

ARROW FINANCIAL CORP  
Form 4  
January 30, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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

Wife's IRA

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

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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Empl. St. Option (Right to Buy)	\$ 22.06	01/27/2012		M	15,374	12/18/2006	12/18/2012	Common Stock	15,374

## Reporting Owners

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

## Signatures

Thomas J. Murphy, Attorney 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.

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.