

GALLAGHER ARTHUR J & CO
 Form 4
 May 17, 2007

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 *
GAULT JAMES S

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)
 Vice President

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 Ownership (Instr. 4)
				(A) or (D)	Price			
Common Stock (restricted)	05/15/2007		A	1,588	A	1,588	D	
Common Stock						34,689	D	
Common Stock						28,000	I	by Spouse (2)
Common Stock						57,570	I	by Trust

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

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(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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of
Non-Qualified Stock Option (right to buy)	\$ 28.65	05/15/2007		A	7,583	(3) 05/15/2017	05/15/2017	Common Stock	7
Non-Qualified Stock Option (right to buy)	\$ 9.25					(4) 08/30/2008	08/30/2008	Common Stock	4
Non-Qualified Stock Option (right to buy)	\$ 18.5					(4) 06/20/2010	06/20/2010	Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 22.7					(4) 07/21/2012	07/21/2012	Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 24.9					01/01/2004(4)	07/16/2013	Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 26.5					(4) 07/19/2011	07/19/2011	Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 27.25					(4) 07/20/2015	07/20/2015	Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 29.42					(4) 07/21/2014	07/21/2014	Common Stock	3

