

BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

Form N-Q

December 21, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-08573

Name of Fund: BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock

MuniHoldings California Quality Fund, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 07/31/2013

Date of reporting period: 10/31/2012

Item 1 Schedule of Investments

## BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

Schedule of Investments October 31, 2012 (Unaudited)

(Percentages shown are based on Net Assets)

|   | Par<br>(000)         | Value        |
|---|----------------------|--------------|
| <b>Municipal Bonds</b>  |                      |              |
| <b>California 106.1%</b>  |                      |              |
| <b>Corporate 0.6%</b>   |                      |              |
| California Pollution Control Financing Authority, Refunding RB, AMT, 5.00%, 7/01/27   | \$ 1,000             | \$ 1,072,620 |
| City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 2/15/34  | 2,435                | 2,872,642    |
|   |                      | 3,945,262    |
| <b>County/City/Special District/School District 24.0%</b>   |                      |              |
| Centinela Valley Union High School District, GO, Election of 2010, Series A, 5.75%, 8/01/41   | 9,000                | 10,678,500   |
| Chabot-Las Positas Community College District, GO, CAB, Series C (AMBAC) (a):   |                      |              |
| 5.16%, 8/01/36  | 14,700               | 4,379,277    |
| 5.28%, 8/01/37  | 11,980               | 3,295,339    |
| City of Garden Grove California, COP, Series A, Financing Project (AMBAC), 5.50%, 3/01/26   | 4,040                | 4,096,115    |
| County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35   | 3,500                | 4,100,670    |
| Culver City Redevelopment Finance Authority California, Tax Allocation Bonds, Refunding, Series A (AGM), 5.60%, 11/01/25                      | 3,750                | 3,763,500    |
| Grossmont Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/40   | 2,000                | 2,460,540    |
| Grossmont-Cuyamaca Community College District California, GO, Refunding, CAB, Election of 2002, Series C (AGC), 4.61%, 8/01/30 (a)            | 11,225               | 4,998,605    |
| Los Angeles Community College District California, GO, Election of 2003, Series F-1, 5.00%, 8/01/33   | 2,500                | 2,864,175    |
| Los Angeles Community Redevelopment Agency California, RB, Bunker Hill Project, Series A (AGM), 5.00%, 12/01/27                               | 7,000                | 7,515,550    |
| Merced Union High School District, GO, CAB, Election of 2008, Series C (a):   |                      |              |
| 5.14%, 8/01/33  | 2,500                | 871,950      |
| 5.26%, 8/01/36  | 4,100                | 1,193,592    |
| Orange County Sanitation District, COP, Series A, 5.00%, 2/01/35  | 2,500                | 2,856,350    |
| Oxnard Union High School District, GO, Refunding, Election of 2004, Series A (AGM), 5.00%, 8/01/35  | 10,000               | 11,226,400   |
| Port of Oakland, Refunding RB, Series M (NPFGC), 5.38%, 11/01/27  | 18,000               | 18,000,000   |
| Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33   | 5,000                | 5,604,200    |
|   | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>  |                      |              |
| <b>California (continued)</b>   |                      |              |
| <b>County/City/Special District/School District (concluded)</b>   |                      |              |
| Rio Hondo Community College District, GO, CAB, Election of 2004, Series C, 4.86%, 8/01/36 (a)   | \$ 16,650            | \$ 5,319,675 |
| San Bernardino Community College District, GO, Election of 2002, Series A, 6.25%, 8/01/33   | 310                  | 371,337      |
| San Diego Regional Building Authority, RB, County Operations Center & Annex, Series A, 5.50%, 2/01/29   | 900                  | 1,030,626    |
| San Jose Financing Authority, RB, Convention Center:  |                      |              |
| 5.75%, 5/01/36  | 2,560                | 2,880,179    |
| 5.75%, 5/01/42  | 4,500                | 5,253,300    |
| San Jose Financing Authority, Refunding RB, Civic Center Project, Series B (AMBAC), 5.00%, 6/01/32  | 14,800               | 14,847,656   |
| Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/38  | 5,635                | 6,510,397    |
| Ventura County Community College District, GO, Election of 2002, Series C, 5.50%, 8/01/33   | 5,000                | 5,933,450    |
| Vista Unified School District California, GO, Series A (AGM), 5.25%, 8/01/25  | 10,000               | 10,000,000   |
| West Contra Costa County Unified School District California, GO, Election of 2005, Series A (AGM), 5.00%, 8/01/35                             | 10,000               | 10,745,100   |
| West Contra Costa Unified School District California, GO, Election of 2010, Series A, 5.25%, 8/01/41  | 5,390                | 6,165,244    |
| Westminster Redevelopment Agency California, Tax Allocation Bonds, Subordinate, Commercial Redevelopment Project No. 1 (AGC), 6.25%, 11/01/39 | 4,300                | 5,226,951    |
|   |                      | 162,188,678  |
| <b>Education 13.3%</b>  |                      |              |
| Anaheim City School District California, GO, Election of 2010 (AGM), 6.25%, 8/01/40   | 3,750                | 4,611,825    |

