



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549-7010

Mail Stop 7010

January 27, 2009

**via U.S. mail and facsimile**

Crit S. DeMent, Chief Executive Officer of the General Partner  
Leaf Equipment Leasing Income Fund III, L.P.  
110 South Poplar Street, Suite 101,  
Wilmington Delaware 19801

**RE: Leaf Equipment Leasing Income Fund III, L.P.  
Form 10-K for the Fiscal Year Ended December 31, 2007  
Filed March 31, 2008  
Form 10-Q for the Fiscal Quarter Ended June 30, 2008  
Filed August 14, 2008  
Form 10-Q for the Fiscal Quarter Ended September 30, 2008  
Filed November 19, 2008  
File No. 333-137734**

Dear Mr. DeMent:

We have completed our review of your Form 10-K and related filings and have no further comments at this time.

Sincerely,

Terence O'Brien  
Accounting Branch Chief