

INCOME OPPORTUNITY REALTY INVESTORS INC /TX/
 Form 4
 July 27, 2009

FORM 4

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

OMB APPROVAL

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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 *
 TRANSCONTINENTAL REALTY INVESTORS INC

(Last) (First) (Middle)

1800 VALLEY VIEW LANE, SUITE 300

(Street)

DALLAS, TX 75234

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 INCOME OPPORTUNITY REALTY INVESTORS INC /TX/ [IOT]

3. Date of Earliest Transaction (Month/Day/Year)
 07/17/2009

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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

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)
			Code	V	Amount	(A) or (D)	Price
common stock, par value \$0,01 per share	07/17/2009	07/20/2009	P		2,518,934	A	\$ 6.21
					3,556,118	D	

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

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SEC 1474 (9-02)

number.

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

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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6)
--	--	--------------------------------------	--	--------------------------------	---	--	---	--	---

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TRANSCONTINENTAL REALTY INVESTORS INC 1800 VALLEY VIEW LANE SUITE 300 DALLAS, TX 75234		X		

Signatures

Transcontinental Realty Investors, Inc

 **Signature of Reporting Person
 07/21/2009
 Date

By: Gene S. Bertcher, EVP

 **Signature of Reporting Person
 07/21/2009
 Date

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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. 2,246,330 \$ 1,000,000 HBOS PLC, 6.657%, 144A****
 796,400**(1) \$ 855,000 HSBC USA Capital Trust II, 8.38% 05/15/27,
 144A**** 894,333(1) \$ 662,000 JPMorgan Chase Capital XXIII, Adj. Rate 05/15/47
 503,120 82,000 Keycorp Capital IX, 6.75% Pfd. 12/15/66
 1,829,625 4,995 National City Capital Trust II, 6.625% Pfd. 11/15/36 104,271 40,000 National
 City Corporation, 9.875% Pfd. 1,077,600* \$ 3,000,000 National City Preferred

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Capital Trust I, 12.00%	3,099,300	151,059	PFGI Capital Corporation, 7.75% Pfd.	
.....	3,308,192	\$ 1,000,000	PNC Preferred Funding Trust III, 8.70%, 144A****	
.....	999,900	\$ 700,000	Regions Financing Trust II, 6.625% 05/15/47	
.....	547,366		Roslyn Real Estate: 25 8.95% Pfd., Series C, 144A****	
.....	2,603,401		10 Adj. Rate Pfd., Series D, 144A****	
1,008,125	33,100		Sovereign Bancorp, 7.30% Pfd., Series C	763,369* 191,525
Sovereign Capital Trust V, 7.75% Pfd. 05/22/36	4,428,537	\$ 1,000,000	Sovereign Capital Trust VI, 7.908% 06/13/36	825,500
.....			U.S. Bancorp, Auction Pass-Through Trust, Cl. B: 15 Series 2006-5, Variable Rate Pfd., 144A****	7,500*+ 15
.....	7,500*+	\$ 670,000	Wachovia Capital Trust V, 7.965% 06/01/27, 144A****	677,236 5
Flaherty & Crumrine/Claymore Total Return Fund Incorporated PORTFOLIO OF INVESTMENTS (CONTINUED) FEBRUARY 29, 2008 (UNAUDITED) ----- SHARES/\$ PAR VALUE ----- PREFERRED SECURITIES -- (CONTINUED) BANKING -- (CONTINUED)				

Wachovia Corporation: \$ 2,000,000 7.98%				\$ 2,083,514* 80,000
8.00% Pfd., Series J	2,051,200*	145,100	Wachovia Preferred Funding, 7.25% Pfd., Series A	3,700,050
.....			\$ 2,000,000 Washington Mutual Preferred Funding IV, 9.75%, 144A****	1,722,556
.....			\$ 2,800,000 Webster Capital Trust IV, 7.65% 06/15/37	2,179,520
				89,855,812
----- FINANCIAL SERVICES -- 6.2%				
----- CIT				
Group, Inc.: 13,900 5.189% Pfd., Series B	953,888*	\$ 3,250,000	6.10% 03/15/67	2,311,075
.....			60,000 6.35% Pfd., Series A	1,228,128*
.....			23,898 First Republic Bank, 7.25% Pfd.	541,440
.....			2,000 First Republic Preferred Capital Corporation, 10.50% Pfd., 144A****	2,167,220
.....			Goldman Sachs: 28,000 Cabco Trust Capital I, Adj. Rate Pfd. 02/15/34	529,376
.....			1,500 STRIPES Custodial Receipts, Pvt.	757,500*
.....			\$ 3,000,000 Gulf Stream-Compass 2005 Composite Notes, 144A****	2,579,310
.....			100,000 Lehman Brothers Holdings, Inc., 7.95% Pfd.	2,493,000*
.....			Merrill Lynch: 160,000 6.25% Pfd.	3,728,000*
.....			80,000 Adj. Rate Pfd., Series 5	1,357,504*
.....			20,000 Fixed Income Pass-Through 2007-A, Cl. B, Adj. Rate Pfd., 144A****	200*+ 3,000
.....			Series II STRIPES Custodial Receipts, Pvt.	255,000*+ 11,000
.....			SLM Corporation, Adj. Rate Pfd., Series B	646,250*
				19,547,891
----- INSURANCE -- 15.1%				

