

Clarke Michael B
Form 4
January 26, 2012

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 *
Clarke Michael B

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)

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

58 CHRISTIANA COURT

01/25/2012

(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

LAKE GEORGE, NY 12845

(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 (A) or (D) Price | | |
| Common Stock | 01/25/2012 | | J ⁽¹⁾ | | 0 ⁽¹⁾ A \$ 0 3,644 ⁽¹⁾ | D | |
| Common Stock | 01/25/2012 | | J ⁽²⁾ | | 0 ⁽²⁾ A \$ 0 17,050 ⁽²⁾ | I | Wife's Trust |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Director Stock Option (right to Buy) | \$ 25.42 | 01/25/2012 | | A | 1,000 | (3) 01/25/2022 | Common Stock | 1,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Clarke Michael B 58 CHRISTIANA COURT LAKE GEORGE, NY 12845 | X | | | |

Signatures

Thomas J. Murphy, Attorney
in Fact
**Signature of Reporting Person
Date
01/26/2012

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 information provided reflects 37 shares acquired under the Company's Dividend Reinvestment Plan since the last Form 4 was filed
- (1) for the insider on Dec. 2, 2011. This transaction was not required to be reported on a Form 4 and this information is being furnished to disclose the holdings of the insider as of the date of this Form 4.
 - (2) This information is being furnished to disclose the holdings of the insider as of the date of this Form 4.
 - (3) The option vests in four equal annual installments beginning on January 25, 2013.

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.