

AAR CORP  
Form 4  
June 26, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
MCDONALD JAMES M

(Last) (First) (Middle)  
1100 N WOOD DALE RD  
(Street)

WOODDALE, IL 60191

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
AAR CORP [AIR]

3. Date of Earliest Transaction (Month/Day/Year)  
06/15/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	06/15/2007		M		1,000 A \$ 14.9	54,871	D
Common Stock	06/15/2007		M		2,000 A \$ 3.2	56,871	D
Common Stock	06/15/2007		M		30,000 A \$ 6.96	86,871	D
Common Stock	06/15/2007		M		996 A \$ 15.52	87,867	D
Common Stock	06/15/2007		M		4,981 A \$ 15.52	92,848	D

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Common Stock	06/15/2007	M	206	A	\$ 15.52	93,054	D
Common Stock	06/15/2007	M	7,954	A	\$ 17.5	101,008	D
Common Stock	06/15/2007	M	3,405	A	\$ 17.5	104,413	D
Common Stock	06/15/2007	M	5,759	A	\$ 17.5	110,172	D
Common Stock	06/15/2007	M	183	A	\$ 17.5	110,355	D
Common Stock	06/15/2007	M	4,951	A	\$ 27.42	115,306	D
Common Stock	06/15/2007	M	2,589	A	\$ 27.42	117,895	D
Common Stock	06/15/2007	M	116	A	\$ 27.42	118,011	D
Common Stock	06/15/2007	F	37,780	A	\$ 33.66	80,231	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 of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 14.9	06/15/2007		M	1,000	07/10/2002	07/10/2011	Common Stock	1,000
Stock Option	\$ 3.2	06/15/2007		M	2,000	10/09/2003	10/09/2012	Common Stock	2,000
Stock Option	\$ 6.96	06/15/2007		M	30,000	07/21/2004	07/21/2013	Common Stock	30,000

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Stock Option	\$ 15.52	06/15/2007	M	996	01/16/2004	07/09/2012	Common Stock	996
Stock Option	\$ 15.52	06/15/2007	M	4,981	01/16/2004	07/09/2012	Common Stock	4,981
Stock Option	\$ 15.52	06/15/2007	M	206	01/16/2004	10/09/2012	Common Stock	206
Stock Option	\$ 17.5	06/15/2007	M	7,954	07/25/2005	07/21/2013	Common Stock	7,954
Stock Option	\$ 17.5	06/15/2007	M	3,405	07/25/2005	07/10/2011	Common Stock	3,405
Stock Option	\$ 17.5	06/15/2007	M	5,759	07/25/2005	07/11/2010	Common Stock	5,759
Stock Option	\$ 17.5	06/15/2007	M	183	07/25/2005	10/09/2012	Common Stock	183
Stock Option	\$ 27.42	06/15/2007	M	4,951	03/20/2006	07/13/2009	Common Stock	4,951
Stock Option	\$ 27.42	06/15/2007	M	2,589	03/20/2006	10/14/2008	Common Stock	2,589
Stock Option	\$ 27.42	06/15/2007	M	116	03/20/2006	10/09/2012	Common Stock	116

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCDONALD JAMES M 1100 N WOOD DALE RD WOODDALE, IL 60191			Vice President	

## Signatures

Jo-Ellen Kiddie, Power of Attorney 06/26/2007

\*\*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).

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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