the Board of Directors of each Fund that the audited financial statements be included in each Fund's Annual Report for the fiscal year ended November 30, 2009.

**This report was submitted by the Audit Committee of each Fund's Board of Directors**

David Gale

Morgan Gust

Karen H. Hogan

Robert F. Wulf (Chairman)

January 25, 2010

Each Audit Committee was established in accordance with Section 3(a)(58)(A) of the 1934 Act. Each Audit Committee met four times in connection with its Board of Directors' regularly scheduled meetings during the fiscal year ended November 30, 2009. Each Audit Committee is composed entirely of each Fund's Independent (as such term is defined by the New York Stock Exchange ( "NYSE" ) listing standards applicable to closed-end funds, as may be modified or supplemented (the "NYSE Listing Standards" )) Directors, namely Ms. Hogan and Messrs. Gale, Gust and Wulf.

#### **Nominating Committee**

Each Board of Directors has a Nominating Committee composed entirely of each Fund's Independent (as such term is defined by the NYSE Listing Standards) Directors, namely Ms. Hogan and Messrs. Gale, Gust and Wulf. The Nominating Committee of each Fund met twice during the fiscal year ended November 30, 2009. The Nominating Committee is responsible for identifying individuals believed to be qualified to become Board members and for recommending to the Board of Directors such nominees to stand for election as directors at each Fund's annual meeting of shareholders, and to fill any vacancies on the Board. Each Fund's Nominating Committee has a charter which is available on its website. PFD and PFO's website address is [www.preferredincome.com](http://www.preferredincome.com) and FFC and FLC's website address is [www.fcclaymore.com](http://www.fcclaymore.com).

Each Fund's Nominating Committee believes that it is in the best interest of the Fund and its shareholders to obtain highly qualified candidates to serve as members of the Board of Directors. The Nominating Committees have not established a formal process for identifying candidates where a vacancy exists on the Board. In nominating candidates, the Nominating Committee shall take into consideration such factors as it deems appropriate. These factors may include judgment, skill, diversity, experience with investment companies and other organizations of comparable purpose, complexity, size and subject to similar legal restrictions and oversight, the interplay of the candidate's experience with the experience of other Board members, and the extent

to which the candidate would be a desirable addition to the Board and any committees thereof. Each Fund's Nominating Committee will consider director candidates recommended by shareholders and submitted in accordance with applicable law and procedures as described in this Joint Proxy Statement. (See Submission of Shareholder Proposals below.)

**Other Board-Related Matters**

Shareholders who wish to send communications to the Board should send them to the address of their Fund(s) and to the attention of the Board. All such communications will be directed to the Board's attention.

The Funds do not have a formal policy regarding Board member attendance at the Annual Meeting of Shareholders. However, all of the Directors of each Fund attended the April 21, 2009 Annual Meetings of Shareholders.

**Compensation**

The following table sets forth certain information regarding the compensation of each Fund's Directors for the fiscal year ended November 30, 2009. No executive officer or person affiliated with a Fund received compensation from a Fund during the fiscal year ended November 30, 2009 in excess of \$120,000. Directors and executive officers of the Funds do not receive pension or retirement benefits from the Funds.

**COMPENSATION TABLE**

Name of Person and  Position	Aggregate Compensation from each Fund	Total Compensation from the Funds and Fund Complex Paid to Directors*
Donald F. Crumrine Director, Chairman of the Board and Chief Executive Officer	\$ 0	\$ 0(4)
David Gale Director	\$15,200 PFD \$15,350 PFO \$15,050 FFC \$15,200 FLC	\$ 60,800(4)
Morgan Gust Director; Nominating Committee Chairman	\$15,050 PFD \$15,200 PFO \$15,050 FFC \$15,200 FLC	\$ 60,500(4)
Karen H. Hogan Director	\$14,750 PFD \$14,900 PFO \$14,750 FFC \$14,900 FLC	\$ 59,300(4)
Robert F. Wulf Director; Audit Committee Chairman	\$17,700 PFD \$17,700 PFO \$17,550 FFC \$17,700 FLC	\$ 70,650(4)

\* Represents the total compensation paid for the fiscal year ended November 30, 2009, to such

persons by the Funds and the other funds in the Flaherty & Crumrine Fund Family, which are considered part of the same fund complex because they have a common adviser. The parenthetical number represents the total number of investment company directorships held by the Director or nominee in the fund complex as of November 30, 2009.

**Required Vote**

The election of Mr. Gust as a Director of PFD will require the affirmative vote of a plurality of the votes cast by holders of the Shares of Common Stock of PFD at the meeting in person or by proxy. The election of Mr. Crumrine and Mr. Wulf as Directors of PFO, FFC and FLC will require the affirmative vote of a plurality of the votes cast by holders of the Shares of Common Stock of each such Fund at the Meeting in person or by proxy.

