

## NUVEEN ARIZONA DIVIDEND ADVANTAGE MUNICIPAL FUND 3

Form 3

February 10, 2009

**FORM 3**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104

Expires: January 31, 2005

Estimated average burden hours per response... 0.5

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting

Person \*

Â UBS AG

(Last)

(First)

(Middle)

BAHNHOFSTRASSE 45,Â PO  
BOX CH-8021

(Street)

ZURICH,Â V8Â

(City)

(State)

(Zip)

2. Date of Event Requiring  
Statement

(Month/Day/Year)

01/31/2009

3. Issuer Name **and** Ticker or Trading SymbolNUVEEN ARIZONA DIVIDEND ADVANTAGE  
MUNICIPAL FUND 3 [NXE]4. Relationship of Reporting  
Person(s) to Issuer5. If Amendment, Date Original  
Filed(Month/Day/Year)

(Check all applicable)

☐ Director ☒ 10% Owner  
☐ Officer ☐ Other  
(give title below) (specify below)6. Individual or Joint/Group  
Filing(Check Applicable Line)  
☒ Form filed by One Reporting  
Person  
☐ Form filed by More than One  
Reporting Person**Table I - Non-Derivative Securities Beneficially Owned**1. Title of Security  
(Instr. 4)2. Amount of Securities  
Beneficially Owned  
(Instr. 4)3. Ownership  
Form:  
Direct (D)  
or Indirect  
(I)  
(Instr. 5)4. Nature of Indirect Beneficial  
Ownership  
(Instr. 5)Auction Preferred Stock (CUSIP No[s].  
67072E200 )90 <sup>(2)</sup>I By subsidiary - see footnote <sup>(1)</sup>Reminder: Report on a separate line for each class of securities beneficially  
owned directly or indirectly.

SEC 1473 (7-02)

**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 control number.****Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**1. Title of Derivative Security  
(Instr. 4)2. Date Exercisable and  
Expiration Date  
(Month/Day/Year)3. Title and Amount of  
Securities Underlying  
Derivative Security  
(Instr. 4)4. Conversion  
or Exercise  
Price of5. Ownership  
Form of  
Derivative6. Nature of Indirect  
Beneficial Ownership  
(Instr. 5)

Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Derivative Security	Security: Direct (D) or Indirect (I) (Instr. 5)
---------------------	--------------------	-------	----------------------------------	------------------------	---

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
UBS AG BAHNHOFSTRASSE 45 PO BOX CH-8021 ZURICH, V8	Â	Â X	Â	Â

## Signatures

/s/ Anthony  
DeFilippis 02/10/2009

\_\_Signature of  
Reporting Person Date

/s/ Joseph  
Gallichio 02/10/2009

\_\_Signature of  
Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 5(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) This Statement is filed by UBS AG for the benefit and on behalf of UBS Securities LLC and UBS Financial Services Inc., two-wholly owned subsidiaries of UBS AG to which UBS AG has delegated portions of its performance obligations with respect to the Auction Rate Securities Rights issued by UBS AG to certain clients and pursuant to which the securities reported herein have been purchased from such clients.

(2) Pursuant to the Global Relief Letter referred to below, this filing reports holdings of the Series of Auction Preferred Stock identified in Item 1 of this Table I on an aggregated basis.

Â

### Remarks:

TheÂ SharesÂ reportedÂ hereinÂ representÂ UBSÂ AG'sÂ combinedÂ holdingsÂ inÂ multipleÂ seriesÂ ofÂ auctionÂ pref  
areÂ treatedÂ hereinÂ asÂ oneÂ classÂ ofÂ securitiesÂ inÂ accordanceÂ withÂ theÂ AuctionÂ RateÂ SecuritiesÂ --Â Glob  
ReliefÂ Letter")Â issuedÂ byÂ theÂ staffÂ ofÂ theÂ SecuritiesÂ andÂ ExchangeÂ CommissionÂ (SEC)Â onÂ SeptemberÂ  
undertakesÂ toÂ provide,Â uponÂ requestÂ byÂ theÂ SECÂ staff,Â theÂ issuer,Â orÂ aÂ securityÂ holderÂ ofÂ theÂ issue  
theÂ numberÂ ofÂ securitiesÂ identifiedÂ inÂ TableÂ IÂ purchasedÂ andÂ soldÂ atÂ eachÂ differentÂ priceÂ andÂ dateÂ  
onÂ whichÂ beneficialÂ ownershipÂ exceededÂ tenÂ percentÂ andÂ JanuaryÂ 31,Â 2009,Â asÂ requiredÂ byÂ theÂ Glob

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

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