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|   |       |            |
|---|-------|------------|
| California Municipal Finance Authority, RB, Emerson College, 6.00%, 1/01/42                 | 2,500 | 2,958,350  |
| California State University, Refunding RB, Systemwide, Series A:<br>5.00%, 11/01/37         | 6,665 | 7,709,472  |
| 5.00%, 11/01/37   | 2,000 | 2,282,960  |
| Gavilan Joint Community College District, GO, Election of 2004, Series D:<br>5.50%, 8/01/31 | 2,170 | 2,642,496  |
| 5.75%, 8/01/35  | 8,400 | 10,230,696 |

BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

OCTOBER 31, 2012

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## BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

## Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>California (continued)</b>  |              |              |
| <b>Education (concluded)</b>   |              |              |
| Riverside Community College District, GO, Election of 2004, Series C (AGM), 5.00%, 8/01/32         | \$ 8,750     | \$ 9,977,625 |
| San Diego Community College District, GO, Election of 2006 (AGM), 5.00%, 8/01/30                   | 8,000        | 9,122,400    |
| San Jose Evergreen Community College District, GO, Election of 2010, Series A, 5.00%, 8/01/41      | 5,975        | 6,869,398    |
| University of California, RB, Series L, 5.00%, 5/15/36   | 3,030        | 3,420,537    |
| University of California, Refunding RB:  |              |              |
| General, Series A (AMBAC), 5.00%, 5/15/27  | 5,000        | 5,122,550    |
| Limited Project, Series G, 5.00%, 5/15/37  | 21,390       | 24,934,964   |
|  |              | 89,883,273   |
| <b>Health 15.7%</b>  |              |              |
| ABAG Finance Authority for Nonprofit Corps, Refunding RB, Sharp Healthcare:                        |              |              |
| 6.25%, 8/01/39   | 5,000        | 5,925,600    |
| Series A, 6.00%, 8/01/30   | 2,270        | 2,784,677    |
| California Health Facilities Financing Authority, RB:  |              |              |
| Adventist Health System, Series A, 5.00%, 3/01/33  | 3,190        | 3,210,575    |
| Children's Hospital, Series A, 5.25%, 11/01/41   | 8,020        | 8,925,298    |
| Kaiser Permanente, Series A, 5.25%, 4/01/39  | 6,570        | 6,991,465    |
| Providence Health Services,  |              |              |
| Series B, 5.50%, 10/01/39  | 4,000        | 4,572,000    |
| Sutter Health, Series A, 5.25%, 11/15/46   | 16,000       | 17,474,240   |
| Sutter Health, Series B, 6.00%, 8/15/42  | 9,655        | 11,601,062   |
| California Health Facilities Financing Authority, Refunding RB:                                    |              |              |
| Catholic Healthcare West,  |              |              |
| Series A, 6.00%, 7/01/34   | 3,700        | 4,385,647    |
| Stanford Hospital, Series A-3, 5.50%, 11/15/40   | 2,800        | 3,346,196    |
| California Statewide Communities Development Authority, RB:  |              |              |
| Health Facility Memorial Health Services, Series A, 6.00%, 4/01/13 (b)                             | 4,915        | 5,031,780    |
| Kaiser Permanente, Series A, 5.00%, 4/01/42  | 14,000       | 15,506,120   |
| Kaiser Permanente, Series B, 5.25%, 3/01/45  | 6,100        | 6,474,235    |
|  | <b>Par</b>   |              |
|  | <b>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>   |              |              |
| <b>California (continued)</b>  |              |              |
| <b>Health (concluded)</b>  |              |              |
| California Statewide Communities Development Authority, Refunding RB, Catholic Healthcare West,    |              |              |
| Series D, 5.50%, 7/01/31   | \$ 4,650     | \$ 5,204,094 |
| City of Newport Beach California, Refunding RB, Hoag Memorial Hospital Presbyterian, 6.00%,        |              |              |
| 12/01/40   | 3,820        | 4,708,074    |
|  |              | 106,141,063  |
| <b>State 10.0%</b>   |              |              |
| California State Public Works Board, RB, Department of Education, Riverside Campus Project, Series |              |              |
| B, 6.50%, 4/01/34  | 3,670        | 4,416,955    |
| California State Public Works Board, RB, California State Prisons, Series C, 5.75%, 10/01/31       | 1,205        | 1,419,177    |
| Pittsburg Unified School District, Refunding RB (AGM), 5.50%, 9/01/46                              | 5,000        | 5,676,000    |
| State of California, GO:   |              |              |
| 6.00%, 3/01/33   | 5,800        | 7,191,768    |
| 6.00%, 4/01/38   | 28,265       | 33,965,768   |
| University of California, RB, Limited Project, Series D (NPFGC), 5.00%, 5/15/41                    | 13,000       | 14,441,830   |
|  |              | 67,111,498   |

