

McGrath Susan E
Form 4
August 07, 2012

FORM 4

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

OMB APPROVAL

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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 *
McGrath Susan E

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)
08/03/2012

____ Director
 Officer (give title below) _____ Other (specify below)
Chief Human Resources Officer

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	(A) or (D)	Price
Common Stock	08/03/2012		M		2,400	A	\$ 24.13
Common Stock	08/03/2012		M		2,292	A	\$ 28.65
Common Stock	08/03/2012		M		2,558	A	\$ 23.76
Common Stock	08/03/2012		M		6,000	A	\$ 26.09
Common Stock	08/03/2012		M		1,280	A	\$ 30.95

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Common Stock	08/03/2012	M	15,000	A	\$ 28.59	37,723	D
Common Stock	08/03/2012	S	<u>8,193</u> ⁽¹⁾	D	\$ 35.84	29,530	D
Common Stock	08/03/2012	S	<u>29,530</u> ⁽³⁾	D	\$ 35.62	0	D
Common Stock (restricted)						28,124	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 required to respond unless the form displays a currently valid OMB control number.

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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 Security (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-qualified Stock Option	\$ 30.95	08/03/2012		M	1,280	<u>(5)</u>	03/07/2018	Common Stock	1,280
Non-qualified Stock Option	\$ 24.13	08/03/2012		M	2,400	<u>(6)</u>	03/02/2017	Common Stock	2,400
Non-qualified Stock Option	\$ 28.65	08/03/2012		M	2,292	<u>(6)</u>	05/15/2017	Common Stock	2,292
Incentive Stock Option (Right to Buy)	\$ 28.59	08/03/2012		M	15,000	<u>(7)</u>	01/17/2017	Common Stock	15,000
Non-qualified Stock Option	\$ 23.76	08/03/2012		M	2,558	<u>(6)</u>	03/05/2018	Common Stock	2,558
Non-qualified Stock Option	\$ 26.09	08/03/2012		M	6,000	<u>(7)</u>	05/13/2018	Common Stock	6,000

