

PALAGIANO VINCENT F
Form 4
August 29, 2006

FORM 4

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

OMB APPROVAL

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

STATEMENT OF CHANGES IN 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 *
PALAGIANO VINCENT F

2. Issuer Name and Ticker or Trading Symbol
DIME COMMUNITY
BANCSHARES INC [DCOM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
209 HAVEMEYER STREET
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/25/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman and CEO

BROOKLYN, NY 11211

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock | 08/25/2006 | 08/25/2006 | M | 8,500 A \$ 4.3 | 614,123 | D | |
| Common Stock | 08/25/2006 | 08/25/2006 | S | 8,500 D \$ 13.97 | 605,623 | D | |
| Common Stock | | | | | 79,962 | I | 401(k) Plan |
| Common Stock | | | | | 316,323 | I | BMP |
| Common Stock | | | | | 51,784 | I | ESOP |

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| | | | | |
|-----------------|--|--------|---|------------------------------|
| Common Stock | | 14,193 | I | Restricted Stock Award |
|-----------------|--|--------|---|------------------------------|

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

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SEC 1474
(9-02)

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) | | |
|---|--|---|---|--------------------------------------|---|--|---|-----------------|----------------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Options (Right to buy) | \$ 10.91 | | | | | 11/21/2002 | 11/21/2011 | Common Stock | 168,750 |
| Stock Options (Right to buy) | \$ 13.16 | | | | | 02/01/2004 | 02/01/2014 | Common Stock | 174,750 |
| Stock Options (Right to buy) | \$ 15.1 | | | | | 05/31/2006 | 05/31/2015 | Common Stock | 142,580 |
| Stock Options (Right to buy) | \$ 19.9 | | | | | 01/27/2005 | 01/27/2015 | Common Stock | 174,750 |
| Stock Options (Right to buy) | \$ 4.3 | 08/25/2006 | 08/25/2006 | M | 8,500 | 12/26/2001 | 12/26/2006 | Common Stock | 8,500 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| PALAGIANO VINCENT F 209 HAVEMEYER STREET BROOKLYN, NY 11211 | X | | Chairman and CEO | |

Signatures

VINCENT F.
PALAGIANO

08/28/2006

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).

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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