

JAN 12 2009

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FORM D

Washington, DC

OMB APPROVAL

OMB Number: 3235-0076

Expires: January 31, 2009

Estimated average burden hours per response: 4.00

Notice of Exempt Offering of Securities

U.S. Securities and Exchange Commission

Washington, DC 20549

(See instructions beginning on page 5)

Intentional misstatements or omissions of fact constitute federal criminal violations. See 18 U.S.C. 1001.

Item 1. Issuer's Identity

Name of Issuer

Colony Realty Partners III REIT

Jurisdiction of Incorporation/Organization

Maryland

Year of Incorporation/Organization (Select one)

Over Five Years Ago Within Last Five Years (specify year) 1/08

Yet to Be Formed

Previous Name(s)

None

Entity Type (Select one)

- Corporation
Limited Partnership
Limited Liability Company
General Partnership
Business Trust
Other (Specify)

REIT

(If more than one issuer is filing this notice, check this box and identify additional issuer(s) by attaching Items 1 and 2 Continuation Page(s).)

Item 2. Principal Place of Business and Contact Information

Street Address 1

1999 Avenue of the Stars, Suite 1200

Street Address 2

City

Los Angeles

State/Province/Country

CA

ZIP/Postal Code

90067

Phone No.

310-282-8820

PROCESSED

JAN 23 2009

THOMSON REUTERS

Item 3. Related Persons

Last Name

Colony Realty Partners III, L.P.

First Name

Middle Name

Street Address 1

1999 Avenue of the Stars, Suite 1200

Street Address 2

City

Los Angeles

State/Province/Country

CA

ZIP/Postal Code

90067

Relationship(s): Executive Officer Director Promoter

Clarification of Response (if Necessary) Beneficial Owner



(Identify additional related persons by checking this box and attaching Item 3 Continuation Page(s).)

Item 4. Industry Group (Select one)

- Agriculture
Banking and Financial Services
Commercial Banking
Insurance
Investing
Investment Banking
Pooled Investment Fund

If selecting this industry group, also select one fund type below and answer the question below:

- Hedge Fund
Private Equity Fund
Venture Capital Fund
Other Investment Fund

Is the issuer registered as an investment company under the Investment Company Act of 1940? Yes No

Other Banking & Financial Services

- Business Services
Energy
Electric Utilities
Energy Conservation
Coal Mining
Environmental Services
Oil & Gas
Other Energy

- Health Care
Biotechnology
Health Insurance
Hospitals & Physicians
Pharmaceuticals
Other Health Care

- Manufacturing
Real Estate
Commercial

- Construction
REITS & Finance
Residential
Other Real Estate
Retailing
Restaurants
Technology
Computers
Telecommunications
Other Technology
Travel
Airlines & Airports
Lodging & Conventions
Tourism & Travel Services
Other Travel
Other

Item 5. Issuer Size (Select one)

Revenue Range (for issuer not specifying "hedge" or "other investment" fund in Item 4 above)

- No Revenues
- \$1 - \$1,000,000
- \$1,000,001 - \$5,000,000
- \$5,000,001 - \$25,000,000
- \$25,000,001 - \$100,000,000
- Over \$100,000,000
- Decline to Disclose
- Not Applicable

OR

Aggregate Net Asset Value Range (for issuer specifying "hedge" or "other investment" fund in Item 4 above)

- No Aggregate Net Asset Value
- \$1 - \$5,000,000
- \$5,000,001 - \$25,000,000
- \$25,000,001 - \$50,000,000
- \$50,000,001 - \$100,000,000
- Over \$100,000,000
- Decline to Disclose
- Not Applicable

Item 6. Federal Exemptions and Exclusions Claimed (Select all that apply)

