#### GALLAGHER ARTHUR J & CO

Form 4 June 01, 2006

# FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB** Number:

3235-0287

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**OMB APPROVAL** 

if no longer subject to Section 16. Form 4 or Form 5 obligations

may continue.

See Instruction

Check this box

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

1(b).

Stock

Common Stock

(restricted)

(Print or Type Responses)

1. Name and Address of Reporting Person * DURKIN JAMES W JR			2. Issuer Name <b>and</b> 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		IER &	3. Date of Earliest Transaction (Month/Day/Year) 05/31/2006	Director 10% Owner Other (specify below)  Vice President			
ITASCA, IL			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 Acc	Acquired, Disposed of, or Beneficially Owned			

		- Table	I - MUII-DEI	ivalive Se	cuiiii	es Acqu	ii eu, Disposeu oi,	of Deficilcian	y Owneu
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	4. Securities Acquired or(A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)		Transaction(s)		
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
Common Stock	05/31/2006		M	40,000	A	\$ 7.97	255,579	D	
Common Stock	05/31/2006		S	5,000	D	\$ 26.5	250,579	D	
Common							48,735	I	by Trust

13,636

D

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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 required to respond unless the form displays a currently valid OMB control number.

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. Transacti Code (Instr. 8)	orDeri Secu Acqu or D (D)	rities uired (A) isposed of r. 3, 4,	6. Date Exercisab Expiration Date (Month/Day/Year		7. Title and A Underlying So (Instr. 3 and 4
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title
Non-Qualified Stock Option (right to buy)	\$ 7.97	05/31/2006		M		40,000	<u>(1)</u>	07/17/2006	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 9.25						<u>(1)</u>	08/30/2008	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 18.5						<u>(1)</u>	06/20/2010	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 22.7						<u>(1)</u>	07/21/2012	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 24.9						01/01/2004(1)	07/16/2013	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 26.5						<u>(1)</u>	07/19/2011	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 27.25						<u>(1)</u>	07/20/2015	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 29.42						<u>(1)</u>	07/21/2014	Common Stock

## **Reporting Owners**

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

DURKIN JAMES W JR ARTHUR J. GALLAGHER & CO. TWO PIERCE PLACE ITASCA, IL 60143

Vice President

## **Signatures**

By: Douglas K. Howell For: James W.
Durkin, Jr.
06/01/2006

\*\*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.

#### **Remarks:**

The directly owned common stock holdings reflected in Table I of this form include shares purchased through Arthur J. Gallag 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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