SEC Form 4

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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**		X Director 10% Owner X Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 08/25/2006	Chairman and CEO
(Street) **BROOKLYN NY 11211**	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) X 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)
			Code	V	Amount	(A) or (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
Common Stock								14,193	I	Restricted Stock Award

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 Securities Underlying Derivative Security (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: 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				
Stock Options (Right to buy)	$10.91							11/21/2002	11/21/2011	Common Stock	168,750		168,750	D	
Stock Options (Right to buy)	$13.16							02/01/2004	02/01/2014	Common Stock	174,750		174,750	D	
Stock Options (Right to buy)	$15.1							05/31/2006	05/31/2015	Common Stock	142,580		142,580	D	
Stock Options (Right to buy)	$19.9							01/27/2005	01/27/2015	Common Stock	174,750		174,750	D	
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	$4.3	0	D	

Explanation of Responses:

VINCENT F. PALAGIANO   08/28/2006

** Signature of Reporting Person   Date

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

* 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.