

GALLAGHER ARTHUR J &amp; CO

Form 4

May 15, 2008

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

OMB APPROVAL

OMB  
Number: 3235-0287Expires: January 31,  
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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 \*  
GORDON ILENE S2. 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)  
05/13/2008☒ Director ☐ 10% Owner  
☐ Officer (give title below) ☐ Other (specify below)

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3.<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       | 05/15/2008                              |                                                             | J                        | 1,360 A                                                                    | 6,720                                                                                                              | D                                                                    |                                                                   |
| Common<br>Stock<br>(restricted)       | 05/13/2008                              |                                                             | A                        | 4,000 A                                                                    | 10,640                                                                                                             | D                                                                    |                                                                   |
| Common<br>Stock<br>(restricted)       | 05/15/2008                              |                                                             | J                        | 1,360 D                                                                    | 9,280                                                                                                              | D                                                                    |                                                                   |

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

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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<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount<br>Underlying Securities<br>(Instr. 3 and 4) |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
|                                                     |                                                                    |                                         |                                                             | Code                                 | V (A) (D)                                                                                                          | Date Exercisable<br>Expiration Date                            | Title<br>Amount<br>or<br>Number<br>of Shares                     |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 1.11                                                            |                                         |                                                             |                                      |                                                                                                                    | (3) 05/21/2011                                                 | Common<br>Stock 1,000                                            |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 5.79                                                            |                                         |                                                             |                                      |                                                                                                                    | 08/21/2003(3) 05/20/2013                                       | Common<br>Stock 1,500                                            |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 6.38                                                            |                                         |                                                             |                                      |                                                                                                                    | (3) 05/15/2010                                                 | Common<br>Stock 2,000                                            |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 10.58                                                           |                                         |                                                             |                                      |                                                                                                                    | (3) 05/17/2014                                                 | Common<br>Stock 1,500                                            |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 10.86                                                           |                                         |                                                             |                                      |                                                                                                                    | (3) 05/13/2012                                                 | Common<br>Stock 1,000                                            |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 12.36                                                           |                                         |                                                             |                                      |                                                                                                                    | (4) 07/06/2009                                                 | Common<br>Stock 7,920                                            |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 18.5                                                            |                                         |                                                             |                                      |                                                                                                                    | (4) 06/20/2010                                                 | Common<br>Stock 24,000                                           |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 25.79                                                           |                                         |                                                             |                                      |                                                                                                                    | 05/21/2004(4) 05/20/2013                                       | Common<br>Stock 25,000                                           |
| Non-Qualified                                       | \$ 26.11                                                           |                                         |                                                             |                                      |                                                                                                                    | (4) 05/21/2011                                                 | Common 25,000                                                    |

|                                                 |          |     |            |                 |        |
|-------------------------------------------------|----------|-----|------------|-----------------|--------|
| Stock Option<br>(right to buy)                  |          |     |            | Stock           |        |
| Non-Qualified<br>Stock Option<br>(right to buy) | \$ 27.1  | (4) | 05/16/2015 | Common<br>Stock | 25,000 |
| Non-Qualified<br>Stock Option<br>(right to buy) | \$ 30.58 | (4) | 05/17/2014 | Common<br>Stock | 25,000 |
| Non-Qualified<br>Stock Option<br>(right to buy) | \$ 35.86 | (4) | 05/13/2012 | Common<br>Stock | 25,000 |

## Reporting Owners

| Reporting Owner Name / Address                                                      | Relationships |           |         |       |
|-------------------------------------------------------------------------------------|---------------|-----------|---------|-------|
|                                                                                     | Director      | 10% Owner | Officer | Other |
| GORDON ILENE S<br>ARTHUR J. GALLAGHER & CO.<br>TWO PIERCE PLACE<br>ITASCA, IL 60143 | X             |           |         |       |

## Signatures

By: Kerry S. Abbott For: Ilene S.  
Gordon

05/15/2008

\_\_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) Vesting of restricted stock which continues to be held as common stock

(2) Restricted stock award vesting in equal parts over three year period.

(3) The stock option becomes exercisable in four equal quarterly installments, commencing three months after the date of grant. Option expires upon death or retirement of director.

(4) The stock option becomes exercisable in three equal annual installments, commencing one year 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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