

GALLAGHER ARTHUR J & CO

Form 4

August 08, 2006

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
GALLAGHER J PATRICK JR

2. Issuer Name **and** Ticker or Trading
Symbol
GALLAGHER ARTHUR J & CO
[AJG]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

ARTHUR J. GALLAGHER &
CO., TWO PIERCE PLACE

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
08/04/2006

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)
President & CEO

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

ITASCA, IL 60143

(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	06/14/2006		G	V	300	D	11	136,741	D	
Common Stock	08/04/2006		J ⁽²⁾		1,952	A	\$ 27.751	90,358	I	by Trust 2
Common Stock								150,000	I	by Corporation
Common Stock								101,238	I	by Spouse
Common Stock								171,250	I	by Trust ⁽³⁾

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Common
Stock
(restricted)

20,341 D

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

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SEC 1474
(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 Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 9.25					(4) 08/30/2008	Common Stock 12,000
Non-Qualified Stock Option (right to buy)	\$ 18.5					(4) 06/20/2010	Common Stock 27,000
Non-Qualified Stock Option (right to buy)	\$ 22.7					(4) 07/21/2012	Common Stock 25,000
Non-Qualified Stock Option (right to buy)	\$ 24.9					01/01/2004(4) 07/16/2013	Common Stock 50,000
Non-Qualified Stock Option (right to buy)	\$ 26.5					(4) 07/19/2011	Common Stock 25,000
Non-Qualified Stock Option (right to buy)	\$ 27.03					(4) 05/15/2016	Common Stock 25,800
Non-Qualified Stock Option (right to buy)	\$ 27.1					(4) 05/16/2015	Common Stock 18,400

Non-Qualified Stock Option (right to buy)	\$ 27.25	(4)	07/20/2015	Common Stock	50,000
Non-Qualified Stock Option (right to buy)	\$ 29.42	(4)	07/21/2014	Common Stock	50,000
Non-Qualified Stock Option (right to buy)	\$ 33.28	01/01/2005(4)	03/31/2014	Common Stock	15,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GALLAGHER J PATRICK JR ARTHUR J. GALLAGHER & CO. TWO PIERCE PLACE ITASCA, IL 60143	X		President & CEO	

Signatures

By: Douglas K. Howell For: J. Patrick
Gallagher, Jr. 08/07/2006

____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) This transaction involves a gift.
- (2) Dividend reinvestment pursuant to the Arthur J. Gallagher & Co. Deferred Equity Participation Plan.
- (3) Held in trust for benefit of minor children.
- (4) The stock option becomes exercisable 10% each year, commencing January 1 after the date of grant.

Remarks:

The directly owned common stock holdings reflected in Table I of this form include shares purchased through Arthur J. Gallagher & Co. 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.