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**Transportation 14.8%**

|   |        |            |
|---|--------|------------|
| City of Fresno California, ARB, Series B, AMT (AGM), 5.50%, 7/01/20   | 4,455  | 4,561,920  |
| City of Los Angeles Department of Airports, Refunding RB, Series A, 5.25%, 5/15/39                            | 2,775  | 3,130,894  |
| City of San Jose California, Refunding ARB, Series A-1, AMT:<br>5.25%, 3/01/23                                | 2,985  | 3,472,122  |
| 6.25%, 3/01/34  | 1,400  | 1,682,856  |
| County of Orange California, ARB, Series B, 5.75%, 7/01/34  | 6,345  | 7,152,338  |
| County of Sacramento California Airport System, ARB:<br>Senior Series A (AGC), 5.50%, 7/01/41                 | 8,095  | 9,106,146  |
| Senior Series B, 5.75%, 7/01/39   | 2,650  | 3,021,133  |
| Senior Series B, AMT (AGM), 5.75%, 7/01/28  | 13,275 | 15,030,751 |
| Senior Series B, AMT (AGM), 5.25%, 7/01/33  | 19,530 | 21,167,590 |
| Los Angeles Department of Airports, RB, Los Angeles International Airport, Senior Series D, 5.25%,<br>5/15/29 | 2,590  | 3,064,877  |
| Los Angeles Harbor Department, RB, Series B, 5.25%, 8/01/34   | 5,530  | 6,454,008  |

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## BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

## Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

|  | Par<br>(000)         | Value              |
|--|----------------------|--------------------|
| <b>Municipal Bonds</b>   |                      |                    |
| <b>California (continued)</b>  |                      |                    |
| <b>Transportation (concluded)</b>  |                      |                    |
| San Francisco City & County Airports Commission, RB, Series E, 6.00%, 5/01/39                                  | \$ 9,650             | \$ 11,410,642      |
| San Francisco City & County Airports Commission, Refunding RB, AMT:<br>Second Series 34E (AGM), 5.75%, 5/01/24 | 5,000                | 5,806,050          |
| Second Series A, 5.00%, 5/01/32  | 1,415                | 1,587,715          |
| San Joaquin County Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%,<br>3/01/36 | 2,400                | 2,943,168          |
|  |                      | 99,592,210         |
| <b>Utilities 27.7%</b>   |                      |                    |
| Anaheim Public Financing Authority, RB, Electric System Distribution Facilities, Series A, 5.38%,<br>10/01/36  | 2,200                | 2,593,206          |
| City of Los Angeles California Wastewater System, Refunding RB, Sub-Series A:<br>5.00%, 6/01/28                | 2,000                | 2,352,460          |
| 5.00%, 6/01/32   | 3,000                | 3,454,680          |
| Cucamonga Valley Water District Financing Authority, RB:<br>5.00%, 9/01/37                                     | 7,705                | 8,923,160          |
| 5.00%, 9/01/42   | 5,500                | 6,339,355          |
| Dublin-San Ramon Services District, Refunding RB, 6.00%, 8/01/41   | 4,000                | 4,877,560          |
| East Bay Municipal Utility District, RB, Series A (NPFGC), 5.00%, 6/01/32                                      | 6,990                | 8,001,803          |
| East Bay Municipal Utility District, Refunding RB, Sub-Series A:<br>(AGM), 5.00%, 6/01/37                      | 11,190               | 12,820,383         |
| (AMBAC), 5.00%, 6/01/33  | 5,000                | 5,723,750          |
| Eastern Municipal Water District, COP, Series H, 5.00%, 7/01/33  | 2,500                | 2,762,800          |
| Imperial Irrigation District, Refunding RB, System, 5.13%, 11/01/38  | 9,500                | 10,447,625         |
| Los Angeles Department of Water & Power, RB, Series A, 5.38%, 7/01/38  | 10,500               | 12,234,495         |
| Los Angeles Department of Water & Power, Refunding RB, System, Series A, 5.25%, 7/01/39                        | 16,000               | 18,868,960         |
| Metropolitan Water District of Southern California, RB, Series B-1 (NPFGC), 5.00%, 10/01/13 (b)                | 8,605                | 8,980,608          |
| Sacramento Municipal Utility District, RB, Series R:<br>5.00%, 8/15/13 (b)                                     | 12,140               | 12,591,729         |
| 5.00%, 8/15/33   | 5,360                | 5,513,028          |
|  | <b>Par<br/>(000)</b> | <b>Value</b>       |
| <b>Municipal Bonds</b>   |                      |                    |
| <b>California (concluded)</b>  |                      |                    |
| <b>Utilities (concluded)</b>   |                      |                    |
| San Diego County Water Authority, COP, Refunding, Series A (NPFGC), 5.00%, 5/01/32                             | \$ 3,495             | \$ 3,532,397       |
| San Diego Public Facilities Financing Authority, Refunding RB, Senior Series A:<br>5.25%, 5/15/34              | 1,000                | 1,149,960          |
| 5.25%, 5/15/39   | 12,815               | 14,629,604         |
| San Francisco City & County Public Utilities Commission, RB:<br>Local Water Main Sub-Series C, 5.00%, 11/01/41 | 5,000                | 5,728,450          |
| Series B, 5.00%, 11/01/30  | 10,000               | 11,931,300         |
| San Francisco City & County Public Utilities Commission, Refunding RB, Series A (NPFGC), 5.00%,<br>11/01/32    | 15,000               | 15,000,000         |
| San Juan Water District, Refunding RB, San Juan & Citrus Heights, 5.25%, 2/01/33                               | 7,325                | 8,660,348          |
|  |                      | 187,117,661        |
| <b>Total Municipal Bonds 106.1%</b>  |                      | <b>715,979,645</b> |

## Municipal Bonds Transferred to

## Tender Option Bond (TOB) Trusts (c)

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**California 61.6%**

**County/City/Special District/School District 33.4%**

|  |        |            |
|--|--------|------------|
| Alameda County Joint Powers Authority, Refunding RB, Lease (AGM), 5.00%, 12/01/34                            | 13,180 | 14,361,983 |
| Contra Costa Community College District California, GO, Election of 2002 (NPFGC), 5.00%, 8/01/14<br>(b)      | 7,800  | 8,369,478  |
| Desert Community College District California, GO, Series C (AGM), 5.00%, 8/01/37                             | 16,530 | 17,998,029 |
| Foothill-De Anza Community College District, GO, Series C, 5.00%, 8/01/40                                    | 27,840 | 32,165,501 |
| Los Angeles Community College District California, GO:<br>Election of 2001, Series A (NPFGC), 5.00%, 8/01/32 | 6,647  | 7,560,671  |
| Election of 2001, Series E-1, 5.00%, 8/01/33   | 11,770 | 13,484,536 |
| Election of 2003, Series E (AGM), 5.00%, 8/01/31   | 11,216 | 12,586,951 |
| Election of 2003, Series F-1, 5.00%, 8/01/33   | 10,000 | 11,456,700 |

BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

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## BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

## Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

## Municipal Bonds Transferred to

| Tender Option Bond (TOB) Trusts (c)<br>California (continued)<br>County/City/Special District/School District<br><br>(concluded)           | Par<br>(000) | Value         |
|--|--------------|---------------|
| Los Angeles Community College District California, GO, Refunding, Election of 2008, Series A, 6.00%, 8/01/33                               | \$ 9,596     | \$ 12,118,382 |
| Los Angeles County Metropolitan Transportation Authority, Refunding RB, Proposition A, First Tier, Senior Series A (AMBAC), 5.00%, 7/01/35 | 8,997        | 9,834,426     |
| Los Angeles County Sanitation Districts Financing Authority, Refunding RB, Capital Project 14 (BHAC), 5.00%, 10/01/34                      | 7,917        | 8,647,634     |
| Ohlone Community College District, GO, Series B (AGM), 5.00%, 8/01/15 (b)  | 16,518       | 18,607,186    |
| Poway Unified School District, GO, Election of 2002, Improvement District 02, Series 1-B (AGM), 5.00%, 8/01/30                             | 10,000       | 10,863,000    |
| San Bernardino Community College District California, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31                                 | 17,770       | 19,708,352    |
| San Francisco Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC):<br>5.00%, 7/01/30   | 23,100       | 25,218,039    |
| 5.00%, 7/01/34   | 2,499        | 2,728,484     |
|  |              | 225,709,352   |
| <b>Education 11.6%</b>   |              |               |
| Chaffey Community College District, GO, Election of 2002, Series B (NPFGC), 5.00%, 6/01/15 (b)   | 9,905        | 10,717,930    |
| Los Rios Community College District, GO, Election of 2008, Series A, 5.00%, 8/01/35  | 11,000       | 12,453,870    |
| Mount Diablo California Unified School District, GO, 5.00%, 6/01/31  | 4,000        | 4,265,000     |
| Riverside Community College District, GO, Election of 2004, Series C (NPFGC), 5.00%, 8/01/32   | 8,910        | 10,160,073    |
| University of California, RB:<br>Limited Project, Series B (AGM), 5.00%, 5/15/13 (b)   | 17,397       | 18,017,465    |
| Limited Project, Series D (AGM), 5.00%, 5/15/41  | 8,000        | 8,887,280     |
| Series O, 5.75%, 5/15/34   | 11,190       | 13,438,892    |
|  |              | 77,940,510    |
| <b>Transportation 2.4%</b>   |              |               |
| City of Los Angeles California Department of Airports, Refunding RB, Los Angeles International Airport, Senior Series A, 5.00%, 5/15/40    | 4,999        | 5,651,285     |
| <b>Municipal Bonds Transferred to</b>  |              |               |
| Tender Option Bond (TOB) Trusts (c)<br>California (concluded)<br>Transportation (concluded)  | Par<br>(000) | Value         |
| San Mateo County Transportation Authority, Refunding RB,<br>Series A (NPFGC), 5.00%, 6/01/32   | \$ 10,000    | \$ 10,819,900 |
|  |              | 16,471,185    |
| <b>Utilities 14.2%</b>   |              |               |
| City of Napa California Water System, RB (AMBAC), 5.00%, 5/01/35   | 9,100        | 9,864,764     |
| East Bay Municipal Utility District, RB, Sub-Series A (NPFGC), 5.00%, 6/01/35  | 12,070       | 13,175,009    |
| East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/37  | 14,510       | 16,582,753    |
| Los Angeles Department of Water & Power, RB, Sub-Series A-2 (AGM), 5.00%, 7/01/35  | 7,500        | 8,465,925     |
| Metropolitan Water District of<br>Southern California, RB,<br>Series A (AGM), 5.00%, 7/01/35   | 12,870       | 14,078,364    |
| Rancho Water District Financing Authority, Refunding RB,<br>Series A (AGM), 5.00%, 8/01/34   | 5,008        | 5,541,962     |

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|  |        |            |
|--|--------|------------|
| Sacramento Regional County Sanitation District, RB, Sacramento Regional County Sanitation (NPFGC), 5.00%, 12/01/36 | 4,500  | 5,036,985  |
| San Diego County Water Authority, COP, Series A (AGM), 5.00%, 5/01/31  | 4,000  | 4,216,000  |
| San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/33                              | 16,740 | 18,587,259 |

**Total Municipal Bonds Transferred to**

95,549,021

**Tender Option Bond (TOB) Trusts 61.6%**

415,670,068

**Total Long-Term Investments**

(Cost \$1,041,439,587) 167.7%

1,131,649,713

**Short-Term Securities**

BIF California Municipal Money Fund, 0.00% (d)(e)

**Total Short-Term Securities**

**Shares**

10,861,988

10,861,988

(Cost \$10,861,988) 1.6%

10,861,988

BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

OCTOBER 31, 2012

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**BlackRock MuniHoldings California Quality Fund, Inc. (MUC)**