189,680				
ACE Ltd., 7.80% Pfd., Series C	4,730,145**	(1) \$ 2,305,000	AMBAC Financial Group, Inc., 6.15% 02/15/37	1,363,868
.....			\$ 9,511,000 AON Capital Trust A, 8.205% 01/01/27	9,804,281
.....			Arch Capital Group Ltd.: 28,650 7.875% Pfd., Series B	721,622**
.....			(1) 47,100 8.00% Pfd., Series A	1,214,299**
.....			(1) \$ 3,000,000 AXA SA, 6.379%, 144A****	2,430,975**
.....			(1) Axis Capital Holdings: 58,350 7.25% Pfd., Series A	1,421,552**
.....			(1) 56,600 7.50% Pfd., Series B	5,496,992
.....			(1) 6	
----- Flaherty & Crumrine/Claymore Total Return Fund Incorporated PORTFOLIO OF INVESTMENTS (CONTINUED) FEBRUARY 29, 2008 (UNAUDITED) ----- SHARES/\$ PAR VALUE ----- PREFERRED SECURITIES -- (CONTINUED) INSURANCE -- (CONTINUED)				

160,000				

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6.45% Pfd., Series F	479,006(2) 105,080	6.625% Pfd., Series M	
.....	2,374,156 22,100	6.75% Pfd., Series E	
.....	505,537 30,000	6.85% Pfd., Series Y	
.....	673,800 15,020	7.25% Pfd., Series K	
.....	371,276(2)		
----- MISCELLANEOUS INDUSTRIES -- 1.7%			11,089,063
-----			1,395
Centaur Funding Corporation, 9.08% Pfd. 04/21/20, 144A****	1,449,879 40,000	Ocean Spray	
Cranberries, Inc., 6.25% Pfd., 144A****	3,797,600*		
----- U.S. GOVERNMENT SECURITIES -- 0.2%			5,247,479
-----			25,000
Fannie Mae, 8.25% Pfd.	642,250*		
----- TOTAL PREFERRED SECURITIES (Cost \$271,821,396)			642,250
249,012,908 -----	8 -----	Flaherty &	
Crumrine/Claymore Total Return Fund Incorporated		PORTFOLIO OF INVESTMENTS (CONTINUED)	
FEBRUARY 29, 2008 (UNAUDITED) -----		SHARES/\$ PAR VALUE	
----- CORPORATE DEBT SECURITIES -- 17.2% FINANCIAL SERVICES -- 1.4%			
-----			\$
4,812,159 Lehman Brothers, Guaranteed Note, Variable Rate, 12/16/16, 144A****		\$ 4,294,371	
----- INSURANCE -- 4.7%			4,294,371
-----			15,000
AAG Holding Company, Inc., 7.25% Pfd.....	333,150 20,000	American Financial	
Group, Inc., 7.125% 02/03/34, Senior Note	473,800 \$ 7,577,000	Liberty Mutual Insurance, 7.697%	
10/15/97, 144A****	7,089,935 \$ 7,000,000	UnumProvident Corporation, 7.25% 03/15/28,	
Senior Notes	6,901,020		
----- UTILITIES -- 4.4%			14,797,905
-----			27,200
Corp-Backed Trust Certificates, 7.875% 02/15/32, Series Duke Capital	680,000 \$ 1,000,000	Duke	
Capital Corporation, 8.00% 10/01/19, Senior Notes	1,149,225	Entergy Louisiana LLC: \$	
7,062,000 6.30% 09/01/35, 1st Mortgage	6,662,150 9,200	7.60% 04/01/32, 1st	
Mortgage	234,313 \$ 1,015,000	Westar Energy, Inc., 5.95% 01/01/35	
.....	952,260 \$ 4,000,000	Wisconsin Electric Power Company, 6.875% 12/01/95	
.....	4,195,200		
----- ENERGY -- 4.6%			13,873,148
-----			\$
2,500,000 KN Energy, Inc., 7.45% 03/01/98	2,287,500 328,300	Nexen, Inc.,	
7.35% Subordinated Notes	7,899,719(1) \$ 4,000,000	Noble Energy, Inc., 7.25%	
08/01/97	4,053,600		
----- MISCELLANEOUS INDUSTRIES -- 2.1%			14,240,819
-----			16,500
Corp-Backed Trust Certificates, 7.00% 11/15/28, Series Sprint	317,625 19,625	Ford Motor	
Company, 7.50% 06/10/43, Senior Notes	322,586 \$ 4,265,000	General Motors Corporation,	
8.80% 03/01/21	3,518,625	Pulte Homes, Inc.: 25,844	
.....	511,228(2) \$ 2,160,000	7.375% 06/01/46	
.....		7.875% 06/15/32	

