

GALLAGHER ARTHUR J & CO
 Form 4
 August 13, 2008

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 *
DURKIN JAMES W JR

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)
08/11/2008

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

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)
				(A) or (D) Code V Amount (D) Price			
Common Stock	08/11/2008		J ⁽¹⁾	1,303 A \$ 25.91	54,469	I	by Trust
Common Stock					248,630	D	
Common Stock (restricted)					7,349	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	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 9.25					<u>(2)</u>	08/30/2008	Common Stock	40,000
Non-Qualified Stock Option (right to buy)	\$ 18.5					<u>(2)</u>	06/20/2010	Common Stock	30,000
Non-Qualified Stock Option (right to buy)	\$ 22.7					<u>(2)</u>	07/21/2012	Common Stock	20,000
Non-Qualified Stock Option (right to buy)	\$ 23.76					<u>(3)</u>	03/05/2018	Common Stock	6,350
Non-Qualified Stock Option (right to buy)	\$ 24.9					01/01/2004 ⁽²⁾	07/16/2013	Common Stock	20,000
Non-Qualified Stock Option (right to buy)	\$ 26.5					<u>(2)</u>	07/19/2011	Common Stock	20,000
Non-Qualified Stock Option (right to buy)	\$ 27.25					<u>(2)</u>	07/20/2015	Common Stock	30,000
Non-Qualified Stock Option (right to buy)	\$ 28.65					<u>(3)</u>	05/15/2017	Common Stock	5,950
Non-Qualified Stock Option (right to buy)	\$ 29.42					<u>(2)</u>	07/21/2014	Common Stock	30,000

