

ARROW FINANCIAL CORP  
 Form 4  
 January 27, 2011

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

(Last) (First) (Middle)  
**ARROW FINANCIAL CORPORATION, 250 GLEN STREET**

3. Date of Earliest Transaction (Month/Day/Year)  
**01/26/2011**

(Street)  
**GLENS FALLS, NY 12801**

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

**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)	4. Securities Acquired (A) or Disposed of (D)				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 Ownership (Instr. 4)
			Code	V	Amount	Price			
Common Stock	12/02/2010		G		364	D \$ 0	144,462 <sup>(2)</sup>	D	
Common Stock	01/26/2011		J <sup>(1)</sup>		0	A \$ 0	2,342 <sup>(3)</sup>	I	Wife's IRA
Common Stock	01/26/2011		J <sup>(1)</sup>		0	A \$ 0	2,798 <sup>(4)</sup>	I	By Wife w/Broker
Common Stock	01/26/2011		J <sup>(1)</sup>		0	A \$ 0	3,186 <sup>(5)</sup>	I	Irrev. Trust

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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)	\$ 25.47	01/26/2011		A	12,500	<u>(6)</u> 01/26/2021	Common Stock 12,500

## 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  
01/27/2011  
\*\*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 beneficially owned.

Following the reported transaction, total direct holdings include 205 shares acquired under the Company's ESPP include 13 shares acquired through Jan. 26, 2011; 10,609 shares held in a qualified retirement plan (IRA); 92,582 shares held in a custody account; 40,373

(2) shares acquired under the Company's ESOP (as of 12/31/09 valuation); and 693 shares acquired under the Company's qualified retirement plan (401k). Total direct holdings, including ESOP, include 4,199 shares resulting from the Company's 3% stock dividend distributed on September 29, 2010.

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- (3) Includes an additional 68 shares resulting from the Company's 3% stock dividend distributed on September 29, 2010.
- (4) Includes an additional 81 shares resulting from the Company's 3% stock dividend distributed on September 29, 2010.
- (5) Includes an additional 92 shares resulting from the Company's 3% stock dividend distributed on September 29, 2010.
- (6) The option vests in four equal annual installments beginning on January 26, 2012.

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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