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* BANK OF AMERICA CORP /DE/	2. Issuer Name **and** Ticker or Trading Symbol BLACKROCK MUNIYIELD QUALITY FUND III, INC [MYI]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) _____ Director __X__ 10% Owner _____ Officer (give title below) _____ Other (specify below)
(Last) (First) (Middle) BANK OF AMERICA CORPORATE CENTER, 100 N. TRYON STREET	3. Date of Earliest Transaction (Month/Day/Year) 06/23/2011	
(Street) CHARLOTTE, NC 28255	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) ___ Form filed by One Reporting Person _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 (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Auction Rate Preferred (1)	06/23/2011		J(2)		576	D	(2)	0	I	See Footnote (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
(*e.g.*, puts, calls, warrants, options, convertible securities)

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

Reporting Owners

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

Signatures

Signature	Date
Bank of America Corporation and Bank of America, N.A., By: /s/ Michael Didovic, Title: Director	06/23/2011
**Signature of Reporting Person	Date
Merrill Lynch, Pierce, Fenner & Smith Incorporated, By: /s/ Lawrence Emerson, Title: Attorney-In-Fact	06/23/2011
**Signature of Reporting Person	Date
Blue Ridge Investments, L.L.C., By: /s/ John Hiebendahl, Title: SVP	06/23/2011
**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 Merrill Lynch, Pierce Fenner & Smith, Inc. ("MLPFS"), Bank of America, N.A. ("BANA") and Blue Ridge Investments, L.L.C. ("Blue Ridge"). MLPFS and BANA are wholly own Corporation ("Bank of America") and Blue Ridge is a wholly owned subsidiary of BANA.

(2) 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 Securiti action letter issued by the Securities and Exchange Commission on September 22, 2008. The transaction relates to CUSIP 09254E202.

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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