

DeMarco David S.
Form 4
July 29, 2009

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 *
DeMarco David S.

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)
18 CHIPPEWA CIRCLE
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
07/28/2009

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)
Senior Vice President

QUEENSBURY, NY 12804

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	07/28/2009		M ⁽¹⁾	V Amount (A) or (D) Price 2,217 A \$ 19.21	2,217	D	
Common Stock	07/29/2009		S	2,217 D \$ 27.50	0	D	
Common Stock	07/29/2009		J ⁽²⁾	0 A \$ 0	11,711	I	ESOP
Common Stock	07/29/2009		J ⁽²⁾	0 A \$ 0	46	I	ESSP

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 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
Employee Stock Option (Right to Buy)	\$ 19.21	12/18/2001		M		2,217		12/18/2005	12/18/2011	Common stock	2,217

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
DeMarco David S. 18 CHIPPEWA CIRCLE QUEENSBURY, NY 12804	Senior Vice President

Signatures

Thomas J. Murphy, Attorney
in Fact 07/29/2009

__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) Amount of securities acquired on July 28, 2009 as a result of payment of the difference between the market value of the securities and the exercise price of the Employee Stock Option (Right to Buy).
- (2) Amount of securities beneficially owned.
- (3) Exercise of Derivative Security.

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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