

PALAGIANO VINCENT F
Form 4
August 23, 2006

FORM 4

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

OMB APPROVAL

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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)
08/18/2006

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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	08/18/2006	08/18/2006	M	7,500 A \$ 4.3	613,123	D	
Common Stock	08/18/2006	08/18/2006	S	7,500 D \$ 14.5033	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
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(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	08/18/2006	08/18/2006	M	7,500	12/26/2001	12/26/2006	Common Stock	7,500

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

08/23/2006

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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