

ARROW FINANCIAL CORP  
 Form 4  
 September 17, 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 \*  
 VAN LEEUWEN JOHN C

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)  
 09/16/2008

\_\_\_\_ Director  
 Officer (give title below)  
 \_\_\_\_ 10% Owner  
 \_\_\_\_ Other (specify below)  
 SVP

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
| Common Stock                    | 09/16/2008                           |  | M                              | 1,000   | A \$ 11.99  | 8,867  | D                                 |
| Common Stock                    | 09/16/2008                           |  | F                              | 443 <sup>(2)</sup>  | D \$ 27.06  | 8,424  | D                                 |
| Common Stock                    | 09/16/2008                           |  | M                              | 2,000   | A \$ 19.21  | 10,424   | D                                 |
| Common Stock                    | 09/16/2008                           |  | F                              | 1,420 <sup>(2)</sup>  | D \$ 27.06  | 9,004  | D                                 |
|                                 | 09/16/2008                           |  | M                              | 3,000   | A   | 12,004   | D                                 |

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|              |            |                  |              |   |          |        |   |      |
|--------------|------------|------------------|--------------|---|----------|--------|---|------|
| Common Stock |            |                  |              |   | \$ 24.11 |        |   |      |
| Common Stock | 09/16/2008 | F                | 2,673<br>(2) | D | \$ 27.06 | 9,331  | D |      |
| Common Stock | 09/16/2008 | J <sup>(1)</sup> | 0            | A | \$ 0     | 14,441 | I | ESOP |

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) | Amount or Number of Shares |       |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|-------|
|  |  |                                      |  | Code                           | V   | (A)  | (D)   |                            |       |
| Employee Stock Option (Right to Buy)       | \$ 11.99   | 12/20/2000                           |  | M                              |   | 1,000  | 12/20/2004 12/20/2010   | Common Stock               | 4,655 |
| Employee Stock Option (Right to Buy)       | \$ 19.21   | 12/15/2001                           |  | M                              |   | 2,000  | 12/15/2005 12/15/2011   | Common Stock               | 5,171 |
| Employee Stock Option (Right to Buy)       | \$ 24.11   | 12/18/2002                           |  | M                              |   | 3,000  | 12/18/2006 12/18/2012   | Common Stock               | 4,923 |

## Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

Director 10% Owner Officer Other

VAN LEEUWEN JOHN C  
ARROW FINANCIAL CORPORATION  
250 GLEN STREET  
GLENS FALLS, NY 12801

SVP

## Signatures

Gerard R. Bilodeau, Attorney  
in Fact

09/17/2008

\_\_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) Shares surrendered by reporting person to issuer to pay the exercise price of the derivative security.
  - (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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