

GALLAGHER ARTHUR J &amp; CO

Form 4

August 08, 2006

**FORM 4**
**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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

## OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
ROSENGREN JOHN C

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)  
08/04/2006

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_X\_\_ Officer (give title \_\_\_\_ Other (specify  
below) below)  
VP, Gen. Counsel & Secretary

ITASCA, IL 60143

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

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_X\_\_ 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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired (A)<br>or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|
|                                       |                                         |                                                             | Code                                 | V Amount (A)<br>or (D) Price                                            |                                                                                                                    |                                                                         |                                                                   |
| Common<br>Stock                       | 08/04/2006                              |                                                             | J <sup>(1)</sup>                     | 232 A \$<br>27.6988                                                     | 11,185                                                                                                             | I                                                                       | by Trust                                                          |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                         | 24,363                                                                                                             | D                                                                       |                                                                   |
| Common<br>Stock<br>(restricted)       |                                         |                                                             |                                      |                                                                         | 3,889                                                                                                              | D                                                                       |                                                                   |

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

**Persons who respond to the collection of  
information contained in this form are not**

SEC 1474  
(9-02)

required to respond unless the form  
displays a currently valid OMB control  
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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<br>Derivative<br>Security<br>(Instr. 3) | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4.<br>Transaction<br>Code<br>(Instr. 8) | 5.<br>Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount<br>Underlying Securities<br>(Instr. 3 and 4) |
|-----------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
|                                                     |                                                                       |                                         |                                                             | Code                                    | V (A) (D)                                                                                                             | Date Exercisable<br>Expiration<br>Date                         | Title<br>Amount<br>or<br>Number<br>of Shares                     |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 9.25                                                               |                                         |                                                             |                                         |                                                                                                                       | (2) 08/31/2008                                                 | Common<br>Stock 12,000                                           |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 18.5                                                               |                                         |                                                             |                                         |                                                                                                                       | (2) 06/21/2010                                                 | Common<br>Stock 18,000                                           |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 22.7                                                               |                                         |                                                             |                                         |                                                                                                                       | (2) 07/22/2012                                                 | Common<br>Stock 15,000                                           |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 24.9                                                               |                                         |                                                             |                                         |                                                                                                                       | 01/01/2004(2) 07/16/2013                                       | Common<br>Stock 20,000                                           |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 26.5                                                               |                                         |                                                             |                                         |                                                                                                                       | (2) 07/20/2011                                                 | Common<br>Stock 15,000                                           |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 27.03                                                              |                                         |                                                             |                                         |                                                                                                                       | (2) 05/15/2016                                                 | Common<br>Stock 3,230                                            |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 27.25                                                              |                                         |                                                             |                                         |                                                                                                                       | (2) 07/20/2015                                                 | Common<br>Stock 15,000                                           |
| Non-Qualified<br>Stock Option<br>(right to buy)     | \$ 29.42                                                              |                                         |                                                             |                                         |                                                                                                                       | (2) 07/21/2014                                                 | Common<br>Stock 20,000                                           |

## Reporting Owners

| Reporting Owner Name / Address                                                        | Relationships |           |                              |       |
|---------------------------------------------------------------------------------------|---------------|-----------|------------------------------|-------|
|                                                                                       | Director      | 10% Owner | Officer                      | Other |
| ROSENGREN JOHN C<br>ARTHUR J. GALLAGHER & CO.<br>TWO PIERCE PLACE<br>ITASCA, IL 60143 |               |           | VP, Gen. Counsel & Secretary |       |

## Signatures

By: Douglas K. Howell For: John C.  
Rosengren

08/07/2006

\_\_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.

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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