

FORM 4

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

|                                                                                  |                                         |                                                                                                             |                                   |                                                                                                                                                                                     |                                                                         |            |                                                                                                     |                                                                         |                                                                   |                        |
|----------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------|
| 1. Name and Address of Reporting Person -<br>BANK OF AMERICA CORP /DE/           |                                         | 2. Issuer Name and Ticker or Trading Symbol<br>NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND<br>3 [NWI] |                                   | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br>____ Director<br>____ Officer (give title below)<br>____X____ 10% Owner<br>____ Other (specify below) |                                                                         |            |                                                                                                     |                                                                         |                                                                   |                        |
| (Last) (First) (Middle)<br>BANK OF AMERICA CORPORATE CENTER, 100 N. TRYON STREET |                                         | 3. Date of Earliest Transaction (Month/Day/Year)<br>02/14/2011                                              |                                   |                                                                                                                                                                                     |                                                                         |            |                                                                                                     |                                                                         |                                                                   |                        |
| (Street)<br>CHARLOTTE, NC 28255                                                  |                                         | 4. If Amendment, Date Original Filed(Month/Day/Year)                                                        |                                   | 6. Individual or Joint/Group Filing(Check Applicable Line)<br>____ Form filed by One Reporting Person<br>____X____ Form filed by More than One Reporting Person                     |                                                                         |            |                                                                                                     |                                                                         |                                                                   |                        |
| (City) (State) (Zip)                                                             |                                         | Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned                            |                                   |                                                                                                                                                                                     |                                                                         |            |                                                                                                     |                                                                         |                                                                   |                        |
| 1. Title of Security<br>(Instr. 3)                                               | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year)                                                 | 3. Transaction Code<br>(Instr. 8) |                                                                                                                                                                                     | 4. Securities Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) |            | 5. Amount of Securities Beneficially Owned Following Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I)<br>(Instr. 4) | 7. Nature<br>of Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |                        |
|                                                                                  |                                         |                                                                                                             | Code                              | V                                                                                                                                                                                   | Amount                                                                  | (A) or (D) |                                                                                                     |                                                                         |                                                                   | Price                  |
| Auction Rate Preferred (1)                                                       | 02/14/2011                              |                                                                                                             | j(2)                              |                                                                                                                                                                                     | 44                                                                      | D          | (2)                                                                                                 | 0                                                                       | I                                                                 | See<br>Footnote<br>(1) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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| Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned<br>(e.g., puts, calls, warrants, options, convertible securities) |                                                                 |                                         |                                                             |                                   |   |                                                                                                  |     |                                                                |                    |                                                                     |                            |                                                     |                                                                                                                            |                                                                                                       |                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|-----------------------------------|---|--------------------------------------------------------------------------------------------------|-----|----------------------------------------------------------------|--------------------|---------------------------------------------------------------------|----------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| 1. Title of Derivative Security<br>(Instr. 3)                                                                                                   | 2. Conversion or<br>Exercise Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction Code<br>(Instr. 8) |   | 5. Number of Derivative<br>Securities Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4, and 5) |     | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |                    | 7. Title and Amount of Underlying<br>Securities<br>(Instr. 3 and 4) |                            | 8. Price of<br>Derivative<br>Security<br>(Instr. 5) | 9. Number of<br>Derivative<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 4) | 10. Ownership<br>Form of<br>Derivative<br>Security:<br>Direct (D)<br>or Indirect<br>(I)<br>(Instr. 4) | 11. Nature<br>of Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|                                                                                                                                                 |                                                                 |                                         |                                                             | Code                              | V | (A)                                                                                              | (D) | Date<br>Exercisable                                            | Expiration<br>Date | Title                                                               | Amount or Number of Shares |                                                     |                                                                                                                            |                                                                                                       |                                                                    |

Reporting Owners

| Reporting Owner Name / Address                                                                              | Relationships |           |         |       |
|-------------------------------------------------------------------------------------------------------------|---------------|-----------|---------|-------|
|                                                                                                             | Director      | 10% Owner | Officer | Other |
| BANK OF AMERICA CORP /DE/<br>BANK OF AMERICA CORPORATE CENTER<br>100 N. TRYON STREET<br>CHARLOTTE, NC 28255 |               | X         |         |       |
| BANK OF AMERICA NA<br>BANK OF AMERICA CORPORATE CENTER<br>100 NORTH TRYON STREET<br>CHARLOTTE, NC 28255     |               | X         |         |       |
| MERRILL LYNCH, PIERCE, FENNER & SMITH INC.<br>4 WORLD FINANCIAL CENTER NORTH TOWER<br>NEW YORK, NY 10080    |               | X         |         |       |
| Blue Ridge Investments, L.L.C.<br>214 N. TRYON STREET<br>CHARLOTTE, NC 28255                                |               | X         |         |       |

Signatures

|                                                                                                     |  |            |
|-----------------------------------------------------------------------------------------------------|--|------------|
| Bank of America Corporation and Bank of America, N.A., By:/s/Michael Didovic, Title: Director       |  | 03/01/2011 |
| Signature of Reporting Person                                                                       |  | Date       |
| Merrill Lynch, Pierce, Fenner & Smith Incorporated, By:/s/Lawrence Emerson, Title: Attorney-In-Fact |  | 03/01/2011 |
| Signature of Reporting Person                                                                       |  | Date       |
| Blue Ridge Investments, L.L.C., By:/s/ John Hiebendahl, Title: SVP                                  |  | 02/28/2011 |
| Signature of Reporting Person                                                                       |  | Date       |

Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The Auction Rate Preferred Shares ("Shares") reported in Table I represent Shares beneficially owned by Bank of America, N.A. ("BANA"), Merrill Lynch, Pierce, Fenner & Smith, Inc. ("MLPFS") and Blue Ridge Investors, L.L.C. ("Blue Ridge"). BANA and MLPFS are wholly owned Corporation ("Bank of America") and Blue Ridge is a wholly owned subsidiary of BANA.
- (2) The Shares were called for redemption by the issuer at par value.

**Remarks:**  
The Shares reported herein represent Bank of America's combined holdings in multiple series of auction rate preferred securities of the issuer, which are treated herein as one class of securities in accordance with the Auction Rate Securities action letter issued by the Securities and Exchange Commission on September 22, 2008. The disposition reported relates to CUSIP 67072A208.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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