

FLAHERTY & CRUMRINE PREFERRED INCOME FUND INC  
Form N-PX  
August 16, 2006

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

FORM N-PX

ANNUAL REPORT OF PROXY VOTING RECORD OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-06179

FLAHERTY & CRUMRINE PREFERRED INCOME FUND INCORPORATED

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(Exact name of registrant as specified in charter)

301 E. Colorado Boulevard, Suite 720  
PASADENA, CA 91101

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(Address of principal executive offices) (Zip code)

Donald F. Crumrine  
Flaherty & Crumrine Incorporated  
301 E. Colorado Boulevard, Suite 720  
PASADENA, CA 91101

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(Name and address of agent for service)

Registrant's telephone number, including area code: 626-795-7300  
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Date of fiscal year end: NOVEMBER 30  
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Date of reporting period: JULY 1, 2005 - JUNE 30, 2006  
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Form N-PX is to be used by a registered management investment company, other than a small business investment company registered on Form N-5 (ss.ss. 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than August 31 of each year, containing the registrant's proxy voting record for the most recent twelve-month period ended June 30, pursuant to section 30 of the Investment Company Act of 1940 and rule 30b1-4 there under (17 CFR 270.30b1-4). The Commission may use the information provided on Form N-PX in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-PX, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-PX unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. PROXY VOTING RECORD

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NAME OF THE ISSUER	EXCHANGE TICKER SYMBOL	CUSIP	SHAREHO
Pacific G&E	PCG	694308800	19-Apr-

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MATTER VOTED	PROPOSED BY	VOTE CAST	VOTE FOR OR AGAINST PROPOSAL	VOT
Approve directors	Issuer	Yes	For	
Approve auditors	Issuer	Yes	For	

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NAME OF THE ISSUER	EXCHANGE TICKER SYMBOL	CUSIP	SHAREHO
Pacific G&E	PCG	694308503	19-Apr-

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MATTER VOTED	PROPOSED BY	VOTE CAST	VOTE FOR OR AGAINST PROPOSAL	VOT
Approve directors	Issuer	Yes	For	
Approve auditors	Issuer	Yes	For	

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NAME OF THE ISSUER	EXCHANGE TICKER SYMBOL	CUSIP	SHAREHO
Pacific G&E	PCG	694308602	19-Apr-

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MATTER VOTED	PROPOSED BY	VOTE CAST	VOTE FOR OR AGAINST PROPOSAL	VOT
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Approve directors	Issuer	Yes	For
Approve auditors	Issuer	Yes	For

NAME OF THE ISSUER	EXCHANGE TICKER SYMBOL	CUSIP	SHAREHO
Savannah Elecitrc and Power	SVJ	804787802	22-May-

MATTER VOTED	PROPOSED BY	VOTE CAST	VOTE FOR OR AGAINST PROPOSAL	VOT
Approve merger with Georgia Power	Issuer	Yes	For	

NAME OF THE ISSUER	EXCHANGE TICKER SYMBOL	CUSIP	SHAREHO
Southern California Edison	SCE	842400202	27-Apr-

MATTER VOTED	PROPOSED BY	VOTE CAST	VOTE FOR OR AGAINST PROPOSAL	VOT
Approve directors	Issuer	Yes	For	

NAME OF THE ISSUER	EXCHANGE TICKER SYMBOL	CUSIP	SHAREHO
Wachovia Preferred Funding Corp	WNA-P	92977v206	08-Nov-

MATTER VOTED	PROPOSED BY	VOTE CAST	VOTE FOR OR AGAINST PROPOSAL	VOT
Approve directors	Issuer	Yes	For	

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NAME OF THE ISSUER	EXCHANGE TICKER SYMBOL	CUSIP	SHAREHO
Wisconsin Power & Light	WIS-P	976826503	24-May-

MATTER VOTED	PROPOSED BY	VOTE CAST	VOTE FOR OR AGAINST PROPOSAL	VOT
Approve directors	Issuer	Yes	For	
Approve auditor	Issuer	Yes	For	

NAME OF THE ISSUER	EXCHANGE TICKER SYMBOL	CUSIP	SHAREHO
Wisconsin Power & Light	WIS-P	976826305	24-May-

MATTER VOTED	PROPOSED BY	VOTE CAST	VOTE FOR OR AGAINST PROPOSAL	VOT
Approve directors	Issuer	Yes	For	
Approve auditor	Issuer	Yes	For	

NAME OF THE ISSUER	EXCHANGE TICKER SYMBOL	CUSIP	SHAREHO
Xcel Energy	XEL	98389B506	17-May-

MATTER VOTED	PROPOSED BY	VOTE CAST	VOTE FOR OR AGAINST PROPOSAL
Approve directors	Issuer	Yes	For
Approve auditor	Issuer	Yes	For
Separate roles of Chairman and CEO	Security Holder	Yes	Against

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NAME OF THE ISSUER	EXCHANGE TICKER SYMBOL	CUSIP	SHAREHO
Xcel Energy	XEL	98389B704	17-May-

MATTER VOTED	PROPOSED BY	VOTE CAST	VOTE FOR OR AGAINST PROPOSAL
Approve directors	Issuer	Yes	For
Approve auditor	Issuer	Yes	For
Separate roles of Chairman and CEO	Security Holder	Yes	Against

NAME OF THE ISSUER	EXCHANGE TICKER SYMBOL	CUSIP	SHAREHO
Xcel Energy	XEL	98389B308	17-May-

MATTER VOTED	PROPOSED BY	VOTE CAST	VOTE FOR OR AGAINST PROPOSAL
Approve directors	Issuer	Yes	For
Approve auditor	Issuer	Yes	For
Separate roles of Chairman and CEO	Security Holder	Yes	Against

SIGNATURES

Pursuant to the requirements of the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant FLAHERTY & CRUMRINE PREFERRED INCOME FUND INCORPORATED

By (Signature and Title)\* /S/ DONALD F. CRUMRINE

Donald F. Crumrine, Director, Chairman of the Board  
and Chief Executive Officer  
(Principal Executive Officer)

Date 8/15/06

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\*Print the name and title of each signing officer under his or her signature.