

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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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 \*  
 MCKENNA RICHARD J

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  
 (City) (State) (Zip)

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

**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	1,047	A	1,047	D	
Common Stock						44,857	D	
Common Stock						61,219	I	by Trust

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

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SEC 1474 (9-02)

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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. 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)	8. Amount or Number of Underlying Securities (Instr. 3 and 4)
Non-Qualified Stock Option (right to buy)	\$ 28.65	05/15/2007		A	5,000	(2) 05/17/2017	Common Stock	5
Non-Qualified Stock Option (right to buy)	\$ 9.25					(3) 08/30/2008	Common Stock	4
Non-Qualified Stock Option (right to buy)	\$ 18.5					(3) 06/20/2010	Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 22.7					(3) 07/21/2012	Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 24.9					01/01/2004(3) 07/16/2013	Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 26.5					(3) 07/19/2011	Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 27.25					(3) 07/20/2015	Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 29.42					(3) 07/21/2014	Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 33.28					01/01/2005(3) 03/31/2014	Common Stock	3

## Reporting Owners

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

## Signatures

By: John C. Rosengren For: Richard J.  
McKenna 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.

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