

COMMUNITY BANK SYSTEM, INC.

Form 4

March 21, 2014

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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 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 \*  
 Whipple John F.

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)  
 1692 GOODRICH AVENUE  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 03/19/2014

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

OLEAN, NY 14760

(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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
|                                       |                                         |                                                             | Code                                 | V Amount (D) Price                                                         |                                                                                                                    |                                                                      |                                                                   |

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

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 information contained in this form are not  
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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<br>Derivative Security<br>(Instr. 3) | 2. Conversion<br>or Exercise | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any | 4. Transaction<br>Code | 5. Number<br>of Derivative<br>Securities | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount<br>Underlying Security<br>(Instr. 3 and 4) |
|--------------------------------------------------|------------------------------|-----------------------------------------|-----------------------------------------|------------------------|------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
|--------------------------------------------------|------------------------------|-----------------------------------------|-----------------------------------------|------------------------|------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|

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| Price of<br>Derivative<br>Security          | (Month/Day/Year) | (Instr. 8) | Acquired<br>(A) or<br>Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | Code | V | (A)   | (D) | Date<br>Exercisable | Expiration<br>Date | Title           | Amount<br>Number<br>Shares |
|---------------------------------------------|------------------|------------|---------------------------------------------------------------------|------|---|-------|-----|---------------------|--------------------|-----------------|----------------------------|
| Stock Option                                | \$ 37.77         | 03/19/2014 |                                                                     | A    |   | 3,631 |     | 03/19/2014          | 03/19/2024         | Common<br>Stock |                            |
| Phantom Stock<br>(Deferred<br>Compensation) | <u>(1)</u>       |            |                                                                     |      |   |       |     | <u>(1)</u>          | <u>(1)</u>         | Common<br>Stock | 9,8                        |

## Reporting Owners

| Reporting Owner Name / Address                             | Relationships                    |
|------------------------------------------------------------|----------------------------------|
|                                                            | Director 10% Owner Officer Other |
| Whipple John F.<br>1692 GOODRICH AVENUE<br>OLEAN, NY 14760 | X                                |

## Signatures

/s/ Danielle M. Cima, pursuant to a Confirming Statement executed by John F. Whipple, Jr.

03/21/2014

\_\_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).

- Each unit of phantom stock is the economic equivalent of one share of Community Bank System, Inc. common stock. The units of
- (1) phantom stock relating to the Deferred Compensation Plan will be settled in Community Bank System, Inc. common stock at future dates selected by the reporting person.
  - (2) Includes 87.1327, 80.5046, 78.9814, and 70.1585 shares acquired on April 10, 2013, July 10, 2013, October 10, 2013, and January 10, 2014, respectively, pursuant to the Deferred Compensation Plan's dividend reinvestment feature.

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.