

DUANE READE
Form 4
November 04, 2004

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 *
CHARBONEAU GARY

(Last) (First) (Middle)

C/O DUANE READE INC, 440 9TH AVENUE

(Street)

NEW YORK, NY 10001

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DUANE READE [DRD]

3. Date of Earliest Transaction (Month/Day/Year)
11/10/2003

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)

Senior VP - Sales & Marketing

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

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) Price | | | |
| | | | Code V | Amount (D) | Price (1) | | |
| Common Stock | 11/10/2003 | | X ⁽¹⁾ | 98,000 D | \$ 0 (1) 55,237 | D | |

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

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Prepaid Variable Forward Transaction | \$ 0 ⁽¹⁾ | 11/10/2003 | | X ⁽¹⁾ | 0 ⁽¹⁾ | 11/10/2003 11/10/2003 | Common Stock | 98,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| CHARBONEAU GARY C/O DUANE READE INC 440 9TH AVENUE NEW YORK, NY 10001 | | | Senior VP - Sales & Marketing | |

Signatures

/s/ Gary
Charboneau 11/03/2004
**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 transactions reported on this Form 4 represent physical settlement of a Prepaid Variable Forward Transaction that was entered into by the Reporting Person on May 10, 2002 with an unrelated third party (the "Buyer") relating to 98,000 shares of the issuer's common stock and described in the Reporting Person's Form 4 filed via paper submission with the Securities and Exchange Commission on August 28, 2002. The Prepaid Variable Forward Transaction specified a "Floor Price" of \$32.64 and a "Cap Price" of \$45.70. At settlement, the Reporting Person (since he did not elect cash settlement and the closing price on November 10, 2003 was less than the Floor Price) was obligated to deliver to Buyer 98,000 shares of the issuer's common stock. Pursuant to the Prepaid Variable Forward Transaction, the Reporting Person received a prepayment from Buyer in the amount of \$2,670,304 representing the purchase price of the shares subject to the Prepaid Variable Forward Transaction.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.