

COMMUNITY BANK SYSTEM INC  
Form 4  
January 19, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
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 \*  
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)  
12/31/2006

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 (D) Price			
Common Stock	01/01/2007		M	1,262 A \$ 0	22,192	D	
Common Stock					5,501.87 <sup>(1)</sup>	I	By Trustee, W&P P.S. Plan

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)

Edgar Filing: COMMUNITY BANK SYSTEM INC - Form 4

**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 and Underlying (Instr. 3 and 4)
					(A)	(D)	Date Exercisable	Expiration Date	
Stock Option	\$ 22.94	01/17/2007		A	3,817		01/17/2007	01/17/2017	Common Stock
Phantom Stock (Stock Balance Plan)	(2)	01/17/2007		A	893.33		(3)	(3)	Common Stock
Deferred Stock (Deferred Comp.)	(4)	12/31/2006		A	449.897		(5)	(5)	Common Stock
Deferred Stock (Deferred Comp.)	(4)	01/01/2007		M		1,262.066	(5)	(5)	Common Stock
Deferred Stock (Deferred Comp.)	(4)	01/10/2007		A	145.8339		(5)	(5)	Common Stock

## 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

01/19/2007

\*\*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) Includes 29,301 and 29,961 shares acquired on October 10, 2006 and January 10, 2007, respectively, under the Community Bank System, Inc. Dividend Reinvestment Plan.
- (2) Each phantom stock unit is the economic equivalent of one share of Community Bank System, Inc. common stock.
- (3) Phantom Stock (Stock 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.
- (4) Each deferred stock unit entitles the reporting person to receive one share of Community Bank System, Inc. common stock.
- (5) Awards relating to the Deferred Stock units (Deferred Comp. Plan) may be settled upon the reporting person's attainment of age 64.

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.