#### GORDON ROBERT A

Form 4 March 16, 2011

# FORM 4

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

**OMB APPROVAL** OMB Number:

3235-0287 January 31,

if no longer subject to Section 16. Form 4 or

Check this box

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** 

2005 Estimated average burden hours per

Expires:

Form 5 obligations may continue. See Instruction

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

0.5 response...

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * GORDON ROBERT A			2. Issuer Name <b>and</b> Ticker or Trading Symbol SAFEWAY INC [SWY]	5. Relationship of Reporting Person(s) to Issuer		
(Last) (First) (Middle)		(Middle)	3. Date of Earliest Transaction	(Check all applicable)		
			(Month/Day/Year)	Director 10% Owner		
5918 STONERIDGE MALL ROAD			03/15/2011	X Officer (give title Other (specify below) Senior Vice President		
				Sellior vice President		
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		
PLEASANTON, CA 94588-3229						

PLEASANTON,	CA 94588-3229
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(City)	(State)	(Zip) Tab	le I - Non-l	Derivative	Secur	ities Acq	uired, Disposed o	f, or Beneficia	ally Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securities Acquired tion(A) or Disposed of (D) (Instr. 3, 4 and 5)  (A) or		of (D) 5)	5. Amount of Securities Ownership Beneficially Form: Owned Direct (D) Following or Indirect Reported (I) Transaction(s) (Instr. 4)		7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	03/15/2011		M(1)	24,980	A	\$ 18.11	118,002	D	
Common Stock	03/15/2011		S <u>(1)</u>	24,980	D	\$ 22.36	93,022	D	
Common Stock							318.4697 (2)	I	By 401(k) Plan
Common Stock							1,036.4588 (2)	I	By Employee Stock Purchase Plan

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

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.

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. Transactic Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Derivative Expiration Date Securities (Month/Day/Year) Acquired (A) or Disposed of (D) (Instr. 3, 4,		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
Employee Stock Option (right to buy) (3)	\$ 18.11	03/15/2011		M	24,980	(3)	03/18/2011	Common Stock	24,980

## **Reporting Owners**

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

# **Signatures**

/s/ Laura A. Donald, Attorney-in-Fact 03/16/2011

\*\*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) The reported exercise and sale were effected pursuant to a Rule 10b5-1 plan adopted by the reporting person on November 12, 2010.
- (2) Based on a plan statement dated as of February 28, 2011.
- (3) Granted under the Safeway Inc. 1999 Amended and Restated Equity Participation Plan, which is a Rule 16b-3 plan. The option became 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.

Reporting Owners 2

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