

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name <u>LIGHTSTONE VALUE PLUS REAL ESTATE INVESTMENT TRUST III INC</u>		2 Issuer's employer identification number (EIN) <u>46-1140492</u>	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>1985 CEDAR BRIDGE AVENUE, SUITE 1</u>		7 City, town, or post office, state, and Zip code of contact <u>LAKWOOD, NJ 08701</u>	
8 Date of action <u>See Attached</u>		9 Classification and description <u>Distributions on Common Stock</u>	
10 CUSIP number	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 ▶ Nondividend cash distributions were paid to common shareholders.
See attached schedule for additional detail.

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 ▶ The amount of the nondividend distributions are included in the attached schedule. The amount of nondividend distributions should reduce the tax basis of each common share, but not below zero.

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 ▶ The nontaxable distributions were calculated as the amount of cash distributions in excess of LIGHTSTONE VALUE PLUS REAL ESTATE INVESTMENT TRUST III INC's earnings and profits.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The
nondividend distributions are determined pursuant to IRC Section 301(c).

18 Can any resulting loss be recognized? ▶ No.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____
The reportable tax year is 2016.

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.

Sign Here
Signature ▶ *Donna Brandin* Date ▶ 1/17/17

Print your name ▶ DONNA BRANDIN Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>KENNETH WEISSENBERG</u>	<u><i>Kenneth Weissenberg</i></u>	<u>01/17/2017</u>		<u>P00738677</u>
	Firm's name ▶ <u>EISNERAMPER LLP</u>	Firm's address ▶ <u>750 THIRD AVENUE, NEW YORK, NY 10017-2703</u>		Firm's EIN ▶ <u>13-1639826</u>	Phone no. <u>212-949-8700</u>

Lighthouse Value Plus Real Estate Investment Trust III, Inc.
 46-1140492
 Year Ended December 31, 2016

Supplement Attachment to Form 8937

Record Date	Payable Date	Per Share Distribution	Nondividend Distributions
			38.8303%
Daily	3/15/2016	0.060000000	0.000232982
Daily	4/15/2016	0.060000000	0.000232982
Daily	5/16/2016	0.060000000	0.000232982
Daily	6/15/2016	0.060000000	0.000232982
Daily	7/15/2016	0.060000000	0.000232982
Daily	8/15/2016	0.060000000	0.000232982
Daily	9/15/2016	0.060000000	0.000232982
Daily	10/17/2016	0.060000000	0.000232982
Daily	11/15/2016	0.060000000	0.000232982
Daily	12/15/2016	0.060000000	0.000232982
Total		0.600000000	0.002329818