- | | | |
|--|---|---|
| <input type="checkbox"/> Rule 504(b)(1) (not (i), (ii) or (iii)) | Investment Company Act Section 3(c) | <input type="checkbox"/> Section 3(c)(9) |
| <input type="checkbox"/> Rule 504(b)(1)(i) | <input type="checkbox"/> Section 3(c)(1) | <input type="checkbox"/> Section 3(c)(10) |
| <input type="checkbox"/> Rule 504(b)(1)(ii) | <input type="checkbox"/> Section 3(c)(2) | <input type="checkbox"/> Section 3(c)(11) |
| <input type="checkbox"/> Rule 504(b)(1)(iii) | <input type="checkbox"/> Section 3(c)(3) | <input type="checkbox"/> Section 3(c)(12) |
| <input type="checkbox"/> Rule 505 | <input type="checkbox"/> Section 3(c)(4) | <input type="checkbox"/> Section 3(c)(13) |
| <input checked="" type="checkbox"/> Rule 506 | <input checked="" type="checkbox"/> Section 3(c)(5) | <input type="checkbox"/> Section 3(c)(14) |
| <input type="checkbox"/> Securities Act Section 4(6) | <input type="checkbox"/> Section 3(c)(6) | |
| | <input type="checkbox"/> Section 3(c)(7) | |

Item 7. Type of Filing

- New Notice **OR** Amendment

Date of First Sale in this Offering: **OR** First Sale Yet to Occur

Item 8. Duration of Offering

Does the issuer intend this offering to last more than one year? Yes No

Item 9. Type(s) of Securities Offered (Select all that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> Equity | <input type="checkbox"/> Pooled Investment Fund Interests |
| <input type="checkbox"/> Debt | <input type="checkbox"/> Tenant-in-Common Securities |
| <input type="checkbox"/> Option, Warrant or Other Right to Acquire Another Security | <input type="checkbox"/> Mineral Property Securities |
| <input type="checkbox"/> Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security | <input type="checkbox"/> Other (Describe) |
- To clarify- Preferred Equity

Item 10. Business Combination Transaction

Is this offering being made in connection with a business combination transaction, such as a merger, acquisition or exchange offer? Yes No

Clarification of Response (if Necessary)

Item 11. Minimum Investment

Minimum investment accepted from any outside investor \$ 1,000.00

Item 12. Sales Compensation

Recipient Charles Harrison Recipient CRD Number 3071551 No CRD Number

(Associated) Broker or Dealer None (Associated) Broker or Dealer CRD Number 113794 No CRD Number

Street Address 1 100 Colony Square, Suite 2120 Street Address 2 1175 Peachtree Street NE City Atlanta State/Province/Country GA ZIP/Postal Code 30361-6206

States of Solicitation All States AL AK AZ AR CA CO CT DE DC FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY PR

(Identify additional person(s) being paid compensation by checking this box [X] and attaching Item 12 Continuation Page(s).)

Item 13. Offering and Sales Amounts

(a) Total Offering Amount \$ 122,000.00 OR Indefinite (b) Total Amount Sold \$ 122,000.00 (c) Total Remaining to be Sold \$ 0 OR Indefinite

Clarification of Response (if Necessary)

Item 14. Investors

Check this box [] if securities in the offering have been or may be sold to persons who do not qualify as accredited investors, and enter the number of such non-accredited investors who already have invested in the offering:

Enter the total number of investors who already have invested in the offering: 122

Item 15. Sales Commissions and Finders' Fees Expenses

Provide separately the amounts of sales commissions and finders' fees expenses, if any. If an amount is not known, provide an estimate and check the box next to the amount.

Sales Commissions \$ 6,250.00 Estimate

Clarification of Response (if Necessary) Finders' Fees \$ Estimate

Clarification of Response (if Necessary)

Item 16. Use of Proceeds

Provide the amount of the gross proceeds of the offering that has been or is proposed to be used for payments to any of the persons required to be named as executive officers, directors or promoters in response to Item 3 above. If the amount is unknown, provide an estimate and check the box next to the amount.

\$ 80,000.00

Estimate

Clarification of Response (If Necessary)

Use of proceeds for investments made by issuer.

Signature and Submission

Please verify the information you have entered and review the Terms of Submission below before signing and submitting this notice.

Terms of Submission. In Submitting this notice, each identified issuer is:

Notifying the SEC and/or each State in which this notice is filed of the offering of securities described and undertaking to furnish them, upon written request, in accordance with applicable law, the information furnished to offerees.*

Irrevocably appointing each of the Secretary of the SEC and the Securities Administrator or other legally designated officer of the State in which the issuer maintains its principal place of business and any State in which this notice is filed, as its agents for service of process, and agreeing that these persons may accept service on its behalf, of any notice, process or pleading, and further agreeing that such service may be made by registered or certified mail, in any Federal or state action, administrative proceeding, or arbitration brought against the issuer in any place subject to the jurisdiction of the United States, if the action, proceeding or arbitration (a) arises out of any activity in connection with the offering of securities that is the subject of this notice, and (b) is founded, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these statutes; or (ii) the laws of the State in which the issuer maintains its principal place of business or any State in which this notice is filed.

