GABRIEL JAMES A

Form 4

February 02, 2009

FORM 4

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

OMB

OMB APPROVAL

Number:

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Expires:

January 31, 2005

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response...

5. Relationship of Reporting Person(s) to

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Section 16. Form 4 or Form 5 obligations may continue.

Check this box

if no longer

subject to

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 See Instruction

2. Issuer Name and Ticker or Trading

1(b).

Stock

(Print or Type Responses)

1. Name and Address of Reporting Person *

GABRIEL JAMES A			Symbol COMMUNITY BANK SYSTEM INC [CBU]					Issuer (Check all applicable)			
(Last) P.O. BOX		(Middle)		Day/Year)	Transaction	ı	_	_X Director Officer (give tit elow)		Owner r (specify	
	(Street)			endment, I onth/Day/Ye	Oate Origin	al	A	. Individual or Join applicable Line) X_ Form filed by On	e Reporting Per	son	
OVID, NY	14521						P	Form filed by Morerson	re than One Rep	oorting	
(City)	(State)	(Zip)	Tak	ole I - Non	-Derivative	e Secu	rities Acqui	red, Disposed of,	or Beneficiall	y Owned	
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deem Execution any (Month/Da	Date, if	3. Transacti Code (Instr. 8)	4. Securit ord Dispos (Instr. 3, 4)	ed of	` /	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)	
Common Stock	01/29/2009			M	10,000	A	\$ 12.375	85,310.3764 (1)	D		
Common	01/29/2009			S	10,000	D	\$ 18 7942	75,310.3764	D		

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. Transactic Code (Instr. 8)	5. Number of on 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 Amo Underlying Secu (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Aı Nı Sh
Stock Option	\$ 12.375	01/29/2009		M	· /	10,000	01/01/2001	01/01/2011	Common Stock	1
Stock Option	\$ 18.08	01/29/2009		A	4,822		01/29/2009	01/29/2019	Common Stock	
Phantom Stock (Stock Balance Plan)	(2)	01/29/2009		A	1,040.32		(2)	(2)	Common Stock	1,

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
GABRIEL JAMES A							
P.O. BOX 449	X						
OVID, NY 14521							

Signatures

/s/ Donna J. Drengel, as attorney-in-fact, pursuant to a power of attorney for James A. Gabriel

02/02/2009

**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 590.481, 473.199, 552.261, 596.498, and 553.605 shares acquired on January 10, 2008, April 10, 2008, July 10, 2008, October 10, 2008 and January 9, 2009, respectively, under the Community Bank System, Inc. Dividend Reinvestment Plan.
- Each phantom stock unit is the economic equivalent of one share of Community Bank System, Inc. common stock. Phantom Stock (Stock (2) 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.

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.

Reporting Owners 2