

COMMUNITY BANK SYSTEM, INC.

Form 3

December 14, 2015

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 \*

Â MICHAEL R KALLET  
 (Last) (First) (Middle)

2. Date of Event Requiring Statement

(Month/Day/Year)  
 12/04/2015

3. Issuer Name and Ticker or Trading Symbol  
 COMMUNITY BANK SYSTEM, INC. [CBU]

4. Relationship of Reporting Person(s) to Issuer

5. If Amendment, Date Original Filed(Month/Day/Year)

(Check all applicable)

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

C/O COMMUNITY BANK SYSTEM, INC., Â 5790 WIDEWATERS PARKWAY

(Street)

DEWITT, Â NY Â 13214

(City) (State) (Zip)

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 Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	41,741 <sup>(1)</sup>	D	Â
Common Stock	8,759 <sup>(1)</sup>	I	By Wife
Common Stock	44,868 <sup>(1)</sup>	I	By Oneida Financial Corp. 401(k) Plan
Common Stock	10,226 <sup>(1)</sup>	I	By Oneida Financial Corp. Employee Stock Ownership Plan
Common Stock	5,606 <sup>(1)</sup>	I	By Trust under Will
Common Stock	1,988 <sup>(1)</sup>	I	By IRA

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

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date			
		Title	Amount or Number of Shares		

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MICHAEL R KALLET C/O COMMUNITY BANK SYSTEM, INC. 5790 WIDEWATERS PARKWAY DEWITT, NY 13214	Â X	Â	Â	Â

## Signatures

Danielle M. Cima, pursuant to a  
Confirming Statement executed by  
Michael R. Kallet

12/14/2015

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 5(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).

Pursuant to the Agreement and Plan of Merger, dated as of February 24, 2015 (the "Merger Agreement"), each share of Oneida Financial Corp. stock held by the reporting person was converted into and became exchangeable for shares of Community Bank System, Inc. common stock. Under the terms of the Merger Agreement, and subject to the allocation and proration procedures set forth therein, for each share of Oneida Financial common stock, the reporting person could elect to receive either (a) cash at the rate of \$20.00 per share, (b) 0.5635 shares of Community Bank System, Inc. common stock, or (c) a combination of 60% Community Bank System, Inc. common stock and 40% cash, using the same 0.5635 exchange ratio and \$20.00 per share cash price. At this time, the final merger consideration allocation and proration results for the reporting person's Oneida Financial Corp. shares are not available. Set forth above is the reporting person's estimate of the number of shares of Community Bank System, Inc. stock beneficially owned by the reporting person based upon the allocation and proration procedures set forth in the Merger Agreement. The reporting person will file an amended Form 3 once the final stock ownership numbers are available.

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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