

DURKIN JAMES W JR  
Form 4  
November 28, 2012

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

OMB APPROVAL

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**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)  
11/27/2012

\_\_\_ 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
| Common Stock                    | 11/27/2012                           |  | M                              | 4,600   | A \$ 24.13  | 285,969.881  | D                                 |
| Common Stock                    | 11/27/2012                           |  | M                              | 5,958   | A \$ 28.65  | 291,927.881  | D                                 |
| Common Stock                    | 11/27/2012                           |  | M                              | 5,080   | A \$ 23.76  | 297,007.881  | D                                 |
| Common Stock                    | 11/27/2012                           |  | M                              | 18,000  | A \$ 24.9   | 315,007.881  | D                                 |
| Common Stock                    | 11/27/2012                           |  | M                              | 24,000  | A \$ 29.42  | 339,007.881  | D                                 |

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|                           |            |   |               |   |                 |             |   |                 |
|---------------------------|------------|---|---------------|---|-----------------|-------------|---|-----------------|
| Common Stock              | 11/27/2012 | M | 21,000        | A | \$ 27.25        | 360,007.881 | D |                 |
| Common Stock              | 11/27/2012 | S | 66,833<br>(1) | D | \$ 36.43<br>(2) | 293,174.881 | D |                 |
| Common Stock              |            |   |               |   |                 | 59,482      | I | By Trust<br>(3) |
| Common Stock (restricted) |            |   |               |   |                 | 9,737       | D |                 |

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

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(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 Underlying Security (Instr. 3 and 4) |              |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date                                   | Title        |
| Non-qualified Stock Option                 | \$ 24.13   | 11/27/2012                           |  | M                              | 4,600   | (4)  | 03/02/2017  | Common Stock |
| Non-qualified Stock Option                 | \$ 28.65   | 11/27/2012                           |  | M                              | 5,958   | (4)  | 05/15/2017  | Common Stock |
| Non-qualified Stock Option                 | \$ 23.76   | 11/27/2012                           |  | M                              | 5,080   | (4)  | 03/05/2018  | Common Stock |
| Non-qualified Stock Option                 | \$ 24.9  | 11/27/2012                           |  | M                              | 18,000  | 01/01/2004(5)  | 07/16/2013  | Common Stock |
| Non-qualified Stock Option                 | \$ 29.42   | 11/27/2012                           |  | M                              | 24,000  | (5)  | 07/21/2014  | Common Stock |
| Non-qualified Stock Option                 | \$ 27.25   | 11/27/2012                           |  | M                              | 21,000  | (5)  | 07/20/2015  | Common Stock |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                |       |
|--|---------------|-----------|----------------|-------|
|  | Director      | 10% Owner | Officer        | Other |
| DURKIN JAMES W JR<br>ARTHUR J. GALLAGHER & CO.<br>TWO PIERCE PLACE<br>ITASCA, IL 60143 |               |           | Vice President |       |

## Signatures

/s/ April Hanes-Dowd, by power of attorney

11/28/2012

\_\_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) Mr. Durkin sold shares sufficient to cover his expenses in connection with the stock option exercises disclosed herein, and retained the remaining shares.

The price reported is an average weighted price. The shares were sold in multiple transactions at prices ranging from \$36.32 to \$36.52.

- (2) 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.
- (3) Granted pursuant to the Arthur J. Gallagher & Co. Deferred Equity Participation Plan.
- (4) The stock option becomes exercisable 20% each year on the anniversary of the grant date.
- (5) 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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