AAR CORP Form 4 June 26, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5

obligations

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 may continue.

30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading MCDONALD JAMES M Issuer Symbol AAR CORP [AIR] (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner X_ Officer (give title Other (specify 1100 N WOOD DALE RD 06/15/2007 below) below) Vice President (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

WOODDALE, IL 60191

(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities Acquired 5. Amount of 7. Nature of Security (Month/Day/Year) Execution Date, if Transaction(A) or Disposed of (D) Securities Ownership Indirect (Instr. 3) Code (Instr. 3, 4 and 5) Beneficially Form: Direct Beneficial Ownership (Month/Day/Year) Owned (D) or (Instr. 8) Following Indirect (I) (Instr. 4) Reported (Instr. 4) (A) Transaction(s) or (Instr. 3 and 4) Code V Amount (D) Price Common 06/15/2007 M 1,000 A \$ 14.9 54,871 D Stock Common 06/15/2007 2,000 \$ 3.2 D M A 56,871 Stock Common 06/15/2007 30,000 \$ 6.96 86,871 D M A Stock Common 06/15/2007 M 996 87,867 D Stock Common 06/15/2007 4,981 92,848 D M Stock

OMB APPROVAL

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Common Stock	06/15/2007	M	206	A	\$ 15.52	93,054	D
Common Stock	06/15/2007	M	7,954	A	\$ 17.5	101,008	D
Common Stock	06/15/2007	M	3,405	A	\$ 17.5	104,413	D
Common Stock	06/15/2007	M	5,759	A	\$ 17.5	110,172	D
Common Stock	06/15/2007	M	183	A	\$ 17.5	110,355	D
Common Stock	06/15/2007	M	4,951	A	\$ 27.42	115,306	D
Common Stock	06/15/2007	M	2,589	A	\$ 27.42	117,895	D
Common Stock	06/15/2007	M	116	A	\$ 27.42	118,011	D
Common Stock	06/15/2007	F	37,780	A	\$ 33.66	80,231	D

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

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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. 5. Number of TransactionDerivative Code Securities (Instr. 8) 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
Stock Option	\$ 14.9	06/15/2007		M		1,000	07/10/2002	07/10/2011	Common Stock	1,000
Stock Option	\$ 3.2	06/15/2007		M		2,000	10/09/2003	10/09/2012	Common Stock	2,000
Stock Option	\$ 6.96	06/15/2007		M		30,000	07/21/2004	07/21/2013	Common Stock	30,000

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Stock Option	\$ 15.52	06/15/2007	M	996	01/16/2004	07/09/2012	Common Stock	996
Stock Option	\$ 15.52	06/15/2007	M	4,981	01/16/2004	07/09/2012	Common Stock	4,981
Stock Option	\$ 15.52	06/15/2007	M	206	01/16/2004	10/09/2012	Common Stock	206
Stock Option	\$ 17.5	06/15/2007	M	7,954	07/25/2005	07/21/2013	Common Stock	7,954
Stock Option	\$ 17.5	06/15/2007	M	3,405	07/25/2005	07/10/2011	Common Stock	3,405
Stock Option	\$ 17.5	06/15/2007	M	5,759	07/25/2005	07/11/2010	Common Stock	5,759
Stock Option	\$ 17.5	06/15/2007	M	183	07/25/2005	10/09/2012	Common Stock	183
Stock Option	\$ 27.42	06/15/2007	M	4,951	03/20/2006	07/13/2009	Common Stock	4,951
Stock Option	\$ 27.42	06/15/2007	M	2,589	03/20/2006	10/14/2008	Common Stock	2,589
Stock Option	\$ 27.42	06/15/2007	M	116	03/20/2006	10/09/2012	Common Stock	116

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			

MCDONALD JAMES M 1100 N WOOD DALE RD WOODDALE, IL 60191

Vice President

Signatures

Jo-Ellen Kiddie, Power of Attorney 06/26/2007

**Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

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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^{**} Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).