

COMMUNITY BANK SYSTEM, INC.

Form 4

December 23, 2014

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

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 *
Kingsley Scott Allen

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)
8365 GLEN EAGLE DRIVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/22/2014

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Chief Financial Officer

MANLIUS, NY 13104

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 | (D) | Price | | | |
| Common Stock | 12/22/2014 | | M | | 168 | A | \$ 23.74 | 24,079 | D | |
| Common Stock | 12/22/2014 | | S | | 168 | D | \$ 38 | 23,911 | D | |
| Common Stock | 12/23/2014 | | M | | 12,276 | A | \$ 23.74 | 36,187 | D | |
| Common Stock | 12/23/2014 | | S | | 12,276 | D | \$ 38.0508 | 23,911 | D | |
| Common Stock | | | | | | | | 3,618.8928 | I | By 401(k) Plan |

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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) (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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option | \$ 23.74 | 12/22/2014 | | M | 168 | <u>(2)</u> 01/18/2016 | Common Stock | 168 |
| Stock Option | \$ 23.74 | 12/23/2014 | | M | 12,276 | <u>(2)</u> 01/18/2016 | Common Stock | 12,276 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Kingsley Scott Allen 8365 GLEN EAGLE DRIVE MANLIUS, NY 13104 | | | Chief Financial Officer | |

Signatures

/s/ Danielle M. Cima, pursuant to a Confirming Statement executed by Scott A. Kingsley 12/23/2014

**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).
- (1) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$38.00 to \$38.20, inclusive. The reporting person undertakes to provide Community Bank System, Inc., any security holder of Community Bank System, Inc. or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote.
- (2) The option vested ratably on January 18, 2007, 2008, 2009, 2010, and 2011.

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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