

ARROW FINANCIAL CORP  
Form 4  
September 10, 2008

**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)  
09/08/2008

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  | (A) or (D)   | Price   |
| Common Stock                    | 09/08/2008                           |  | G                              |   | 918   | D  | \$ 0  |
| Common Stock                    | 09/08/2008                           |  | M                              |   | 23,268  | A  | \$ 13.54  |
| Common Stock                    | 09/08/2008                           |  | F                              |   | 15,846<br>(2)   | D  | \$ 26.13  |
| Common Stock                    | 09/08/2008                           |  | J <sup>(1)</sup>               |   | 0   | A  | \$ 0  |
|                                 | 09/08/2008                           |  | J <sup>(1)</sup>               |   | 0   | A  | \$ 0  |

|              |            |                  |   |   |      |       |   |                     |  |
|--------------|------------|------------------|---|---|------|-------|---|---------------------|--|
| Common Stock |            |                  |   |   |      |       |   |                     |  |
| Common Stock | 09/08/2008 | J <sup>(1)</sup> | 0 | A | \$ 0 | 2,208 | I | Wife's IRA          |  |
| Common Stock | 09/08/2008 | J <sup>(1)</sup> | 0 | A | \$ 0 | 654   | I | SEP                 |  |
| Common Stock | 09/08/2008 | J <sup>(1)</sup> | 0 | A | \$ 0 | 2,638 | I | By Wife with Broker |  |
| Common Stock | 09/08/2008 | J <sup>(1)</sup> | 0 | A | \$ 0 | 7,454 | I | Irrevocable 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.**

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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)       | \$ 13.54   | 11/18/1998                           |  | M                              | 23,268  | 11/18/2002 11/18/2008                                    | Common Stock 23,268   |

## 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

Gerard R. Bilodeau, Attorney  
in Fact

09/10/2008

\_\_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.
  - (2) Includes 1) 12,056 shares surrendered by reporting person to issuer to pay the exercise price of the derivative security and 2) 3,790 shares withheld by the issuer to satisfy withholding tax liabilities related to the exercise.
  - (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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