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.....	1,945,080	
-----		6,615,144
-----	TOTAL CORPORATE DEBT SECURITIES (Cost	
\$57,763,074).....	53,821,387	----- 9
-----		Flaherty & Crumrine/Claymore Total Return Fund
Incorporated PORTFOLIO OF INVESTMENTS (CONTINUED) FEBRUARY 29, 2008 (UNAUDITED)		
-----	SHARES/\$ PAR VALUE	----- OPTION
CONTRACTS -- 0.2%		
-----		100
April Call Options on June U.S. Treasury Bond Futures, Expiring 03/20/08	\$ 18,750+	200 June Call
Options on June U.S. Treasury Bond Futures, Expiring 05/23/08	346,875+	556 June Put Options on June
U.S. Treasury Bond Futures, Expiring 05/23/08	121,625+	
-----		TOTAL
OPTION CONTRACTS (Cost \$391,006)	487,250	----- MONEY
MARKET FUND -- 2.0%		

6,421,577 BlackRock Provident Institutional, TempFund	6,421,577	
-----		TOTAL
MONEY MARKET FUND (Cost \$6,421,577)	6,421,577	-----
SECURITIES LENDING COLLATERAL -- 0.3%		
-----		983,280
BlackRock Institutional Money Market Trust	983,280	
-----		TOTAL
SECURITIES LENDING COLLATERAL (Cost \$983,280)	983,280	
-----	TOTAL INVESTMENTS (Cost \$337,380,333***)	99.1%
310,726,402 OTHER ASSETS AND LIABILITIES (Net)	0.9%	2,766,727
-----	TOTAL NET ASSETS AVAILABLE TO COMMON STOCK AND PREFERRED STOCK	
.....	100.0%++ \$ 313,493,129	----- AUCTION MARKET PREFERRED STOCK
(AMPS) REDEMPTION VALUE	(128,500,000)	----- TOTAL NET
ASSETS AVAILABLE TO COMMON STOCK	\$ 184,993,129	
=====	* Securities eligible for the Dividends Received Deduction and distributing Qualified Dividend	
Income. ** Securities distributing Qualified Dividend Income only. *** Aggregate cost of securities held. ****		
Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in		
transactions exempt from registration to qualified institutional buyers. These securities have been determined to be		
liquid under the guidelines established by the Board of Directors. (1) Foreign Issuer. (2) All or a portion of this		
security is on loan. (3) A portion of this security has been pledged as collateral for written option positions. +		
Non-income producing. ++ The percentage shown for each investment category is the total value of that category as a		
percentage of net assets available to Common and Preferred Stock. ABBREVIATIONS: PFD. -- Preferred Securities		
PVT. -- Private Placement Securities 10		----- Flaherty &
-----		Crumrine/Claymore Total Return Fund Incorporated PORTFOLIO OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2008 (UNAUDITED)		----- OPEN OPTION
CONTRACTS WRITTEN CONTRACTS CONTRACT DESCRIPTION VALUE		-----
-----		100 April Call Options on
June U.S. Treasury Bond Futures, Expiring 03/20/08, Strike Price 120	\$ (103,125)+	
200 June Call Options on June U.S. Treasury Bond Futures, Expiring 05/23/08, Strike Price 118		
.....	(684,375)+	
-----		TOTAL
OPEN OPTION CONTRACTS WRITTEN (premiums received: \$539,201)	(787,500)	11
-----		Flaherty & Crumrine/Claymore Total Return Fund
Incorporated STATEMENT OF CHANGES IN NET ASSETS AVAILABLE TO COMMON STOCK(1) FOR THE		
PERIOD FROM DECEMBER 1, 2007 THROUGH FEBRUARY 29, 2008 (UNAUDITED)		

