

GORDON ROBERT A  
 Form 4  
 March 08, 2010

**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 \*  
**GORDON ROBERT A**

2. Issuer Name and Ticker or Trading Symbol  
**SAFeway INC [SWY]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**5918 STONERIDGE MALL ROAD**

3. Date of Earliest Transaction (Month/Day/Year)  
**03/04/2010**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**Senior Vice President**

(Street)  
**PLEASANTON, CA 94588-3229**

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	03/04/2010		F		736	D	\$ 24.62
Common Stock	03/05/2010		A		20,769	A	11
Common Stock	03/08/2010		M		20,000	A	\$ 18.11
Common Stock	03/08/2010		S		20,000	D	\$ 24.78 (2)
Common Stock							317.9633 (3)
						I	By 401(k) Plan

Common Stock 1,014.9479  
(4) I By  
Employee  
Stock  
Purchase  
Plan

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 Security (Instr. 3 and 4)	8. Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy) <sup>(5)</sup>	\$ 24.67	03/05/2010		A <sup>(5)</sup>	67,500	<sup>(6)</sup> 03/05/2020	Common Stock	67,500
Employee Stock Option (right to buy)	\$ 18.11	03/08/2010		M	20,000	<sup>(7)</sup> 03/18/2011	Common Stock	20,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GORDON ROBERT A 5918 STONERIDGE MALL ROAD PLEASANTON, CA 94588-3229			Senior Vice President	

## Signatures

/s/ Laura A. Donald,  
Attorney-in-Fact

03/08/2010

     \*\*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) Restricted Stock granted under the Safeway Inc. 2007 Equity and Incentive Award Plan, which is a Rule 16b-3 plan.

The price of \$24.78 per share represents a weighted average of sales prices ranging from \$24.77 to \$24.7850 per share. The reporting

(2) person undertakes to provide upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares purchased or sold at each separate price.

(3) Between October 1, 2009 and February 28, 2010, the reporting person acquired 2.8755 shares of Safeway Common Stock under the Safeway 401(k) plan. The information in this report is based on a plan statement dated as of February 28, 2010.

(4) Between October 1, 2009 and February 28, 2010, the reporting person acquired 9.0781 shares of Safeway Common Stock under the Safeway Employee Stock Purchase Plan. The information in this report is based on a plan statement dated as of February 28, 2010.

(5) Granted under the Safeway Inc. 2007 Equity and Incentive Award Plan, which is a Rule 16b-3 plan.

(6) The option becomes exercisable in successive annual increments of 20% of the original number of shares subject to the option, beginning on the first anniversary of the date of grant; the option becomes fully exercisable on 03/05/2015.

(7) Granted under the Safeway Inc. 1999 Amended and Restated Equity Participation Plan, which is a Rule 16b-3 plan. The option is exercisable in five annual increments of 20%, beginning 3/18/2006 and will be fully exercisable on 3/18/2010.

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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