

GORDON ILENE S  
Form 4  
May 20, 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 \*  
GORDON ILENE S

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)  
05/18/2009

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

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: Beneficial or Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	05/18/2009		M	7,920	A \$ 12.36	19,960	D
Common Stock	05/18/2009		S	7,920	D \$ 20.6754	12,040	D
Common Stock (restricted)						5,722	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 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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Non-Qualified Stock Option (right to buy)	\$ 12.36	05/18/2009		M	7,920	<u>(1)</u> 07/06/2009	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 1.11					<u>(2)</u> 05/21/2011	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 5.79					08/21/2003 <u>(2)</u> 05/20/2013	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 6.38					<u>(2)</u> 05/15/2010	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 10.58					<u>(2)</u> 05/17/2014	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 10.86					<u>(2)</u> 05/13/2012	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 18.5					<u>(1)</u> 06/20/2010	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 21.28					<u>(3)</u> 05/12/2016	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 25.79					05/21/2004 <u>(1)</u> 05/20/2013	Common Stock
	\$ 26.11					<u>(1)</u> 05/21/2011	

Non-Qualified Stock Option (right to buy)				Common Stock	
Non-Qualified Stock Option (right to buy)	\$ 27.1	(1)	05/16/2015	Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 30.58	(1)	05/17/2014	Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 35.86	(1)	05/13/2012	Common Stock	2

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GORDON ILENE S ARTHUR J. GALLAGHER & CO. TWO PIERCE PLACE ITASCA, IL 60143		X		

## Signatures

By: Kerry S. Abbott For: Ilene S.  
Gordon

05/20/2009

\*\*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) The stock option becomes exercisable in three equal annual installments, commencing one year after the date of grant.
- (2) The stock option becomes exercisable in four equal quarterly installments, commencing three months after the date of grant. Option expires upon death or retirement of director.
- (3) The stock option becomes exerciseable one year after 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.