Certifying that, if the issuer is claiming a Rule 505 exemption, the issuer is not disqualified from relying on Rule 505 for one of the reasons stated in Rule 505(b)(2)(iii).

* This undertaking does not affect any limits Section 102(a) of the National Securities Markets Improvement Act of 1996 ("NSMIA") [Pub. L. No. 104-290, 110 Stat. 3416 (Oct. 11, 1996)] imposes on the ability of States to require information. As a result, if the securities that are the subject of this Form D are "covered securities" for purposes of NSMIA, whether in all instances or due to the nature of the offering that is the subject of this Form D, States cannot routinely require offering materials under this undertaking or otherwise and can require offering materials only to the extent NSMIA permits them to do so under NSMIA's preservation of their anti-fraud authority.

Each identified issuer has read this notice, knows the contents to be true, and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person. (Check this box and attach Signature Continuation Pages for signatures of issuers identified in Item 1 above but not represented by signer below.)

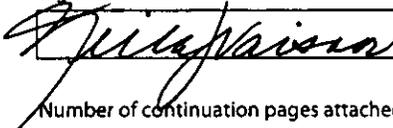
Issuer(s)

Colony Realty Partners III REIT

Name of Signer

Neil Waisnor

Signature



Title

Vice President

Number of continuation pages attached:

4

Date

01/02/2009

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Item 3 Continuation Page

Item 3. Related Persons (Continued)

Last Name	First Name	Middle Name
Colony Realty Partners GP III, LP		
Street Address 1	Street Address 2	
c/o Colony Realty Partners III, L.P.	1999 Avenue of the Stars, Suite 1200	
City	State/Province/Country	ZIP/Postal Code
Los Angeles	CA	90067
Relationship(s):	<input type="checkbox"/> Executive Officer <input checked="" type="checkbox"/> Director <input type="checkbox"/> Promoter	
Clarification of Response (if Necessary)		

Last Name	First Name	Middle Name
Barrack, Jr.	Thomas	J.
Street Address 1	Street Address 2	
c/o Colony Realty Partners III, L.P.	1999 Avenue of the Stars, Suite 1200	
City	State/Province/Country	ZIP/Postal Code
Los Angeles	CA	90067
Relationship(s):	<input checked="" type="checkbox"/> Executive Officer <input type="checkbox"/> Director <input type="checkbox"/> Promoter	
Clarification of Response (if Necessary)		

Last Name	First Name	Middle Name
Saltzman	Richard	B.
Street Address 1	Street Address 2	
c/o Colony Realty Partners III, L.P.	1999 Avenue of the Stars, Suite 1200	
City	State/Province/Country	ZIP/Postal Code
Los Angeles	CA	90067
Relationship(s):	<input checked="" type="checkbox"/> Executive Officer <input type="checkbox"/> Director <input type="checkbox"/> Promoter	
Clarification of Response (if Necessary)		

Last Name	First Name	Middle Name
Brauer	Henry	G.
Street Address 1	Street Address 2	
c/o Colony Realty Partners III, L.P.	1999 Avenue of the Stars, Suite 1200	
City	State/Province/Country	ZIP/Postal Code
Los Angeles	CA	90067
Relationship(s):	<input checked="" type="checkbox"/> Executive Officer <input type="checkbox"/> Director <input type="checkbox"/> Promoter	
Clarification of Response (if Necessary)		

Item 3 Continuation Page

Item 3. Related Persons (Continued)

Last Name	First Name	Middle Name
Harmeling	Mark	M.
Street Address 1	Street Address 2	
c/o Colony Realty Partners III, L.P.	1999 Avenue of the Stars, Suite 1200	
City	State/Province/Country	ZIP/Postal Code
Los Angeles	CA	90067
Relationship(s): <input checked="" type="checkbox"/> Executive Officer <input type="checkbox"/> Director <input type="checkbox"/> Promoter		
Clarification of Response (if Necessary)		

