

ARROW FINANCIAL CORP  
Form 4  
January 30, 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 \*  
**HOY THOMAS L**

2. Issuer Name and Ticker or Trading Symbol  
**ARROW FINANCIAL CORP [AROW]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
**01/27/2012**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**Chairman, President & CEO**

**ARROW FINANCIAL CORPORATION, 250 GLEN 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

**GLENS FALLS, NY 12801**

(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 or Price   |  |   |
| Common Stock                    | 12/01/2011                           |  | G                              |   | 3,059   | D  | \$ 0  |
| Common Stock                    | 01/27/2012                           |  | M                              |   | 15,374  | A  | \$ 22.06  |
| Common Stock                    | 01/27/2012                           |  | F                              |   | 14,120 <sup>(2)</sup>   | D  | \$ 25.29  |
| Common Stock                    | 01/27/2012                           |  | J                              |   | 0   | A  | \$ 0  |
|                                 | 01/27/2012                           |  | J                              |   | 0   | A  | \$ 0  |
|                                 |                                      |  |                                |   |   |  | 2,412 <sup>(3)</sup>                                  |
|                                 |                                      |  |                                |   |   |  | 2,881 <sup>(4)</sup>                                  |
|                                 |                                      |  |                                |   |   |  | 151,716 <sup>(1)</sup>                                |
|                                 |                                      |  |                                |   |   |  | 167,090   |
|                                 |                                      |  |                                |   |   |  | 152,970   |
|                                 |                                      |  |                                |   |   |  | 2,412 <sup>(3)</sup>                                  |
|                                 |                                      |  |                                |   |   |  | 2,881 <sup>(4)</sup>                                  |

Wife's IRA

|                 |            |  |   |   |   |      |                      |                     |                 |
|-----------------|------------|--|---|---|---|------|----------------------|---------------------|-----------------|
| Common<br>Stock |            |  |   |   |   |      |                      | By Wife<br>w/Broker |                 |
| Common<br>Stock | 01/27/2012 |  | J | 0 | A | \$ 0 | 3,281 <sup>(5)</sup> | I                   | Irrev.<br>Trust |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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<br>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 of<br>Derivative<br>Securities<br>Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>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<br>or<br>Number<br>of Shares |        |
|---|--|---|---|--------------------------------------|--|--|---|-------------------------------------|--------|
|   |  |   |   | Code                                 | V (A) (D)  | Date<br>Exercisable  | Expiration<br>Date  | Title                               |        |
| Empl.<br>St.<br>Option<br>(Right to<br>Buy)         | \$ 22.06   | 01/27/2012                              |   | M                                    | 15,374   | 12/18/2006   | 12/18/2012  | Common<br>Stock                     | 15,374 |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                           |       |
|---|---------------|-----------|---------------------------|-------|
|   | Director      | 10% Owner | Officer                   | Other |
| HOY THOMAS L<br>ARROW FINANCIAL CORPORATION<br>250 GLEN STREET<br>GLENS FALLS, NY 12801 | X             |           | Chairman, President & CEO |       |

## Signatures

|                                       |            |
|---------------------------------------|------------|
| Thomas J. Murphy, Attorney<br>in Fact | 01/30/2012 |
| **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).

- The total includes additional shares acquired as a result of a 3% stock dividend paid on Sept. 29, 2011 as follows: 31 shares acquired under the Company's ESPP, 20 shares acquired under a 401K plan and 318 shares acquired under an IRA. These shares were acquired since the insider's last Form 4 was filed on Sept. 9, 2011 in transactions not required to be reported on a Form 4. The information is being furnished to disclose the holdings of the insider as of the date of this Form 4.
- (1) Includes 13,413 shares surrendered by reporting person to issuer to pay the exercise price of the derivative security and 707 shares withheld by the issuer to satisfy withholding tax liabilities related to the exercise.
  - (2) Includes an additional 70 shares resulting from the Company's 3% stock dividend distributed on Sept. 29, 2011.
  - (3) Includes an additional 83 shares resulting from the Company's 3% stock dividend distributed on Sept. 29, 2011.
  - (4) Includes an additional 95 shares resulting from the Company's 3% stock dividend distributed on Sept. 29, 2011.

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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