**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

|  | <b>Value</b>     |
|--|------------------|
| <b>Total Investments</b>   |                  |
| (Cost - \$1,052,301,575*) 169.3%   | \$ 1,142,511,701 |
| <b>Liabilities in Excess of Other Assets</b> (2.8)%  | (18,782,366)     |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable</b> (28.9)% | (194,818,447)    |
| <b>VMTP Shares, at Liquidation Value</b> (37.6)%   | (254,000,000)    |
| <b>Net Assets Applicable to Common Shares</b> 100.0%   | \$ 674,910,888   |

\* As of October 31, 2012, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

|                               |                |
|-------------------------------|----------------|
| Tax cost                      | \$ 857,874,669 |
| Gross unrealized appreciation | \$ 89,942,018  |
| Gross unrealized depreciation |                |
| Net unrealized appreciation   | \$ 89,942,018  |

- (a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (b) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (c) Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction.
- (d) Investments in issuers considered to be an affiliate of the Fund during the period ended October 31, 2012, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| <b>Affiliate</b>                    | <b>Shares<br/>Held at<br/>July 31, 2012</b> | <b>Net<br/>Activity</b> | <b>Shares<br/>Held at<br/>October 31,<br/>2012</b> | <b>Income</b> |
|-------------------------------------|---|-------------------------|--|---------------|
| BIF California Municipal Money Fund | 19,427,466                                  | (8,565,478)             | 10,861,988   |               |

- (e) Represents the current yield as of report date.

For Fund compliance purposes, the Fund's sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

**Portfolio Abbreviations**

To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

|       |   |
|-------|---|
| AGC   | Assured Guaranty Corp.                  |
| AGM   | Assured Guaranty Municipal Corp.        |
| AMBAC | American Municipal Bond Assurance Corp. |

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|       |   |
|-------|---|
| AMT   | Alternative Minimum Tax (subject to)    |
| ARB   | Airport Revenue Bonds                   |
| BHAC  | Berkshire Hathaway Assurance Corp.      |
| CAB   | Capital Appreciation Bonds              |
| COP   | Certificates of Participation           |
| GO    | General Obligation Bonds                |
| NPFGC | National Public Finance Guarantee Corp. |
| RB    | Revenue Bonds                           |

Fair Value Measurements - Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Fund has the ability to access

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

## Schedule of Investments (concluded)

## BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments is based on the pricing transparency of the investment and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its annual report.

The following table summarizes the Fund's investments categorized in the disclosure hierarchy as of October 31, 2012:

|                                    | Level 1       | Level 2          | Level 3 | Total            |
|------------------------------------|---------------|------------------|---------|------------------|
| <b>Assets:</b>                     |               |                  |         |                  |
| Investments:                       |               |                  |         |                  |
| Long Term Investments <sup>1</sup> |               | \$ 1,131,649,713 |         | \$ 1,131,649,713 |
| Short-Term Securities              | \$ 10,861,988 |                  |         | 10,861,988       |
| <b>Total</b>                       | \$ 10,861,988 | \$ 1,131,649,713 |         | \$ 1,142,511,701 |

<sup>1</sup>See above Schedule of Investments for values in each sector.

Certain of the Fund's liabilities are held at carrying amount, which approximates fair value for financial reporting purposes. As of October 31, 2012, such liabilities are categorized within the disclosure hierarchy as follows:

|                        | Level 1 | Level 2          | Level 3 | Total            |
|------------------------|---------|------------------|---------|------------------|
| <b>Liabilities:</b>    |         |                  |         |                  |
| TOB trust certificates |         | \$ (194,695,014) |         | \$ (194,695,014) |
| VMTP Shares            |         | (254,000,000)    |         | (254,000,000)    |
| <b>Total</b>           |         | \$ (448,695,014) |         | \$ (448,695,014) |

There were no transfers between levels during the period ended October 31, 2012.

Item 2 Controls and Procedures

- 2(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 Exhibits

Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and 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.

BlackRock MuniHoldings California Quality Fund, Inc.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock MuniHoldings California Quality Fund, Inc.  
Date: December 21, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock MuniHoldings California Quality Fund, Inc.  
Date: December 21, 2012

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock MuniHoldings California Quality Fund, Inc.  
Date: December 21, 2012