

COMMUNITY BANK SYSTEM INC
Form 4
January 18, 2008

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 *
PATTERSON DAVID CHARLES

2. Issuer Name and Ticker or Trading Symbol
COMMUNITY BANK SYSTEM INC [CBU]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
256 POTTER ROAD
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
01/01/2008

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

CANTON, NY 13617
(City) (State) (Zip)

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

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) Code V Amount Price (1) | | | |
| Common Stock | 01/01/2008 | | M | 1,416 A | \$ 0 | D | |
| Common Stock | | | | | 5,610.195 | I | By Trustee, W&P P.S. Plan |

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

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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. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title of Underlying Security (Instr. 10) |
|--|--|--------------------------------------|--|--------------------------------|--|------------|--|-----------------|---|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | |
| Deferred Stock (Deferred Compensation) | (2) | 01/01/2008 | | M | | 1,416.8232 | (2) | (2) | Co S |
| Stock Option | \$ 18.09 | 01/16/2008 | | A | | 5,457 | 01/16/2008 | 01/16/2018 | Co S |
| Phantom Stock (Stock Balance Plan) | (3) | 01/16/2008 | | A | | 1,019.84 | (3) | (3) | Co S |
| Deferred Stock (Deferred Compensation) | (2) | 01/16/2008 | | A | | 488.892 | (2) | (2) | Co S |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| PATTERSON DAVID CHARLES 256 POTTER ROAD CANTON, NY 13617 | | | X | |

Signatures

Donna J. Drengel, as attorney-in-fact, pursuant to a power of attorney for David Charles Patterson

01/18/2008

__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) Each deferred stock unit entitles the reporting person to receive one share of Community Bank System, Inc. common stock. On January 1, 2008, the reporting person's deferred stock units were settled for an equal number of shares and cash for .8232 share at \$19.87 per share.
- (2) Each deferred stock unit entitles the reporting person to receive one share of Community Bank System, Inc. common stock. Awards relating to the deferred stock units (Deferred Comp. Plan) may be settled upon the reporting person's attainment of age 55.
- Each phantom stock unit is the economic equivalent of one share of Community Bank System, Inc. common stock. Phantom Stock (Stock
- (3) Balance Plan) may be settled upon the later of the reporting person's attainment of age 55 or termination of service on Community Bank System, Inc.'s Board of Directors.

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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