

BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

Form N-Q

December 22, 2010

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: Anne F. Ackerley, Chief Executive Officer, BlackRock
MuniHoldings California Quality Fund, Inc., 55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 07/31/2011

Date of reporting period: 10/31/2010

Item 1 Schedule of Investments

Schedule of Investments October 31, 2010 (Unaudited)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)
 (Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| California 108.7% | | |
| Corporate 0.4% | | |
| City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 2/15/34 | \$ 2,435 | \$ 2,747,021 |
| County/City/Special District/School District 41.9% | | |
| Alameda County Joint Powers Authority, Refunding RB, Lease (AGM), 5.00%, 12/01/34 | 13,180 | 13,543,504 |
| Bonita Unified School District California, GO, Election of 2004, Series B: (BHAC), 5.00%, 8/01/31 | 5,000 | 5,230,950 |
| (NPFGC), 5.00%, 8/01/29 | 8,350 | 8,726,919 |
| Central Unified School District, GO, Election of 2008, Series A (AGC), 5.63%, 8/01/33 | 2,600 | 2,891,070 |
| City of Garden Grove California, COP, Series A, Financing Project (AMBAC), 5.50%, 3/01/26 | 4,040 | 4,246,242 |
| City of Lodi California, COP, Refunding, Series A (AGM), 5.00%, 10/01/32 | 2,030 | 2,086,069 |
| City of Redding California, COP, Refunding, Series A (AGM), 5.00%, 6/01/30 | 5,735 | 5,992,387 |
| Colton Joint Unified School District, GO, Series A (NPFGC), 5.38%, 8/01/26 | 2,500 | 2,678,975 |
| Corona Department of Water & Power, COP (NPFGC), 5.00%, 9/01/29 | 5,910 | 6,112,122 |
| County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35 | 3,500 | 3,930,220 |
| Covina-Valley Unified School District California, GO, Refunding, Series A | | |

Edgar Filing: BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC. - Form N-Q

| | | |
|---|--------|-----------|
| (AGM), 5.50%, 8/01/26 | 2,395 | 2,552,854 |
| Culver City Redevelopment Finance Authority California, Tax Allocation Bonds, Refunding, Series A (AGM), 5.60%, 11/01/25 | 3,750 | 3,799,612 |
| East Side Union High School District-Santa Clara County California, GO, CAB, Election of 2002, Series E (Syncora), 5.13%, 8/01/28 (a) | 11,000 | 3,637,810 |
| Fullerton Joint Union High School District California, GO, Election of 2002, Series B (NPFGC), 5.00%, 8/01/29 | 6,685 | 6,995,050 |
| Jurupa Public Financing Authority, RB, Superior Lien, Series A (AGM): 5.00%, 9/01/30 | 4,000 | 4,068,160 |
| 5.00%, 9/01/33 | 2,000 | 2,023,120 |

| Municipal Bonds | Par (000) | Value |
|--|--------------|--------------|
| California (continued) | | |
| County/City/Special District/School District (continued) | | |
| Jurupa Public Financing Authority, RB, Superior Lien, Series A (AGM) (concluded): 5.00%, 9/01/39 | \$ 4,230 | \$ 4,252,588 |
| Los Angeles Community Redevelopment Agency California, RB, Bunker Hill Project, Series A (AGM), 5.00%, 12/01/27 | 10,000 | 10,427,100 |
| Los Angeles County Metropolitan Transportation Authority, Refunding RB, Proposition A, First Tier, Senior Series A (AMBAC), 5.00%, 7/01/35 | 9,000 | 9,348,480 |
| Los Angeles Unified School District California, GO, Election of 2004, Series H (AGM), 5.00%, 7/01/32 | 2,250 | 2,352,330 |
| Los Gatos Union School District California, GO, Election of 2001, | | |

Edgar Filing: BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC. - Form N-Q

| | | |
|---|--------|------------|
| Series B (AGM), 5.00%, 8/01/30 | 2,735 | 2,833,706 |
| Los Rios Community College District, GO, Election of 2008, Series A, 5.00%, 8/01/35 | 11,000 | 11,616,550 |
| Marin Community College District, GO, Election of 2004, Series A (NPFGC), 5.00%, 8/01/28 | 5,885 | 6,249,164 |
| Marysville Joint Unified School District California, GO, Election of 2008 (AGC), 5.13%, 8/01/34 | 6,915 | 7,239,728 |
| Oxnard Union High School District, GO, Refunding, Election of 2004, Series A (AGM), 5.00%, 8/01/35 | 11,110 | 11,561,733 |
| Port of Oakland, Refunding RB, Series M, AMT (NPFGC), 5.38%, 11/01/27 | 22,465 | 22,769,176 |
| Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33 | 5,000 | 5,293,900 |
| Redwoods Community College District, GO, Election of 2004 (NPFGC), 5.00%, 8/01/31 | 4,630 | 4,744,361 |
| Riverside Unified School District California, GO, Election of 2001, Series B (NPFGC), 5.00%, 8/01/30 | 10,735 | 10,998,330 |
| Saddleback Valley Unified School District California, GO (AGM), 5.00%, 8/01/29 | 4,115 | 4,330,667 |
| Salinas Union High School District California, GO, Election of 2002, Series B (NPFGC), 5.00%, 6/01/26 | 3,490 | 3,654,204 |

