

GALLAGHER ARTHUR J & CO  
 Form 4  
 April 02, 2008

**FORM 4**

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

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).

**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 \*  
 GALLAGHER J PATRICK JR

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)  
 03/31/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 President & CEO

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 Beneficial Ownership (Instr. 4)
				Code V Amount (D) Price			
Common Stock	03/31/2008		F <sup>(1)</sup>	2,091 D \$ 23.62	148,373	D	
Common Stock					150,000	I	by Corporation
Common Stock					100,089	I	by Spouse
Common Stock					174,050	I	by Trust
Common Stock					96,490	I	by Trust 2

Common  
Stock  
(restricted)

7,699 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 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 Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 9.25					(2)	08/30/2008	Common Stock	12,000
Non-Qualified Stock Option (right to buy)	\$ 18.5					(2)	06/20/2010	Common Stock	27,000
Non-Qualified Stock Option (right to buy)	\$ 22.7					(2)	07/21/2012	Common Stock	25,000
Non-Qualified Stock Option (right to buy)	\$ 23.76					(3)	03/05/2018	Common Stock	17,700
Non-Qualified Stock Option (right to buy)	\$ 24.9					01/01/2004(2)	07/16/2013	Common Stock	50,000
Non-Qualified Stock Option (right to buy)	\$ 26.5					(2)	07/19/2011	Common Stock	25,000
Non-Qualified Stock Option (right to buy)	\$ 27.03					(2)	05/15/2016	Common Stock	25,800

Non-Qualified Stock Option (right to buy)	\$ 27.1	(2)	05/16/2015	Common Stock	18,4
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 <sup>(2)</sup>	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

J. Patrick  
Gallagher, Jr.                      04/02/2008

         \*\*Signature of Reporting                      Date  
Person

## 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) Shares withheld to cover applicable taxes on restricted stock distribution.
- (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.

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.