**SUBMISSION OF SHAREHOLDER PROPOSALS**

All proposals by shareholders of each Fund that are intended to be presented at each Fund's next Annual Meeting of Shareholders to be held in 2011 must be received by the relevant Fund for consideration for inclusion in the relevant Fund's proxy statement relating to the meeting no later than October 29, 2010, and must satisfy the requirements of federal securities laws.

Each Fund's Bylaws require shareholders wishing to nominate Directors or make proposals to be voted on at the Fund's Annual Meeting to provide timely notice of the proposal in writing. To be considered timely, any such notice must be delivered to or mailed and received at the principal executive offices of the Fund at the address set forth on the first page of this proxy statement not later than 60 days prior to the date of the meeting; provided, however, that if less than 70 days' notice or prior public disclosure of the date of the meeting is given or made to shareholders, any such notice by a shareholder to be timely must be so received not later than the close of business on the 10th day following the day on which notice of the date of the annual meeting was given or such public disclosure was made.

Any such notice by a shareholder shall set forth the information required by the Fund's Bylaws with respect to each matter the shareholder proposes to bring before the annual meeting.

**ADDITIONAL INFORMATION****Independent Registered Public Accounting Firm**

KPMG, 99 High Street, Boston, Massachusetts 02110-2371, has been selected to serve as each Fund's independent registered public accounting firm for each Fund's fiscal year ending November 30, 2010. KPMG acted as the independent registered public accounting firm for each Fund for the fiscal year ended November 30, 2009. The Funds know of no direct financial or material indirect financial interest of KPMG in the Funds. A representative of KPMG will not be present at the Meetings, but will be available by telephone to respond to appropriate questions and will have an opportunity to make a statement, if asked.

Set forth in the table below are audit fees and non-audit related fees billed to each Fund by KPMG for professional services for the fiscal years ended November 30, 2008 and 2009, respectively.

Fund	Fiscal Year Ended		Audit-Related		All Other Fees**
	November 30	Audit Fees	Fees	Tax Fees*	
PFD	2008	\$44,000	\$0	\$8,100	\$ 17,200
	2009	\$44,000	\$0	\$8,100	\$ 8,600
PFO	2008	\$44,000	\$0	\$8,100	\$ 17,200
	2009	\$44,000	\$0	\$8,100	\$ 8,600
FFC	2008	\$46,400	\$0	\$8,100	\$ 17,200
	2009	\$46,400	\$0	\$8,100	\$ 8,600
FLC	2008	\$46,400	\$0	\$8,100	\$ 17,200
	2009	\$46,400	\$0	\$8,100	\$ 8,600

\* Tax Fees are those fees billed to each Fund by KPMG in connection with tax consulting services, including primarily the review of each Fund's



income tax returns.

\*\* All Other Fees are those fees billed to each Fund by KPMG in connection with the preparation of a quarterly agreed-upon-procedures report. These Agreed-Upon-Procedures ( AUP ) were required pursuant to each Fund's Articles Supplementary when the Fund had preferred stock outstanding. Specifically, Moody's Investors Service and Fitch, Inc. each required that such AUP be undertaken and a report be provided in order to maintain their ratings on the preferred stock. As of November 30, 2009, the Funds did not have any issued or outstanding preferred stock, which was redeemed during the course of each Fund's 2009 fiscal year.

Each Fund's Audit Committee Charter requires that the Audit Committee pre-approve all audit and non-audit services to be provided by the independent accountants to the Fund, and all non-audit services to be provided by the independent accountants to the Fund's investment adviser and any entity controlling, controlled by or under common control

with the Funds' investment adviser ( affiliates ) that provide on-going services to each Fund, if the engagement relates directly to the operations and financial reporting of each Fund, or to establish detailed pre-approval policies and procedures for such services in accordance with applicable laws. All of the audit and non-audit services described above for which KPMG billed each Fund fees for the fiscal years ended November 30, 2008 and November 30, 2009 were pre-approved by the Audit Committee.

For each Fund's fiscal year ended November 30, 2009, KPMG did not provide any non-audit services (or bill any fees for such services) to the Funds' investment adviser or any affiliates thereof that provide services to the Funds.

**Investment Adviser, Administrator and Servicing Agent**

Flaherty & Crumrine serves as the investment adviser to each Fund, and its business address is 301 E. Colorado Boulevard, Suite 720, Pasadena, California 91101. PNC acts as the administrator to each Fund and is located at 4400 Computer Drive, Westborough, Massachusetts 01581. Claymore Securities, Inc. acts as the servicing agent to FFC and FLC and is located at 2455 Corporate West Drive, Lisle, Illinois 60532.