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. | CAB | Capital Appreciation Bonds |
| AGM | Assured Guaranty Municipal Corp. | COP | Certificates of Participation |
| AMBAC | American Municipal Bond Assurance Corp. | GO | General Obligation Bonds |

Edgar Filing: BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC. - Form N-Q

| | | | |
|------|--------------------------------------|-------|---|
| AMT | Alternative Minimum Tax (subject to) | NPFGC | National Public Finance Guarantee Corp. |
| BHAC | Berkshire Hathaway Assurance Corp. | RB | Revenue Bonds |

BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

OCTOBER 31, 2010

1

Schedule of Investments^(continued)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)
 (Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| California (continued) | | |
| County/City/Special District/School District (concluded) | | |
| San Diego Community College District California, GO, Election of 2002 (AGM), 5.00%, 5/01/30 | \$ 7,000 | \$ 7,404,460 |
| San Francisco Community College District California, GO, Election of 2001, Series C (AGM), 5.00%, 6/15/31 | 4,195 | 4,400,010 |
| San Jose Evergreen Community College District California, GO, Refunding, CAB, Election of 2004, Series A (NPFGC), 5.17%, 9/01/24 (a) | 10,410 | 5,190,218 |
| San Mateo County Transportation District California, Refunding RB, Series A (NPFGC), 5.00%, 6/01/29 | 5,650 | 5,949,902 |
| Santa Clara Redevelopment Agency California, Tax Allocation Bonds, Bayshore North Project, Series A (AMBAC), 5.50%, 6/01/23 | 10,000 | 10,053,200 |
| Santa Rosa High School District California, GO, Election of 2002 (NPFGC), 5.00%, 8/01/28 | 2,855 | 2,901,765 |
| Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/38 | 5,635 | 6,322,639 |
| Walnut Valley Unified School District California, GO, Election of 2007, Measure S, Series A (AGM), 5.00%, 2/01/33 | 2,000 | 2,094,060 |
| West Contra Costa Unified School District California, GO (AGM): | | |

Edgar Filing: BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC. - Form N-Q

| | | |
|---|-------|-------------|
| Election of 2002, Series B, 5.00%, 8/01/32 | 6,690 | 6,769,076 |
| Election of 2005, Series A, 5.00%, 8/01/26 | 2,595 | 2,720,754 |
| Westminster Redevelopment Agency California, Tax Allocation Bonds, Subordinate, Commercial Redevelopment Project No. 1 (AGC), 6.25%, 11/01/39 | 4,300 | 4,964,737 |
| | | 254,957,902 |

Education 11.0%

| | | |
|---|-----------------|-------------------------|
| California State Public Works Board, RB, University of California, Institute Project, Series C (AMBAC), 5.00%, 4/01/30 | 5,000 | 5,169,950 |
| California State University, Refunding B, Systemwide: Series A (AGM), 5.00%, 11/01/29 Series C (NPFGC), 5.00%, 11/01/35 | 5,000 22,900 | 5,111,200 23,469,981 |
| Riverside Community College District, GO, Election of 2004, Series C (AGM), 5.00%, 8/01/32 | 8,750 | 9,136,487 |
| San Diego Community College District, GO, Election of 2006 (AGM), 5.00%, 8/01/30 | 6,360 | 6,748,342 |

| Municipal Bonds | Par (000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

California (continued)

Education (concluded)

| | | |
|---|----------|--------------|
| University of California, RB, Limited Project, Series D (AGM), 5.00%, 5/15/37 | \$ 5,950 | \$ 6,192,165 |
| University of California, Refunding RB, General, Series A (AMBAC), 5.00%, 5/15/27 | 10,500 | 11,107,740 |
| | | 66,935,865 |

