

GALLAGHER ARTHUR J & CO
 Form 4
 May 17, 2007

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

OMB APPROVAL
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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 *
 MCKENNA RICHARD J

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)
 05/15/2007

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
 Vice President

ITASCA, IL 60143
 (City) (State) (Zip)

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 Ownership (Instr. 4)		
				(A) or (D)	Price					
Common Stock (restricted)	05/15/2007		A	V	1,047	A	Ⓛ	1,047	D	
Common Stock								44,857	D	
Common Stock								61,219	I	by Trust

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 number.

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)	8. Amount or Number of Underlying Securities (Instr. 3 and 4)
Non-Qualified Stock Option (right to buy)	\$ 28.65	05/15/2007		A	5,000	(2) 05/17/2017	Common Stock	5
Non-Qualified Stock Option (right to buy)	\$ 9.25					(3) 08/30/2008	Common Stock	4
Non-Qualified Stock Option (right to buy)	\$ 18.5					(3) 06/20/2010	Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 22.7					(3) 07/21/2012	Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 24.9					01/01/2004(3) 07/16/2013	Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 26.5					(3) 07/19/2011	Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 27.25					(3) 07/20/2015	Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 29.42					(3) 07/21/2014	Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 33.28					01/01/2005(3) 03/31/2014	Common Stock	3

