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COMMUNITY BANK SYSTEM INC

Form 4

January 22, 2010

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

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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

1(b).

Stock

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading TRYNISKI MARK E Issuer Symbol COMMUNITY BANK SYSTEM (Check all applicable) INC [CBU] (Last) (First) (Middle) 3. Date of Earliest Transaction _X__ Director 10% Owner X_ Officer (give title Other (specify (Month/Day/Year) below) 1964 PENFOLD WAY 01/20/2010 President & CEO (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting BALDWINSVILLE, NY 13027 Person (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Securities Form: Direct Indirect (Instr. 3) Code Disposed of (D) Beneficially (D) or Beneficial (Instr. 3, 4 and 5) Indirect (I) Ownership (Month/Day/Year) (Instr. 8) Owned Following (Instr. 4) (Instr. 4)

(Instr. 3 and 4) Code V Amount (D) Price Common 01/20/2010 A 4,928 A \$0 37,325

Common By 401(k) 6,474 (1) I Stock Plan

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Reported

Transaction(s)

D

(A)

or

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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 on Derivative Securities Acquired Disposed (Instr. 3, 4	(A) or of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount Underlying Securitie (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amour or Number of Shar
Stock Option	\$ 19.48	01/20/2010		A	17,360		(2)	01/20/2020	Common Stock	17,36
Stock Option	\$ 17.82	01/20/2010		A	41,949		01/20/2010	04/22/2019	Common Stock	41,94
Stock Option	\$ 22.94	01/20/2010		D		5,000	01/17/2010	01/17/2017	Common Stock	5,00

Reporting Owners

Reporting Owner Name / Address	Relationships						
1	Director	10% Owner	Officer	Other			
TRYNISKI MARK E							
1964 PENFOLD WAY	X		President & CEO				
BALDWINSVILLE, NY 13027							

Signatures

Donna J. Drengel, as attorney-in-fact, pursuant to a power of attorney for Mark E.

Tryniski

01/22/2010

**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 number of shares reported herein were acquired pursuant to Community Bank System, Inc.'s 401(K) Plan and are based on a current plan statement.
- (2) The options vest in five equal installments on January 20, 2011, 2012, 2013, 2014 and 2015.
- On April 22, 2009, the reporting person was granted an option to purchase 41,949 shares of common stock at the fair market value on the date of grant subject to the achievement of predetermined performance criteria. The option vested on January 20, 2010 upon the determination that the performance criteria was satisfied.
- (4) Represents the cancellation of 5,000 shares of the January 2007 performance option based on the determination that the performance criteria was not fully satisfied. The reporting person did not receive any consideration in connection with the cancellation.

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.

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