

COMMUNITY BANK SYSTEM, INC.

Form 4

March 17, 2017

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 *
Bolus Mark J.

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)
03/15/2017

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

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

(Street)

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

DEWITT, NY 13214

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | | | | (A) or (D) Price | 71,456.3661 ⁽¹⁾ | D | |
| Common Stock | | | | (A) or (D) Price | 6,298.803 ⁽²⁾ | I | By Mark Bolus Trust |
| Common Stock | | | | (A) or (D) Price | 194.205 ⁽³⁾ | I | By daughter, Taylor Bolus |

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| | | | |
|--------------|--------------------------|---|--------------------------|
| Common Stock | 194.205 ⁽³⁾ | I | By daughter, Paige Bolus |
| Common Stock | 194.205 ⁽³⁾ | I | By son, Austin Bolus |
| Common Stock | 194.205 ⁽³⁾ | I | By son, Noah Bolus |
| Common Stock | 4,600.296 ⁽⁴⁾ | I | By Taylor Bolus Trust |
| Common Stock | 4,600.296 ⁽⁴⁾ | I | By Paige Bolus Trust |
| Common Stock | 4,600.296 ⁽⁴⁾ | I | By Austin Bolus Trust |
| Common Stock | 4,600.296 ⁽⁴⁾ | I | By Noah Bolus Trust |

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 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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Phantom Stock (Deferred Stock Units) | <u>(5)</u> | 03/15/2017 | | A | 553 | <u>(5)</u> | <u>(5)</u> | Common Stock | 553 |

| | | | | | |
|---|-----|-----|-----|-----------------|----------|
| Phantom Stock (Deferred Compensation) | (6) | (6) | (6) | Common Stock | 1,289.12 |
|---|-----|-----|-----|-----------------|----------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Bolus Mark J. C/O COMMUNITY BANK SYSTEM, INC. 5790 WIDEWATERS PARKWAY DEWITT, NY 13214 | X | | | |

Signatures

/s/ Danielle M. Cima, pursuant to a Confirming Statement executed by Mark J.
Bolus

03/17/2017

 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 1,778.447 shares acquired pursuant to the Community Bank System, Inc. Dividend Reinvestment Plan.
- (2) Includes 172.165 shares acquired pursuant to the Community Bank System, Inc. Dividend Reinvestment Plan.
- (3) Includes 3.906 shares acquired pursuant to the Community Bank System, Inc. Dividend Reinvestment Plan.
- (4) Includes 162.347 shares acquired pursuant to the Community Bank System, Inc. Dividend Reinvestment Plan.

The reporting person has received deferred stock units under the Community Bank System, Inc. 2014 Long-Term Incentive Plan. Each phantom stock unit which represents a deferred stock unit is the economic equivalent of one share of Community Bank System, Inc. common stock and will be settled in common stock at a predetermined date.

- (5) Each unit of phantom stock is the economic equivalent of one share of Community Bank System, Inc. common stock. The units of 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.
- (7) Includes 41.3957 units of phantom stock acquired on January 10, 2017 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. 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.