GALLAGHER J PATRICK JR
Form 4
March 10, 2009

FORM 4

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

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

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
GALLAGHER J PATRICK JR

(Last) (First) (Middle)

ARTHUR J. GALLAGHER & CO., TWO PIERCE PLACE

(Street)

ITASCA, IL 60143

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
GALLAGHER ARTHUR J & CO [AJG]

3. Date of Earliest Transaction (Month/Day/Year)
03/04/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
President & CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock (restricted)	03/04/2009		A		6,146	A	(1)	13,845	D	
Common Stock								149,736	D	
Common Stock								150,000	I	by Corporation
Common Stock								100,276	I	by Spouse
								179,915	I	by Trust

Common Stock			
Common Stock	96,490	I	by Trust 2

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 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 Underlying Securitie (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amou or Numb of Sha
Non-Qualified Stock Option (right to buy)	$ 18.5							(2)	06/20/2010	Common Stock	27,0
Non-Qualified Stock Option (right to buy)	$ 22.7							(2)	07/21/2012	Common Stock	25,0
Non-Qualified Stock Option (right to buy)	$ 23.76							(3)	03/05/2018	Common Stock	17,7
Non-Qualified Stock Option (right to buy)	$ 24.9							01/01/2004(2)	07/16/2013	Common Stock	50,0
Non-Qualified Stock Option (right to buy)	$ 26.5							(2)	07/19/2011	Common Stock	25,0
Non-Qualified Stock Option (right to buy)	$ 27.03							(2)	05/15/2016	Common Stock	25,8
	$ 27.1							(2)	05/16/2015		18,4

Non-Qualified Stock Option (right to buy)					Common Stock	
Non-Qualified Stock Option (right to buy)	$ 27.25		(2)	07/20/2015	Common Stock	50,0
Non-Qualified Stock Option (right to buy)	$ 28.65		(3)	05/15/2017	Common Stock	16,6
Non-Qualified Stock Option (right to buy)	$ 29.42		(2)	07/21/2014	Common Stock	50,0
Non-Qualified Stock Option (right to buy)	$ 33.28		01/01/2005(2)	03/31/2014	Common Stock	15,0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GALLAGHER J PATRICK JR ARTHUR J. GALLAGHER & CO. TWO PIERCE PLACE ITASCA, IL 60143	X		President & CEO	

Signatures

By: Kerry S. Abbott For: J. Patrick Gallagher, Jr.	03/10/2009
**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 10% each year, commencing January 1 after the date of grant.

(3) The stock option becomes exercisable 20% each year on the anniversary of the grant date.

Remarks:

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

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