

GALLAGHER ARTHUR J & CO  
 Form 4  
 May 17, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
**CARY RICHARD C**

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)  
**05/15/2007**

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 Controller, CAO

**ITASCA, IL 60143**  
 (City) (State) (Zip)

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

**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)	Code	V			
Common Stock (restricted)	05/15/2007	05/15/2007	A	576	A	Ⓛ	576	D	
Common Stock							20,854	D	
Common Stock							19,387	I	by 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**

SEC 1474 (9-02)

required to respond unless the form displays a currently valid OMB control number.

**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 Security (Instr. 3 and 4)	8. Amount or Number of Underlying Securities (Instr. 3 and 4)
Non-Qualified Stock Option (right to buy)	\$ 28.65	05/15/2007		A	2,790	(2) 05/15/2017	Common Stock	2
Incentive Stock Option (right to buy)	\$ 9.25					(3) 08/30/2008	Common Stock	1
Non-Qualified Stock Option (right to buy)	\$ 18.5					(3) 06/20/2010	Common Stock	1
Non-Qualified Stock Option (right to buy)	\$ 22.7					(3) 07/21/2012	Common Stock	1
Non-Qualified Stock Option (right to buy)	\$ 24.9					01/01/2004(3) 07/16/2013	Common Stock	1
Non-Qualified Stock Option (right to buy)	\$ 26.5					(3) 07/19/2011	Common Stock	1
Non-Qualified Stock Option (right to buy)	\$ 27.25					(3) 07/20/2015	Common Stock	1
Non-Qualified Stock Option (right to buy)	\$ 29.42					(3) 07/21/2014	Common Stock	1
Non-Qualified Stock Option (right to buy)	\$ 33.28					01/01/2005(3) 03/31/2014	Common Stock	1