Health 3.3%

ABAG Finance Authority for Nonprofit

Edgar Filing: BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC. - Form N-Q

| | | |
|---|--------|------------|
| Corps, Refunding RB, Sharp | | |
| Healthcare, 6.25%, 8/01/39 | 5,000 | 5,615,500 |
| California Health Facilities Financing | | |
| Authority, Refunding RB, Catholic | | |
| Healthcare West, Series A, 6.00%, | | |
| 7/01/34 | 3,700 | 4,052,869 |
| California Statewide Communities | | |
| Development Authority, RB, Health | | |
| Facility, Memorial Health Services, | | |
| Series A, 6.00%, 10/01/23 | 4,915 | 5,183,801 |
| City of Torrance California, RB, Torrance | | |
| Memorial Medical Center, Series A, | | |
| 5.00%, 9/01/40 | 5,350 | 5,292,327 |
| | | 20,144,497 |
| State 4.6% | | |
| California Community College Financing | | |
| Authority, RB, Grossmont-Palomar- | | |
| Shasta, Series A (NPFGC), 5.63%, | | |
| 4/01/26 | 2,180 | 2,210,738 |
| California State Public Works Board, RB, | | |
| Department of Education, Riverside | | |
| Campus Project, Series B, 6.50%, | | |
| 4/01/34 | 3,670 | 4,044,450 |
| California State University, Refunding | | |
| RB, Systemwide, Series C (NPFGC), | | |
| 5.00%, 11/01/28 | 16,215 | 17,109,420 |
| State of California, GO, Various Purpose, | | |
| 6.00%, 3/01/33 | 4,000 | 4,594,560 |
| | | 27,959,168 |
| Transportation 17.8% | | |
| City of Fresno California, RB, Series B, | | |
| AMT (AGM), 5.50%, 7/01/20 | 4,455 | 4,495,362 |
| City of San Jose California, RB, Series D | | |
| (NPFGC), 5.00%, 3/01/28 | 7,500 | 7,687,050 |
| City of San Jose California, Refunding | | |
| RB, Series A, AMT (AGM), 5.50%, | | |
| 3/01/19 | 5,220 | 5,803,648 |
| County of Orange California, RB, | | |
| Series B, 5.75%, 7/01/34 | 6,345 | 6,954,183 |
| County of Sacramento California, RB, | | |
| Senior Series B: | | |

Edgar Filing: BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC. - Form N-Q

| | | |
|---|--------|------------|
| 5.75%, 7/01/39 | 2,650 | 2,886,937 |
| AMT (AGM), 5.75%, 7/01/28 | 13,170 | 14,209,508 |
| AMT (AGM), 5.25%, 7/01/33 | 19,525 | 20,031,674 |
| Port of Oakland, RB, Series K, AMT (NPFGC), 5.75%, 11/01/29 | 19,660 | 19,673,565 |
| San Francisco City & County Airports Commission, RB, Series E, 6.00%, 5/01/39 | 9,650 | 10,842,644 |

2 BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

OCTOBER 31, 2010

Schedule of Investments^(continued)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)
 (Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Municipal Bonds | | |
| California (continued) | | |
| Transportation (concluded) | | |
| San Francisco City & County Airports Commission, Refunding RB, Second Series 34E, AMT (AGM), 5.75%, 5/01/24 | \$ 5,000 | \$ 5,645,450 |
| San Mateo County Transportation Authority, Refunding RB, Series A (NPFGC), 5.00%, 6/01/32 | 10,000 | 10,347,300 |
| | | 108,577,321 |
| Utilities 29.7% | | |
| City of Escondido California, COP, Refunding, Series A (NPFGC), 5.75%, 9/01/24 | 465 | 471,333 |
| City of Glendale California, RB (AGC), 5.00%, 2/01/31 | 5,030 | 5,311,328 |
| City of Los Angeles California, Refunding RB, Sub-Series A, 5.00%, 6/01/32 | 3,000 | 3,224,490 |
| City of Santa Clara California, RB, Sub- Series A (NPFGC), 5.00%, 7/01/28 | 6,050 | 6,210,809 |
| East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/33 | 6,545 | 6,936,129 |
| East Valley Water District Financing Authority, Refunding RB, 5.00%, 10/01/40 | 4,090 | 4,265,379 |
| Los Angeles County Sanitation Districts Financing Authority, Refunding RB, Capital Project 14 (BHAC), 5.00%, 10/01/34 | 7,915 | 8,193,687 |
| Los Angeles Department of Water & Power, System, RB (AMBAC): Sub-Series A-1, 5.00%, 7/01/36 | 4,610 | 4,765,956 |

