

GALLAGHER ARTHUR J & CO
 Form 4
 March 18, 2016

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 *
 Cavaness Joel D

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)
 2 PIERCE PLACE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 03/16/2016

____ 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount or Price | | |
| Common Stock (restricted) | 03/16/2016 | | M | | 1,125 D \$ 42.97 | 6,875 | D |
| Common Stock | 03/16/2016 | | M | | 1,125 A \$ 42.97 | 105,727 | D |
| Common Stock | 03/16/2016 | | F | | 350 D \$ 42.97 | 105,377 | D |
| Common Stock (restricted) | 03/16/2016 | | M | | 1,125 D \$ 42.97 | 5,750 | D |

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

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(9-02)

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 Amount or Number of Shares |
| Notional Stock Units | (1) | 03/16/2016 | | M | 1,125 | (2) (2) | Common Stock 1,125 |
| Non-qualified Stock Option | \$ 43.71 | 03/17/2016 | | A | 23,600 | (3) 03/17/2023 | Common Stock 23,600 |
| Phantom Stock | (4) | 03/18/2016 | | A | 5,807 (5) | (6) (6) | Common Stock 5,807 |
| Notional Stock Units | (1) | | | | | (7) (7) | Common Stock 13,000 |
| Notional Stock Units | (1) | | | | | (8) (8) | Common Stock 13,000 |
| Notional Stock Units | (1) | | | | | (9) (9) | Common Stock 13,000 |
| Notional Stock Units | (1) | | | | | (10) (10) | Common Stock 3,800 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| Cavaness Joel D 2 PIERCE PLACE ITASCA, IL 60143 | | | Vice President | |

Signatures

/s/ April Hanes-Dowd, by power of
attorney

03/18/2016

__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) Each notional stock unit represents a right to receive one share of Gallagher common stock.
- (2) The notional stock units become payable over a two-year period beginning July 2023.
- (3) One-third of this stock option becomes exercisable on each of the 3rd, 4th, and 5th anniversaries of the grant date.
- (4) Each share of phantom stock represents a right to receive one share of Gallagher common stock.
- (5) The reported transaction resulted from the Company's allocation of an award to the reporting person under the Company's Age 62 Plan. These shares represent awards under the Age 62 Plan, a nonqualified deferred compensation plan of the Company, which have been deemed invested in Company common stock at the election of the reporting person. Participants vest in these awards when they attain age 62, or after a one-year period for participants who have attained age 61.
- (6) The notional stock units become payable over a five-year period beginning July 2027.
- (7) The notional stock units become payable in July 2028.
- (8) The notional stock units become payable over a five-year period beginning July 2028.
- (9) The notional stock units become payable following the reporting person's separation from service with Gallagher.
- (10) The notional stock units become payable following the reporting person's separation from service with Gallagher.

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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