

13FCON P 8/7/07

NON-PUBLIC

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

Form 13F
FORM 13F COVER PAGE

Report for the Calendar Year or Quarter Ended: June 30, 2006

Check here if Amendment [] ; Amendment Number: _____
This Amendment (Check only one.): [] is a restatement.
[] adds new holdings entries.

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OFFICE OF THE SECRETARY

Institutional Investment Manager Filing this Report:

Name: DOLPHIN LIMITED PARTNERSHIP III, L.P.
Address: 96 CUMMINGS POINT RD.
STAMFORD, CT 06902

CONFIDENTIAL TREATMENT EXPIRED

Form 13F File Number: 28-~~11247~~ 11984

The institutional investment manager filing this report and the person by whom it is signed hereby represent that the person signing the report is authorized to submit it, that all information contained herein is true, correct and complete, and that it is understood that all required items, statements, schedules, lists, and tables, are considered integral parts of this form.

Person Signing this Report on Behalf of Reporting Manager:

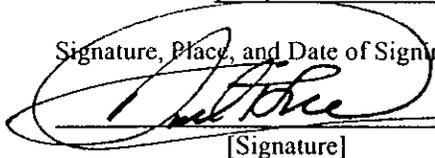
Name: DONALD T. NETTER
Title: SENIOR MANAGING DIRECTOR OF DOLPHIN HOLDINGS CORP.
Phone: (203) 358-8000

PROCESSED

APR 08 2008

THOMSON
FINANCIAL

Signature, Place, and Date of Signing:



[Signature]

Stamford, CT

[City, State]

08/14/2006

[Date]

Report Type (Check only one):

- 13F HOLDINGS REPORT. (Check here if all holdings of this reporting manager are reported in this report.)
- 13F NOTICE. (Check here if no holdings reported are in this report, and all holdings are reported by other reporting manager(s).)
- 13F COMBINATION REPORT. (Check here if a portion of the holdings for this reporting manager are reported in this report and a portion is reported by other reporting manager(s).)

List of Other Managers Reporting for this Manager:
[If there are no entries in this list, omit this section.]

Form 13F File Number

Name

28-_____



07060761

FORM 13F SUMMARY PAGE

Report Summary:

Number of Other Included Managers: 2
Number 13F Information Table Entry Total: 3
Form 13F Information Table Value Total: \$2,625 (thousands)

List of Other Included Managers:

Provide a numbered list of the name(s) and Form 13F file number(s) of all institutional investment managers with respect to which this report is filed, other than the manager filing this report.

No.	Form 13F File Number	Name
1	<u>28-11255</u>	<u>Dolphin Holdings Corp.</u>
2	<u>28-11256</u>	<u>Donald T. Netter</u>

6/30/2006
 FORM 13F INFORMATION
 TABLE

Dolphin Limited Partners III, L.P.
 CONFIDENTIAL

	Name of Issuer	Title of Class	Cusip	Value (x\$1000)	Shares / Prn		Put / Call	Invsymt Discretn	Other Managers	Voting Authority		
					Amt	Prn				Sole	Shared	None
1	ACXION CORP	COM	005125109	2303	92,100					2302.5		
2	BAIRNCO CORP	COM	057097107	205	17,435					205		
3	DHB INDUSTRIES INC	COM	23321E103	118	75,100					117.907		

END