Part I - Reporting Issuer

1 Issuer's name

Cale Credit Property Trust III, Inc.

2 Issuer's employer identification number (EIN)

26-1846406

3 Name of contact for additional information

Investor Services

4 Telephone No. of contact

866-907-2653

5 Email address of contact

6 Number and street (or P.O. box if mail is not delivered to street address) of contact

2325 E. Camelback Rd Suite 1100

7 City, town, or post office, state, and Zip code of contact

Phoenix, AZ 85016

8 Date of action

January 20, 2012

9 Classification and description

Common Stock

10 CUSIP number

19326R107

11 Serial number(s)

12 Ticker symbol

13 Account number(s)

Part II - Organizational Action

Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

During 2011, Cale Credit Property Trust III, Inc. (the "Company") paid cash distributions to its common shareholders on January 14th, February 15th, March 15th, April 15th, May 13th, June 15th, July 15th, August 15th, September 15th, October 14th, November 1st and December 1st. On January 20, 2012 the Company determined that a portion of each of these distributions represents a return of capital to the shareholders. Consequently, each common shareholder who received a cash distribution on these dates would be affected by this organizational action.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

For each cash distribution paid to common shareholders by the Company during 2011, 38.53971458% of the distribution represents a return of capital. Accordingly, each common shareholder should treat 38.53971458% of the distributions as a nontaxable distribution and reduce the tax basis of the stock accordingly. Any nontaxable distributions in excess of a shareholder's basis should be treated as a gain from the sale or exchange of property.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

On January 20, 2012 the Company completed its annual calculation of its Current Earnings & Profits for the year ended December 31, 2011. Based on that calculation, the Company determined that 38.53971458% of its 2011 common distributions represent a return of capital.
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code section 316 defines a "dividend" generally as any distribution of property made by a corporation to its shareholders out of Earnings & Profits (as defined by Internal Revenue Code section 312 and the regulations thereunder). Pursuant to Internal Revenue Code section 301(c)(3), the portion of the distribution which is not a dividend shall be applied against and reduce the adjusted tax basis of the stock. Under Internal Revenue Code section 301(c)(3), a distribution which is not a dividend, to the extent that it exceeds the shareholder’s adjusted tax basis of the stock, shall be treated as gain from the sale or exchange of property.

18 Can any resulting loss be recognized? ▶ The organizational action reported herein does not result in any losses.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The amount of nontaxable distributions on the dates mentioned above either (i) reduces the shareholder’s adjusted tax basis in his/her stock or (ii) to the extent that it exceeds the shareholder’s adjusted tax basis in his/her stock on the dates of the distributions, is treated as gain from the sale or exchange of property in 2011.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶
Date ▶ 2/22/2012

Print your name ▶ BENJAMIN COLEMAN
Title ▶ ASSISTANT TREASURER-TAX MATTERS

Paid Preparer Use Only
Print/Type preparer’s name ▶
Preparer's signature ▶
Date ▶
Check □ if self-employed
PTIN ▶
Firm’s name ▶
Firm’s address ▶
Firm’s EIN ▶
Phone no. ▶

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054