

GALLAGHER ARTHUR J & CO
 Form 4
 August 22, 2007

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

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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)
 08/07/2007

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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	08/07/2007		G	V 4,800 D \$ 29.62	145,677	D	
Common Stock	08/07/2007		G	2,800 A \$ 29.62	174,645	I	by Trust
Common Stock	08/20/2007		J ⁽¹⁾	1,910 A \$ 29,989	94,131	I	by Trust 2
Common Stock					150,000	I	by Corporation
Common Stock					101,639	I	by Spouse

Common
Stock
(restricted) 8,660 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. 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)	\$ 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	18,400

Non-Qualified Stock Option (right to buy)	\$ 27.25	(2)	07/20/2015	Common Stock	50,000
Non-Qualified Stock Option (right to buy)	\$ 28.65	(3)	05/15/2017	Common Stock	16,667
Non-Qualified Stock Option (right to buy)	\$ 29.42	(2)	07/21/2014	Common Stock	50,000
Non-Qualified Stock Option (right to buy)	\$ 33.28		01/01/2005 ⁽²⁾	03/31/2014	Common Stock 15,000

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: John C. Rosengren For: J. Patrick
Gallagher, Jr. 08/22/2007

__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) Dividend reinvestment pursuant to the Arthur J. Gallagher & Co. Deferred Equity Participation Plan.
- (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.