

Parente John  
Form 4  
August 24, 2012

**FORM 4**

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

OMB APPROVAL

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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 \*  
Parente John

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)

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

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

478 SCHOOLHOUSE ROAD

07/24/2012

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

TUNKHANNOCK, PA 18657

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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)  | Amount or Price |   |  |   |
| Common Stock                    | 07/24/2012                           |  | G                              | V   | 4,000           | A \$ 0 52,033   | D  |   |
| Common Stock                    | 07/26/2012                           |  | G                              | V   | 1,250           | A \$ 0 53,283   | D  |   |
| Common Stock                    |                                      |  |                                |   |                 | 18,000  | I  | By son, John K. Parente Trust U/A 6/15/96 |
| Common Stock                    |                                      |  |                                |   |                 | 19,000  | I  | By son, Louis C.                          |

|                 |        |   |  |
|-----------------|--------|---|--|
| Common<br>Stock | 15,500 | I | Parente<br>Trust U/A<br>3/29/01<br><br>By son,<br>Samuel M.<br>Parente<br>Trust U/A<br>6/16/98 |
|-----------------|--------|---|--|

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.**

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(9-02)

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

| 1. Title of<br>Derivative Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) | Amount or<br>Number of<br>Shares |            |
|--|--|---|---|--------------------------------------|--|--|---|----------------------------------|------------|
|  |  |   |   | Code                                 | V (A) (D)  | Date<br>Exercisable  | Expiration<br>Date  | Title                            |            |
| Phantom Stock<br>(Deferred<br>Compensation)      | (1)  |   |   |                                      |  | (1)  | (1)   | Common<br>Stock                  | 2,214.9243 |

## Reporting Owners

| Reporting Owner Name / Address                                | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| Parente John<br>478 SCHOOLHOUSE ROAD<br>TUNKHANNOCK, PA 18657 |               | X         |         |       |

## Signatures

/s/ Donna J. Drengel, pursuant to a Confirming Statement executed by John Parente

08/24/2012

\_\_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).

Each unit of phantom stock is the economic equivalent of one share of Community Bank System, Inc. common stock. The units of

- (1) phantom stock relating to the Deferred Compensation Plan will be settled in Community Bank System, Inc. common stock at future dates selected by the reporting person.
- (2) Includes 20.9336 units of phantom stock acquired on July 10, 2012 under the Deferred Compensation Plan's dividend reinvestment feature.

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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