Edgar Filing: BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC. - Form N-Q

| | | |
|---|--------|------------|
| Sub-Series A-2, 5.00%, 7/01/35 | 1,150 | 1,189,491 |
| Metropolitan Water District of Southern California, RB, Series B-1 (NPFGC), 5.00%, 10/01/33 | 9,000 | 9,278,190 |
| Oxnard Financing Authority, RB (NPFGC): Project, 5.00%, 6/01/31 | 10,000 | 10,160,300 |
| Redwood Trunk Sewer & Headworks, Series A, 5.25%, 6/01/34 | 13,000 | 13,410,020 |
| Sacramento City Financing Authority California, Refunding RB (NPFGC): 5.00%, 12/01/29 | 8,775 | 8,853,010 |
| 5.00%, 8/15/33 | 22,150 | 22,587,906 |
| Sacramento Municipal Utility District, RB, Cosumnes Project (NPFGC), 5.13%, 7/01/29 | 36,760 | 38,439,197 |
| San Francisco City & County Public Utilities Commission, RB: Series A (NPFGC), 5.00%, 11/01/32 | 15,000 | 15,295,050 |
| Series B, 5.00%, 11/01/30 | 14,000 | 15,215,480 |

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| California (concluded) | | |
| Utilities (concluded) | | |
| Turlock Public Financing Authority California, RB, Series A (NPFGC), 5.00%, 9/15/33 | \$ 6,655 | \$ 6,774,125 |
| | | 180,581,880 |
| Total Municipal Bonds 108.7% | | 661,903,654 |
| Municipal Bonds Transferred to Tender | | |
| Option Bond Trusts (b) | | |
| California 58.2% | | |
| Corporate 6.9% | | |
| San Francisco Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC), 5.00%, 7/01/30 | 23,100 | 24,376,506 |
| University of California, RB, Limited Project, Series B (AGM), 5.00%, | | |

Edgar Filing: BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC. - Form N-Q

| | | |
|---|------------|--------------------------|
| 5/15/33 | 17,397 | 18,017,465 42,393,971 |
| County/City/Special District/School District 26.0% | | |
| Contra Costa Community College District | | |
| California, GO, Election of 2002 (NPFGC), 5.00%, 8/01/28 | 7,800 | 8,080,020 |
| Desert Community College District | | |
| California, GO, Series C (AGM), 5.00%, 8/01/37 | 16,530 | 17,005,734 |
| Los Angeles Community College District | | |
| California, GO: | | |
| Election of 2001, Series A (NPFGC), 5.00%, 8/01/32 | 6,647 | 6,964,997 |
| Election of 2003, Series E (AGM), 5.00%, 8/01/31 | 11,216 | 11,746,012 |
| Election of 2008, Series A, 6.00%, 8/01/33 | 9,596 | 11,016,159 |
| Ohlone Community College District, GO, Ohlone, Series B (AGM), 5.00%, 8/01/30 | | |
| 16,518 | 17,160,860 | |
| Peralta Community College District, GO, Election of 2000, Series D (AGM), 5.00%, 8/01/35 | | |
| 15,490 | 15,957,643 | |
| Poway Unified School District, GO, Election of 2002, Improvement District 02, Series 1-B (AGM), 5.00%, 8/01/30 | | |
| 10,000 | 10,425,400 | |
| San Bernardino Community College District California, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31 | | |
| 17,770 | 18,535,176 | |
| San Diego Community College District California, GO, Election of 2002 (AGM), 5.00%, 5/01/30 | | |
| 12,549 | 13,273,502 | |
| San Francisco Bay Area Transit Financing Authority, Refunding RB, Series A (NPFGC), 5.00%, 7/01/34 | | |
| 2,499 | 2,605,809 | |
| San Jose Financing Authority, Refunding RB, Civic Center Project, Series B (AMBAC), 5.00%, 6/01/32 | | |
| 14,800 | 14,893,536 | |

BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

OCTOBER 31, 2010

3

Schedule of Investments^(continued)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to Tender | Par | Value |
|--|----------|------------------------------|
| Option Bond Trusts (b) | (000) | |
| California (concluded) | | |
| County/City/Special District/School | | |
| District (concluded) | | |
| Vista Unified School District California, GO, Series A (AGM), 5.25%, 8/01/25 | \$10,016 | \$ 10,519,881 158,184,729 |
| Education 7.9% | | |
| Chaffey Community College District, GO, Election of 2002, Series B (NPFGC), 5.00%, 6/01/30 | 9,905 | 10,232,591 |
| Peralta Community College District, GO, Peralta Community College (AGM), 5.00%, 8/01/32 | 6,980 | 7,288,307 |
| Riverside Community College District, GO, Election of 2004, Series C (NPFGC), 5.00%, 8/01/32 | 8,910 | 9,266,400 |
| University of California, RB: Limited Project, Series D (AGM), 5.00%, 5/15/41 | 8,000 | 8,339,520 |
| Series O, 5.75%, 5/15/34 | 11,190 | 12,760,404 47,887,222 |
| Utilities 17.4% | | |
| City of Napa California, RB (AMBAC), 5.00%, 5/01/35 | 9,100 | 9,463,363 |
| East Bay Municipal Utility District, RB, Sub-Series A (NPFGC), 5.00%, 6/01/35 | 12,070 | 12,558,111 |
| East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/37 | 14,510 | 15,291,073 |
| Los Angeles Department of Water & Power, RB (AGM): Power System, Sub-Series A-1, | | |

