

HOWELL DOUGLAS K
Form 4
March 07, 2008

FORM 4

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

OMB APPROVAL

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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 *
HOWELL DOUGLAS K

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)
03/05/2008

____ Director
 Officer (give title below)
____ 10% Owner
____ Other (specify below)
VP & Chief Financial Officer

ITASCA, IL 60143

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

(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	(D)	Price
Common Stock (restricted)	03/05/2008		A		11,490	A	19,946
Common Stock					24,759	D	
Common Stock					24,125	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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Non-Qualified Stock Option (right to buy)	\$ 23.76	03/05/2008		A	6,061	(2) 03/05/2018	Common Stock
Incentive Stock Option (right to buy)	\$ 24.58					(3) 03/02/2013	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 27.03					(3) 05/15/2016	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 27.25					(3) 07/20/2015	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 27.94					(3) 10/18/2017	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 28.65					(2) 05/15/2017	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 29.42					(3) 07/21/2014	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 33.28					01/01/2005(3) 03/31/2014	Common Stock

Reporting Owners

Reporting Owner Name / Address

Relationships

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Director 10% Owner Officer

Other

HOWELL DOUGLAS K
ARTHUR J. GALLAGHER & CO.
TWO PIERCE PLACE
ITASCA, IL 60143

VP & Chief Financial Officer

Signatures

By: Kerry S. Abbott For: Douglas K.
Howell

03/07/2008

__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) Restricted stock award vesting in four years.
- (2) The stock option becomes exercisable 20% each year on the anniversary of the grant date.
- (3) The stock option becomes exercisable 10% each year, commencing January 1 after the date of grant.

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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