

COMMUNITY BANK SYSTEM INC
Form 4
August 02, 2005

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 *
MCDANIEL W VALEN

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)
16 GILLETT LANE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
07/29/2005

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

CAZENOVIA, NY 13035

(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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount or Price | | |
| Common Stock | 07/29/2005 | | M | | 370 A \$ 11.5625 | 6,300.383 ⁽¹⁾ | D |
| Common Stock | 07/29/2005 | | M | | 580 A \$ 12.375 | 6,880.383 | D |
| Common Stock | 07/29/2005 | | M | | 670 A \$ 13.1 | 7,550.383 | D |
| Common Stock | 07/29/2005 | | M | | 1,416 A \$ 15.675 | 8,966.383 | D |
| Common Stock | 07/29/2005 | | F | | 1,748 D \$ 24.27 | 7,218.383 | D |

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Common Stock 154.6188 (2) I By 401(k) Plan

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

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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 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 | \$ 11.5625 | 07/29/2005 | | M | 370 | 10/01/2003 01/01/2010 | Common Stock | 370 |
| Stock Option | \$ 12.375 | 07/29/2005 | | M | 580 | 10/01/2003 01/01/2011 | Common Stock | 580 |
| Stock Option | \$ 13.1 | 07/29/2005 | | M | 670 | 10/01/2003 01/01/2012 | Common Stock | 670 |
| Stock Option | \$ 15.675 | 07/29/2005 | | M | 1,416 | 01/01/2004 01/01/2013 | Common Stock | 1,416 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MCDANIEL W VALEN 16 GILLET LANE CAZENOVIA, NY 13035 | | | Chief Risk Officer | |

Signatures

Donna J. Drengel, as attorney-in-fact, pursuant to a power of attorney 08/02/2005

**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 45,588 and 40,854 shares acquired on April 11, 2005 and July 11, 2005, respectively, under the Community Bank System, Inc. Dividend Reinvestment Plan.
- (2) 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.

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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