

CARY RICHARD C

Form 4

February 13, 2006

**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

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
CARY RICHARD C

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)  
02/10/2006

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_X\_\_ Officer (give title \_\_\_\_ Other (specify  
below) below)  
Controller, CAO

(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	02/10/2006		M		1,000	A	\$ 9.25
Common Stock							16,481
Common Stock							14,865
Common Stock (restricted)							1,667
							D
							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)

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**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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Incentive Stock Option (right to buy)	\$ 9.25	02/10/2006		M	1,000	<u>(1)</u> 08/30/2008	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)	\$ 22.7					<u>(1)</u> 07/21/2012	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 24.9					01/01/2004 <u>(1)</u> 07/16/2013	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 26.5					<u>(1)</u> 07/19/2011	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 27.25					<u>(1)</u> 07/20/2015	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 29.42					<u>(1)</u> 07/21/2014	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 33.28					01/01/2005 <u>(1)</u> 03/31/2014	Common Stock

## Reporting Owners

Reporting Owner Name / Address

Relationships

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Director   10% Owner   Officer   Other

CARY RICHARD C  
ARTHUR J. GALLAGHER & CO.  
TWO PIERCE PLACE  
ITASCA, IL 60143

Controller, CAO

## Signatures

Richard C. Cary                      02/13/2006

\_\_Signature of                      Date  
Reporting Person

## 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 10% each year, commencing January 1 after the date of grant.

### Remarks:

The directly owned common stock holdings reflected in Table I of this form include shares purchased through Arthur J. Gallagher & Co.

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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