Last Name	First Name	Middle Name
Freeman	Scott	D.
Street Address 1	Street Address 2	
c/o Colony Realty Partners III, L.P.	1999 Avenue of the Stars, Suite 1200	
City	State/Province/Country	ZIP/Postal Code
Los Angeles	CA	90067
Relationship(s): <input checked="" type="checkbox"/> Executive Officer <input type="checkbox"/> Director <input type="checkbox"/> Promoter		
Clarification of Response (if Necessary)		

Last Name	First Name	Middle Name
Hedstrom	Mark	M.
Street Address 1	Street Address 2	
c/o Colony Realty Partners III, L.P.	1999 Avenue of the Stars, Suite 1200	
City	State/Province/Country	ZIP/Postal Code
Los Angeles	CA	90067
Relationship(s): <input checked="" type="checkbox"/> Executive Officer <input type="checkbox"/> Director <input type="checkbox"/> Promoter		
Clarification of Response (if Necessary)		

Last Name	First Name	Middle Name
Sanders	Ronald	M.
Street Address 1	Street Address 2	
c/o Colony Realty Partners III, L.P.	1999 Avenue of the Stars, Suite 1200	
City	State/Province/Country	ZIP/Postal Code
Los Angeles	CA	90067
Relationship(s): <input checked="" type="checkbox"/> Executive Officer <input type="checkbox"/> Director <input type="checkbox"/> Promoter		
Clarification of Response (if Necessary)		

(Copy and use additional copies of this page as necessary.)

Item 3 Continuation Page

Item 3. Related Persons (Continued)

Last Name: Mallory, First Name: Joy, Middle Name: []
Street Address 1: c/o Colony Realty Partners III, L.P., Street Address 2: 1999 Avenue of the Stars, Suite 1200
City: Los Angeles, State/Province/Country: CA, ZIP/Postal Code: 90067
Relationship(s): Executive Officer, Director, Promoter
Clarification of Response (if Necessary): []

Last Name: Walsnor, First Name: Neil, Middle Name: E.
Street Address 1: c/o Colony Realty Partners III, L.P., Street Address 2: 1999 Avenue of the Stars, Suite 1200
City: Los Angeles, State/Province/Country: CA, ZIP/Postal Code: 90067
Relationship(s): Executive Officer, Director, Promoter
Clarification of Response (if Necessary): []

Last Name: Dretler, First Name: Dan, Middle Name: []
Street Address 1: c/o Colony Realty Partners III, L.P., Street Address 2: 1999 Avenue of the Stars, Suite 1200
City: Los Angeles, State/Province/Country: CA, ZIP/Postal Code: 90067
Relationship(s): Executive Officer, Director, Promoter
Clarification of Response (if Necessary): []

Last Name: [], First Name: [], Middle Name: []
Street Address 1: [], Street Address 2: []
City: [], State/Province/Country: [], ZIP/Postal Code: []
Relationship(s): Executive Officer, Director, Promoter
Clarification of Response (if Necessary): []

(Copy and use additional copies of this page as necessary.)

Item 12 Continuation Page

Item 12. Sales Compensation (Continued)

Recipient

Phyllis Beck

(Associated) Broker or Dealer None

H & L Equities, LLC

Street Address 1

100 Colony Square, Suite 2120

City

Atlanta

State/Province/Country

GA

Recipient CRD Number

1020488

No CRD Number

(Associated) Broker or Dealer CRD Number

113794

No CRD Number

Street Address 2

1175 Peachtree Street NE

ZIP/Postal Code

30361-6206

States of Solicitation All States

- AL AK AZ AR CA CO CT DE DC FL GA HI ID
- IL IN IA KS KY LA ME MD MA MI MN MS MO
- MT NE NV NH NJ NM NY NC ND OH OK OR PA
- RI SC SD TN TX UT VT VA WA WV WI WY PR

Recipient

(Associated) Broker or Dealer None

Street Address 1

City

Recipient CRD Number

No CRD Number

(Associated) Broker or Dealer CRD Number

No CRD Number

Street Address 2

ZIP/Postal Code

States of Solicitation All States

- AL AK AZ AR CA CO CT DE DC FL GA HI ID
- IL IN IA KS KY LA ME MD MA MI MN MS MO
- MT NE NV NH NJ NM NY NC ND OH OK OR PA
- RI SC SD TN TX UT VT VA WA WV WI WY PR

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END