

COMMUNITY BANK SYSTEM INC
 Form 4
 May 04, 2006

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 *
 SABIA PETER A

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)
 05/03/2006

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

133 WALNUT STREET

(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

DUNMORE, PA 18512

(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 Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 05/01/2006 | | J ⁽¹⁾ | V 60,763 A \$ 0 | 73,057 | D | |
| Common Stock | | | | | 60,615.894 | I | By Valley Dodge Truck Center |
| Common Stock | 05/01/2006 | | J ⁽²⁾ | V 13,751 D \$ 0 | 3,001 | I | By Peter A. Sabia T/U/A dated May 7, 2004 |
| | | | | | 6,120 | I | |

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|-----------------|------------|--|------------------|---|--------|---|------|--------|---|--|
| Common Stock | | | | | | | | | Trustee, Sabia Family Foundation | |
| Common Stock | 05/01/2006 | | J ⁽³⁾ | V | 44,531 | D | \$ 0 | 56,436 | I | By Peter A. Sabia T/U/A dated April 7, 2005 |
| Common Stock | 05/01/2006 | | J ⁽⁴⁾ | V | 2,481 | D | \$ 0 | 59,800 | I | By Peter A. Sabia T/U/A dated October 13, 2005 |

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) | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr |
|---|--|---|---|--------------------------------------|--|--|---|---|--|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | Code | V | (A) | (D) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| SABIA PETER A 133 WALNUT STREET DUNMORE, PA 18512 | X | | | |

Signatures

Donna J. Drengel, as attorney-in-fact, pursuant to a power of attorney

05/04/2006

__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) The reporting person acquired 60,763 shares from various Trust Agreement accounts.
- (2) The reporting person transferred 13,751 shares from the Peter A. Sabia T/U/A Trust, dated May 7, 2004 to his account.
- (3) The reporting person transferred 44,531 shares from the Peter A. Sabia T/U/A Trust, dated April 7, 2005 to his account.
- (4) The reporting person transferred 2,481 shares from the Peter A. Sabia T/U/A Trust, dated October 13, 2005 to his account.

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.