

GALLAGHER J PATRICK JR
 Form 4
 March 10, 2009

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)

ITASCA, IL 60143

(City) (State) (Zip)

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

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

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 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)		
				(A) or (D)	Price				
				Code	V	Amount			
Common Stock (restricted)	03/04/2009		A		6,146	A	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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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	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 Security (Instr. 3 and 4)	Amount or Number of Shares
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
	\$ 27.1					(2) 05/16/2015		18,400

Non-Qualified Stock Option (right to buy)				Common Stock	
Non-Qualified Stock Option (right to buy)	\$ 27.25	(2)	07/20/2015	Common Stock	50,000
Non-Qualified Stock Option (right to buy)	\$ 28.65	(3)	05/15/2017	Common Stock	16,600
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: 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. Gallagher, Jr.

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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