

MICHAEL R KALLET  
Form 4  
March 20, 2019

**FORM 4**

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

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

## OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MICHAEL R KALLET

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)  
03/18/2019

☒ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D) Price			
Common Stock	03/18/2019		S		6,725	D \$ 62.4851 (1)	56,009 (2)	D	
Common Stock							8,759	I	By Wife
Common Stock							1,988	I	By IRA

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.

SEC 1474  
(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)	(3)	03/20/2019		A		576		(3)	(3)	Common Stock	576
Phantom Stock (Deferred Compensation)	(5)							(5)	(5)	Common Stock	3,555.45

## 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

X

## Signatures

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

03/20/2019

\_\_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 price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$62.06 to \$62.70, inclusive. The reporting person undertakes to provide Community Bank System, Inc., any security holder of Community Bank System, Inc. or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote.

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- (2) Includes an additional 4,065.2713 shares to correct the reporting person's holdings to reflect the current number of shares owned.  
The reporting person has received deferred stock units under the Community Bank System, Inc. 2014 Long-Term Incentive Plan.
- (3) 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.
- (4) Includes 13.1033 units of phantom stock acquired as dividend equivalents under the 2014 Long-Term Incentive Compensation Program.  
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.
- (5)
- (6) Includes 19.7916 units of phantom stock acquired on January 10, 2019 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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