

GALLAGHER ARTHUR J & CO  
 Form 4  
 February 24, 2012

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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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 \*  
 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)  
 02/23/2012

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ 10% Owner  
 \_\_\_\_\_ 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 Indirect Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock	02/23/2012		M		25,000	A	\$ 22.7 31,689 D
Common Stock	02/23/2012		S		20,000	D	\$ 34.33 11,689 D
Common Stock							56,000 I By Spouse <sup>(3)</sup>
Common Stock							67,419 I By Trust
							9,587 D

Common  
Stock  
(restricted)

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)	Amount or Number of Shares
Non-qualified Stock Option	\$ 22.7	02/23/2012		M	25,000	<sup>(1)</sup> 07/21/2012	Common Stock	25,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GAULT JAMES S ARTHUR J. GALLAGHER & CO. TWO PIERCE PLACE ITASCA, IL 60143			Vice President	

## Signatures

/s/ April  
Hanes-Dowd 02/24/2012

\*\*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) The stock option becomes exercisable 10% each year, commencing January 1 after the date of grant.
- (2) The price reported is an average weighted price. The shares were sold in multiple transactions at prices ranging from \$34.29 to \$34.49. The reporting person will provide to the Securities and Exchange Commission staff, the issuer, or any security holder of the issuer, upon

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request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote.

- (3) The reporting person disclaims beneficial ownership of these securities pursuant to Rule 16a-1(a)(4). This report shall not be deemed an admission that the reporting person is, for purposes of Section 16 or otherwise, the beneficial owner of such securities.

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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