

ARROW FINANCIAL CORP  
 Form 4  
 October 21, 2010

**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)  
**10/20/2010**

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	10/12/2010		G		920	D	\$ 0 102,010
Common Stock	10/20/2010		M		10,342	A	\$ 18.11 112,352
Common Stock	10/20/2010		F		8,797 (1)	D	\$ 25.93 103,555
Common Stock	10/20/2010		J(2)		0	A	\$ 0 191
Common Stock	10/20/2010		J(2)		0	A	\$ 0 40,372

Common Stock									
Common Stock	10/20/2010		J <sup>(2)</sup>	0	A	\$ 0	2,342	I	Wife's IRA
Common Stock	10/20/2010		J <sup>(2)</sup>	0	A	\$ 0	693	I	401k
Common Stock	10/20/2010		J <sup>(2)</sup>	0	A	\$ 0	2,798	I	By Wife w/Broker
Common Stock	10/20/2010		J <sup>(2)</sup>	0	A	\$ 0	3,186	I	Irrev 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 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)	\$ 18.11	12/19/2001		A	10,342	12/19/2005 12/19/2011	Common Stock	10,342	

## 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

10/21/2010

\_\_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) Includes 1) 7,224 shares surrendered by reporting person to issuer to pay the exercise price of the derivative security and 2) 1,573 shares withheld by the issuer to satisfy withholding tax liabilities related to the exercise.
- (2) Amount of securities beneficially owned.

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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