

MCGURN DAVID E JR

Form 4

April 12, 2005

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
MCGURN DAVID E 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

3. Date of Earliest Transaction
(Month/Day/Year)
04/11/2005

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

(Street)

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

ITASCA, IL 60143

(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 | 04/11/2005 | | I | | 12,913 | D | \$ 28.2651 | 136,933 | D | |
| Common Stock | | | | | | | | 717 | I | by Son |
| Common Stock | | | | | | | | 1,434 | I | by Spouse (1) |
| Common Stock | | | | | | | | 47,272 | I | by Trust |
| | | | | | | | | 4,763 | D | |

Common
Stock
(restricted)

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

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SEC 1474
(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 Underlying Securities (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) | \$ 7.97 | | | | | (2) 07/17/2006 | Common Stock 40,000 |
| Non-Qualified Stock Option (right to buy) | \$ 8.59 | | | | | (2) 06/11/2005 | Common Stock 20,000 |
| Non-Qualified Stock Option (right to buy) | \$ 9.25 | | | | | (2) 08/30/2008 | Common Stock 40,000 |
| Non-Qualified Stock Option (right to buy) | \$ 18.5 | | | | | (2) 06/20/2010 | Common Stock 30,000 |
| Non-Qualified Stock Option (right to buy) | \$ 22.7 | | | | | (2) 07/21/2012 | Common Stock 20,000 |
| Non-Qualified Stock Option (right to buy) | \$ 24.9 | | | | | 01/01/2004(2) 07/16/2013 | Common Stock 35,000 |
| Non-Qualified Stock Option (right to buy) | \$ 26.5 | | | | | (2) 07/19/2011 | Common Stock 20,000 |

| | | | | | |
|---|----------|-----|------------|-----------------|--------|
| Non-Qualified Stock Option (right to buy) | \$ 29.42 | (2) | 07/21/2014 | Common Stock | 35,000 |
|---|----------|-----|------------|-----------------|--------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| MCGURN DAVID E JR ARTHUR J. GALLAGHER & CO. TWO PIERCE PLACE ITASCA, IL 60143 | | | Vice President | |

Signatures

| | |
|--|------------|
| By: John C. Rosengren For: David E. McGurn, Jr. | 04/12/2005 |
|--|------------|

____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) Held by spouse as custodian for benefit of children under the Uniform Gift to Minors Act.
- (2) The stock option becomes exercisable 10% each year, commencing January 1 after the date of grant.

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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