Explanation of Responses:

----- VALUE -----	OPERATIONS: Net investment
income	\$ 5,308,040 Net realized gain/(loss) on investments sold
during the period	(2,396,674) Change in net unrealized appreciation/depreciation of
investments	(5,152,485) Distributions to AMPS* Shareholders from net investment income,
(1,689,825) -----	including changes in accumulated undeclared distributions
-----	NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS
.....	(3,930,944) DISTRIBUTIONS: Dividends paid from net investment income to
Common Stock Shareholders(2)	(3,812,770) -----
-----	TOTAL DISTRIBUTIONS TO
COMMON STOCK SHAREHOLDERS	(3,812,770) FUND SHARE
TRANSACTIONS: Increase from shares issued under the Dividend Reinvestment and Cash Purchase Plan -- -----
-----	NET INCREASE IN NET ASSETS AVAILABLE TO COMMON STOCK
RESULTING FROM FUND SHARE TRANSACTIONS	-- -----
-----	NET DECREASE IN NET
ASSETS AVAILABLE TO COMMON STOCK FOR THE PERIOD	\$ (7,743,714)

=====	-----	NET
ASSETS AVAILABLE TO COMMON STOCK: Beginning of period	\$ 192,736,843
.....	Net decrease in net assets during the period
.....	(7,743,714) -----	End of period
.....	\$ 184,993,129 =====	* Auction

Market Preferred Stock. (1) These tables summarize the three months ended February 29, 2008 and should be read in conjunction with the Fund's audited financial statements, including footnotes, in its Annual Report dated November 30, 2007. (2) May include income earned, but not paid out, in prior fiscal year. 12

----- Flaherty & Crumrine/Claymore Total Return Fund Incorporated FINANCIAL HIGHLIGHTS(1) FOR THE PERIOD FROM DECEMBER 1, 2007 THROUGH FEBRUARY 29, 2008 (UNAUDITED) FOR A COMMON STOCK SHARE OUTSTANDING THROUGHOUT THE PERIOD. ----- PER SHARE OPERATING

PERFORMANCE: Net asset value, beginning of period	\$ 19.71
-----	INVESTMENT OPERATIONS: Net investment income
.....	0.54 Net realized and unrealized gain/(loss) on investments
.....	(0.77) DISTRIBUTIONS TO AMPS* SHAREHOLDERS: From net investment
income	(0.17) -----
.....	Total from investment operations
.....	(0.40) -----
-----	DISTRIBUTIONS TO COMMON STOCK
SHAREHOLDERS: From net investment income	(0.39)
-----	Total distributions to Common Stock Shareholders
.....	(0.39)
-----	Net asset value, end of period
.....	\$ 18.92

=====	Market value, end of period	\$ 17.50
=====	Common Stock shares outstanding, end of period	9,776,333
=====	RATIOS TO AVERAGE NET ASSETS AVAILABLE TO COMMON STOCK	
SHAREHOLDERS: Net investment income+	7.76%**	
Operating expenses	1.70%**	

----- SUPPLEMENTAL DATA:++ Portfolio turnover rate 12%*** Total net assets available to Common and Preferred Stock, end of period (in 000's) \$ 313,493 Ratio of operating expenses to total average net assets available to Common and Preferred Stock 1.01%** (1) These tables summarize the three months ended February 29, 2008 and should be read in conjunction with the Fund's audited financial statements, including footnotes, in its Annual Report dated November 30, 2007. * Auction Market Preferred Stock. ** Annualized. *** Not annualized. + The net investment income ratios reflect income net of operating expenses and payments to AMPS* Shareholders. ++ Information presented under heading Supplemental Data includes AMPS*. 13

----- Flaherty & Crumrine/Claymore Total Return Fund Incorporated FINANCIAL HIGHLIGHTS (CONTINUED) PER SHARE OF COMMON STOCK (UNAUDITED) ----- TOTAL DIVIDEND DIVIDENDS NET ASSET NYSE

