Washington, D.C. 20549

SECURITIES

GALLAGHER ARTHUR J & CO

Form 4 May 17, 2007

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

OMB APPROVAL

OMB 3235-0287 Number:

January 31, Expires: 2005

Estimated average burden hours per response... 0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

5 D 1 (* 1 * CD - (* D - () (

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 may continue. 30(h) of the Investment Company Act of 1940

See Instruction 1(b).

(Print or Type Responses)

1 Name and Address of Departing De

Check this box

if no longer

Section 16.

Form 4 or

obligations

Form 5

subject to

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			3. Date of Earliest Transaction (Month/Day/Year) 05/15/2007				Director 10% Owner _X_ Officer (give title Other (specify below) Controller, CAO			
ITASCA, IL ((Street) 60143		4. If Amendment, Date Original Filed(Month/Day/Year)					6. Individual or Joint/Group Filing(Check Applicable Line) _X_ 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								lv Owned	
1.Title of Security (Instr. 3)	2. Transaction D (Month/Day/Yea	Fransaction Date 2A. Do onth/Day/Year) Execution any (Monti		Code (Instr. 8)	4. Securities ctionAcquired (A) or Disposed of (D) 8) (Instr. 3, 4 and 5) (A) or))	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)
Common Stock (restricted)	05/15/2007	05/15	5/2007	A	576	A	<u>(1)</u>	576	D	
Common Stock								20,854	D	
Common Stock								19,387	I	by Trust
Reminder: Repor	t on a senarate line	for each o	lass of securit	ies henefici	ally owner	d direc	etly or i	ndirectly		

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

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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. Transactic Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisale Expiration Date (Month/Day/Yea		7. Title and Ame Underlying Secu (Instr. 3 and 4)	
				Code V	(A) (D	Date Exercisable	Expiration Date	Title	An or No of
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]
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]

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Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

CARY RICHARD C ARTHUR J. GALLAGHER & CO. TWO PIERCE PLACE ITASCA, IL 60143

Controller, CAO

Signatures

By: John C. Rosengren For: Richard C.
Cary

05/17/2007

**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).
- (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. 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.

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