

GALLAGHER ARTHUR J & CO
 Form 4
 February 15, 2013

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 *
 HOWELL DOUGLAS K

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)
 02/13/2013

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
 VP & Chief Financial Officer

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) | Price | | | | | |
| | | | | Code | V | Amount | | | | |
| Common Stock | 02/13/2013 | | M | | 5,000 | A | \$ 24.58 | 41,633.853 | D | |
| Common Stock | 02/13/2013 | | S | | 5,000 | D | \$ 38.39 | 36,633.853 | D | |
| Common Stock | 02/14/2013 | | M | | 5,680 | A | \$ 24.58 | 42,313.853 | D | |
| Common Stock | 02/14/2013 | | S | | 5,680 | D | \$ 38.84 | 36,633.853 | D | |
| | 02/15/2013 | | M | | 3,000 | A | <u>(1)</u> | 39,633.853 | D | |

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| | | | | | | | | | |
|---------------------------|------------|--|---|-------|----------|----------|------------|---|--------------------------|
| Common Stock | | | | | \$ 24.58 | | | | |
| Common Stock | 02/15/2013 | | S | 3,000 | D | \$ 38.85 | 36,633.853 | D | |
| Common Stock | | | | | | | 302 | I | By Spouse ⁽²⁾ |
| Common Stock | | | | | | | 26,988 | I | By Trust |
| Common Stock (restricted) | | | | | | | 49,457 | 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 required to respond unless the form displays a currently valid OMB control number.

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 of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Incentive Stock Option (Right to Buy) | \$ 24.58 | 02/13/2013 | | M | 5,000 | ⁽³⁾ 03/02/2013 | Common Stock | 5,000 |
| Incentive Stock Option (Right to Buy) | \$ 24.58 | 02/14/2013 | | M | 5,680 | ⁽³⁾ 03/02/2013 | Common Stock | 5,680 |
| Incentive Stock Option (Right to Buy) | \$ 24.58 | 02/15/2013 | | M | 3,000 | ⁽³⁾ 03/02/2013 | Common Stock | 3,000 |

Buy)

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| HOWELL DOUGLAS K ARTHUR J. GALLAGHER & CO. TWO PIERCE PLACE ITASCA, IL 60143 | | | VP & Chief Financial Officer | |

Signatures

/s/ April Hanes-Dowd, by power of attorney
02/15/2013

__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).
The price reported is an average weighted price. The shares were sold in multiple transactions at prices ranging from \$38.75 to \$38.91.
- (1) The reporting person will provide to the Securities and Exchange Commission staff, the issuer, or any security holder of the issuer, upon request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote.
- (2) The reporting person has no voting or investment power over these shares and disclaims beneficial ownership.
- (3) The stock option becomes exercisable 10% each year, commencing January 1 after the date of grant.

Remarks:

The reporting person exercised this stock option because it is scheduled to expire on March 2, 2013.

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.