REINVESTMENT PAID VALUE CLOSING PRICE PRICE (1) ----- December 31, 2007 \$ 0.1300 \$ 18.98 \$ 16.88 \$ 16.96 January 31, 2008 0.1300 19.35 17.97 18.09 February 29, 2008 0.1300 18.92 17.50 17.52 ----- (1) Whenever the net asset value per share of the Fund's Common Stock is less than or equal to the market price per share on the reinvestment date, new shares issued will be valued at the higher of net asset value or 95% of the then current market price. Otherwise, the reinvestment shares of common stock will be purchased in the open market. 14 ----- Flaherty & Crumrine/Claymore Total Return Fund Incorporated

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
----- 1. AGGREGATE INFORMATION FOR FEDERAL INCOME

TAX PURPOSES At February 29, 2008 the aggregate cost of securities for federal income tax purposes was \$338,227,867, the aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost was \$2,591,233 and the aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value was \$30,092,698. 2. ADDITIONAL ACCOUNTING STANDARDS ADOPTION OF STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 157 "FAIR VALUE MEASUREMENTS" ("FAS 157") In September 2006, the Financial Accounting Standards Board issued FAS 157 effective for fiscal years beginning after November 15, 2007. This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. The Fund has adopted FAS 157 as of December 1, 2007. The three levels of the fair value hierarchy under FAS 157 are described below: o Level 1 - quoted prices in active markets for identical securities o Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) o Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments) The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. A summary of the inputs used to value the Funds' net assets as of February 29, 2008 is as follows: OTHER FINANCIAL INSTRUMENTS INVESTMENTS (UNREALIZED IN SECURITIES APPRECIATION/ VALUATION INPUTS (MARKET VALUE) DEPRECIATION)*

----- Level 1 - Quoted Prices - Investments \$ 78,274,780 \$ -- Level 1 - Quoted Prices - Written Options ... (787,500) -- Level 2 - Other Significant Observable Inputs 224,594,661 -- Level 3 - Significant Unobservable Inputs ... 6,873,681 --
----- TOTAL \$ 308,955,622 \$

-- * Other financial instruments are derivative instruments not reflected in the Schedule of Investments, such as futures, forwards and swaps which are valued at the unrealized appreciation/depreciation on the investment. As of February 29, 2008 the Fund does not have any other financial instruments. 15

Flaherty & Crumrine/Claymore Total Return Fund Incorporated NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

----- Following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value: OTHER FINANCIAL INSTRUMENTS INVESTMENTS (UNREALIZED IN SECURITIES APPRECIATION/ (MARKET VALUE) DEPRECIATION)
----- BALANCE AS OF 11/30/07 \$ 6,945,554 \$ -- Accrued discounts/premiums -- -- Realized gain (loss) -- -- Change in unrealized appreciation (depreciation) (71,873) -- Net purchases (sales) -- -- Transfers in and/or out of Level 3 -- -- ----- BALANCE AS OF 2/29/08 \$ 6,873,681 \$ -- 16 [This page intentionally left blank] [This page intentionally left blank] [This page intentionally left blank]

DIRECTORS Donald F. Crumrine, CFA Chairman of the Board David Gale Morgan Gust Karen H. Hogan Robert F. Wulf, CFA OFFICERS Donald F. Crumrine, CFA Chief Executive Officer Robert M. Ettinger, CFA President R. Eric Chadwick, CFA Chief Financial Officer, Vice President and Treasurer Chad C. Conwell Chief Compliance Officer, Vice President and Secretary Bradford S. Stone Vice President and Assistant Treasurer Nicholas Dalmaso Vice President and Assistant Secretary Laurie C. Lodolo Assistant Compliance Officer, Assistant Treasurer and Assistant Secretary INVESTMENT ADVISER Flaherty & Crumrine Incorporated e-mail: flaherty@pfdincome.com SERVICING AGENT Claymore Securities, Inc. 1-866-233-4001 QUESTIONS CONCERNING YOUR SHARES OF FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND? o If your shares are held in a Brokerage Account, contact your Broker. o If you have physical possession of your shares in certificate form, contact the Fund's Transfer Agent -- PFPC Inc. 1-800-331-1710 THIS REPORT IS SENT TO

SHAREHOLDERS OF FLAHERTY & CRUMRINE/CLAYMORE TOTAL RETURN FUND INCORPORATED FOR THEIR INFORMATION. IT IS NOT A PROSPECTUS, CIRCULAR OR REPRESENTATION INTENDED FOR USE IN THE PURCHASE OR SALE OF SHARES OF THE FUND OR OF ANY SECURITIES MENTIONED IN THIS REPORT. Flaherty & Crumrine/Claymore [LOGO] ===== TOTAL RETURN FUND Quarterly Report February 29, 2008 www.fcclaymore.com