**Compliance with the Securities Exchange Act of 1934**

Section 16(a) of the 1934 Act and Section 30(h) of the 1940 Act require each Fund's Directors and executive officers, certain persons affiliated with Flaherty & Crumrine and persons who beneficially own more than 10% of a registered class of each Fund's securities, to file reports of ownership and changes of ownership with the SEC, the NYSE and each Fund. Directors, officers and greater-than-10% shareholders are required by SEC regulations to furnish each Fund with copies of such forms they file. Based solely upon its review of the copies of such forms received by it and written representations from certain of such persons, each Fund believes that during 2009, all such filing requirements applicable to such persons were met.

**Broker Non-Vote and Abstentions**

A proxy which is properly executed and returned accompanied by instructions to withhold authority to vote represents a broker non-vote (i.e., shares held by brokers or nominees as to which (i) instructions have not been received from the beneficial owners or the persons entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter). Proxies that reflect abstentions or broker non-votes (collectively, abstentions ) will be counted as Shares that are present and entitled to vote at the meeting for purposes of determining the presence of a Quorum. With respect to Proposal 1, abstentions do not constitute a vote for or against the proposal and will be disregarded in determining the votes cast on the proposal.

**OTHER MATTERS TO COME BEFORE THE MEETING**

Each Fund does not intend to present any other business at the relevant Meeting, nor is any Fund aware that any shareholder intends to do so. If, however, any other matters are properly brought before the Meeting, the persons named in the accompanying form of proxy will vote thereon in accordance with their judgment.

**VOTING RESULTS**

Each Fund will advise its shareholders of the voting results of the matters voted upon at its Meeting in its next Semi-Annual Report to Shareholders.

**NOTICE TO BANKS, BROKER/DEALERS AND VOTING TRUSTEES AND THEIR NOMINEES**

Please advise the Funds whether other persons are the beneficial owners of Fund Shares for which proxies are being solicited from you, and, if so, the number of copies of the joint proxy statement and other soliciting material you wish to receive in order to supply copies to the beneficial owners of Fund Shares.

**IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. SHAREHOLDERS WHO DO NOT EXPECT TO ATTEND THE MEETINGS ARE THEREFORE URGED TO COMPLETE, SIGN, DATE AND RETURN ALL PROXY CARDS AS SOON AS POSSIBLE IN THE ENCLOSED POSTAGE-PAID ENVELOPE.**

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**Proxy FLAHERTY & CRUMRINE/CLAYMORE PREFERRED SECURITIES INCOME FUND  
INCORPORATED**

**PROXY IN CONNECTION WITH THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON  
APRIL 22, 2010**

**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 card for the Fund are  
available on the Fund's website at [www.fcclaymore.com](http://www.fcclaymore.com).**

**PROXY SOLICITED BY BOARD OF DIRECTORS**

The undersigned holder of shares of Common Stock of Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated, a Maryland corporation (the Fund), hereby appoints Robert M. Ettinger, proxy for the undersigned, with full power of substitution and revocation, to represent the undersigned and to vote on behalf of the undersigned all shares of Common Stock which the undersigned is entitled to vote at the Annual Meeting of Shareholders of the Fund to be held at the offices of Flaherty & Crumrine Incorporated, 301 East Colorado Boulevard, Suite 720, Pasadena, California 91101 at 8:30 a.m. PT, on April 22, 2010, and any adjournments or postponements thereof. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting and Proxy Statement and hereby instructs said proxy to vote said shares as indicated hereon. In his discretion, the proxy is authorized to vote upon such other business as may properly come before the Meeting. The proxy present and acting at the Meeting in person or by substitute shall have and may exercise all of the power and authority of said proxy hereunder. The undersigned hereby revokes any proxy previously given.

**NOTE:** Please sign this proxy exactly as your name(s) appear(s) on the books of the Fund. Joint owners should each sign personally. Trustees and other fiduciaries should indicate the capacity in which they sign, and where more than one name appears, a majority must sign. If a corporation, the signature should be that of an authorized officer who should state his or her title.

Signature

Date

Signature (Joint Owners)

Date

FFC-CMN-PXC  
1.03

**Annual Meeting Proxy Card**

**Election of Director - The Board of Directors recommends a vote FOR the** Please mark your votes as  
**nominees listed.** indicated in this example n

**1. FOR WITHHOLD FOR WITHHOLD**  
**Nominees:**

01 Donald o o 02 Robert F. Wulf o o  
F. Crumrine

**This proxy, if properly executed, will be voted in the manner directed by the undersigned shareholder. IF  
NO  
DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES  
AS DIRECTOR.**

**Non-Voting Items**

**Change of Address** Please print new address below.

**PLEASE SIGN ON REVERSE SIDE**

**FFC-CMN-PXC 1.02**