Bay Walter D Form 4									
March 07, 200	08								
FORM	4							OMB AF	PROVAL
	UNITED S	FATES SECUI Wa	shington, l			JE C	OMMISSION	OMB Number:	3235-0287
Check this if no longe subject to Section 16 Form 4 or Form 5 obligations may contir <i>See</i> Instruct 1(b).	ant to Section 1 of the Public U	F CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES Section 16(a) of the Securities Exchange Act of 1934, Public Utility Holding Company Act of 1935 or Section of the Investment Company Act of 1940					Expires: January 31 2005 Estimated average burden hours per response 0.5		
(Print or Type Re	esponses)								
1. Name and Address of Reporting Person <u>*</u> Bay Walter D.		Symbol	GALLAGHER ARTHUR J & CO				5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(3. Date of Earliest Transaction (Month/Day/Year) 08/16/2007				Director 10% Owner X_Officer (give title Other (specify below) below) VICE PRESIDENT, SECRETARY AND		
ITASCA H	(Street)	endment, Date nth/Day/Year)	dment, Date Original h/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 			
ITASCA, IL	00143						Person		
(City)	(State) (Z	^{ip)} Tab	le I - Non-De	erivative Se	curitie	s Acq	uired, Disposed of	, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	Execution Date, i any	Date, if Transaction(A) or Disposed of Securities Or Code (D) Beneficially For ay/Year) (Instr. 8) (Instr. 3, 4 and 5) Owned (D Following In (A) or Reported (In Transaction(s) (Instr. 3 and 4)		6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)			
Common Stock (restricted)	08/16/2007		Code V J		(D) A	Price (<u>1</u>)	10,000	D	
Common Stock (restricted)	03/05/2008		А	6,061	А	<u>(2)</u>	16,061	D	

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

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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. 5. Number of TransactiorDerivative Code Securities (Instr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		 ctiorDerivative Expiration Date Securities (Month/Day/Year) Acquired (A) or Disposed of (D) (Instr. 3, 4, 		7. Title and Amour Underlying Securit (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amo or Num of Sh
Incentive Stock Option (right to buy)	\$ 29.25	08/16/2007		J	17,000	(3)	08/16/2017	Common Stock	17,0
Non-Qualified Stock Option (right to buy)	\$ 23.76	03/05/2008		А	3,197	(3)	03/05/2018	Common Stock	3,1
Non-Qualified Stock Option (right to buy)	\$ 29.25	08/16/2007		J	13,000	(3)	08/16/2017	Common Stock	13,(

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
Bay Walter D. ARTHUR J. GALLAGHER & CO. TWO PIERCE PLACE ITASCA, IL 60143			VICE PRESIDENT, SECRETARY AND			
Signatures						

By: Kerry S. Abbott For: Walter D. Bay	03/07/2008
D. Duy	

**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) Restricted stock award vesting in equal parts over a 5 year period.
- (2) Restricted stock award vesting in four years.
- (3) The stock option becomes exercisable 20% each year on the anniversary of the grant date.
- 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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