Edgar Filing: BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC. - Form N-Q

| | | |
|---|------------|----------------|
| 5.00%, 7/01/31 | 4,993 | 5,229,215 |
| System, Sub-Series A-2, 5.00%, 7/01/35 | 7,500 | 7,757,550 |
| Metropolitan Water District of Southern California, RB, Series A (AGM), 5.00%, 7/01/35 | 12,870 | 13,429,588 |
| Rancho Water District Financing Authority, Refunding RB, Series A (AGM), 5.00%, 8/01/34 | 5,008 | 5,233,747 |
| Sacramento Regional County Sanitation District, RB, Sacramento Regional County Sanitation (NPFGC), 5.00%, 12/01/36 | 4,500 | 4,670,685 |
| San Diego County Water Authority, COP, Refunding: Series 2002-A (NPFGC), 5.00%, 5/01/32 | 10,000 | 10,307,200 |
| Series 2008-A (AGM), 5.00%, 5/01/33 | 16,740 | 17,649,652 |
| Series A (AGM), 5.00%, 5/01/31 | 4,000 | 4,205,480 |
| | | 105,795,664 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts 58.2% | | 354,261,586 |
| Total Long-Term Investments (Cost \$990,730,186) 166.9% | | 1,016,165,240 |
| Short-Term Securities | Shares | Value |
| BIF California Municipal Money Fund, 0.04% (c)(d) | 16,323,420 | \$ 16,323,420 |
| Total Short-Term Securities (Cost \$16,323,420) 2.7% | | 16,323,420 |
| Total Investments (Cost \$1,007,053,606*) 169.6% | | 1,032,488,660 |
| Other Assets Less Liabilities 2.0% | | 12,406,257 |
| Liability for Trust Certificates, Including Interest Expense and Fees Payable (29.9)% | | (182,022,476) |
| Preferred Shares, at Redemption Value (41.7)% | | (254,019,706) |
| Net Assets Applicable to Common Shares 100.0% | | \$ 608,852,735 |

* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2010, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|----------------|
| Aggregate cost | \$ 824,899,316 |
| Gross unrealized appreciation | \$ 27,330,012 |
| Gross unrealized depreciation | (1,595,301) |
| Net unrealized appreciation | \$ 25,734,711 |

(a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(b) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired residual interest certificates.

These securities serve as collateral in a financing transaction.

4 BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

OCTOBER 31, 2010

Schedule of Investments^(concluded)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

(c) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at July 31, 2010 | Net Activity | Shares Held at October 31, 2010 | Income |
|---|------------------------------------|-----------------|--|----------|
| BIF California Municipal Money Fund | 71,270,966 | (54,947,546) | 16,323,420 | \$ 2,414 |

(d) 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. This definition may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Fair Value Measurements - Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical assets and liabilities

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 inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and

Edgar Filing: BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC. - Form N-Q

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 inputs used as of October 31, 2010 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|---------------|-----------------|---------|-----------------|
| Assets: | | | | |
| Investments in Securities: | | | | |
| Long-Term | | | | |
| Investments ¹ | | \$1,016,165,240 | | \$1,016,165,240 |
| Short-Term | | | | |
| Securities | \$ 16,323,420 | | | 16,323,420 |
| Total | \$ 16,323,420 | \$1,016,165,240 | | \$1,032,488,660 |

¹See above Schedule of Investments for values in each sector.

BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

OCTOBER 31, 2010

5

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/ Anne F. Ackerley
Anne F. Ackerley
Chief Executive Officer of
BlackRock MuniHoldings California Quality Fund, Inc.

Date: December 22, 2010

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/ Anne F. Ackerley
Anne F. Ackerley
Chief Executive Officer (principal executive officer) of
BlackRock MuniHoldings California Quality Fund, Inc.

Date: December 22, 2010

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

Date: December 22, 2010