

## **PFD and PFO Announce Officer Changes**

July 23, 2004

Pasadena, CA - Flaherty & Crumrine Preferred Income Fund Incorporated (NYSE: PFD), and Flaherty & Crumrine Preferred Income Opportunity Fund Incorporated (NYSE: PFO) announced that Peter C. Stimes has been elected by the Board of Directors of each of the Funds to serve as Chief Compliance Officer of the Funds under newly-adopted Rule 38a-1 of the Investment Company Act. Laurie Lodolo has also been elected an Assistant Compliance Officer of the Funds. To more fully devote the necessary attention to his new post, Mr. Stimes will resign as Chief Financial Officer, Chief Accounting Officer, and Treasurer of each of the Funds effective as of August 15, 2004.

Each Fund's Board of Directors has elected R. Eric Chadwick, currently Vice President and Secretary of each Fund, to the positions of Chief Financial Officer and Treasurer effective at the time of Mr. Stimes' resignation.

Contact:

Flaherty & Crumrine Incorporated

Chris Ryan

(626) 795-7300

[flaherty@fin-mail.com](mailto:flaherty@fin-mail.com)

Pasadena, California