

GALLAGHER ARTHUR J & CO

Form 4

March 18, 2016

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 *
Bay Walter D.

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)
03/16/2016

____ Director ____ 10% Owner
____ Officer (give title below) ____ Other (specify below)
General Counsel

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 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 Indirect Beneficial Ownership (Instr. 4)
Common Stock (restricted)	03/16/2016		M	5,300 D	\$ 42.97 16,267	D	
Common Stock	03/16/2016		M	5,300 A	\$ 42.97 6,998	D	
Common Stock	03/16/2016		F	1,649 D	\$ 42.97 5,349	D	
Common Stock	03/17/2016		M	497 A	\$ 29.25 5,846	D	
	03/17/2016		M	7,900 A	13,746	D	

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Common Stock					\$ 29.25		
Common Stock	03/17/2016	F	<u>5,347</u> (1)	D	\$ 43.22	8,399	D
Common Stock (restricted)	03/17/2016	A	5,350	A	\$ 0	21,617	D
Common Stock	03/18/2016	M	750	A	\$ 29.25	9,149	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 Amount of Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount
Incentive Stock Option (Right to Buy)	\$ 29.25	03/17/2016		M			497	(2)	08/16/2017	Common Stock	
Incentive Stock Option (Right to Buy)	\$ 29.25	03/17/2016		M			7,900	(2)	08/16/2017	Common Stock	
Non-qualified Stock Option	\$ 43.71	03/17/2016		A			17,700	(3)	03/17/2023	Common Stock	
Incentive Stock Option (Right to Buy)	\$ 29.25	03/18/2016		M			750	(2)	08/16/2017	Common Stock	
Phantom Stock	(4)	03/18/2016		A			6,969 (5)	(6)	(6)	Common Stock	

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

Bay Walter D.
ARTHUR J. GALLAGHER & CO.
TWO PIERCE PLACE
ITASCA, IL 60143

General Counsel

Signatures

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

03/18/2016

__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) These shares were delivered by the reporting person to pay the stock option exercise price.
- (2) The stock option becomes exercisable 20% each year on the anniversary of the grant date.
- (3) One-third of this stock option becomes exercisable on each of the 3rd, 4th, and 5th anniversaries of the grant date.
- (4) Each share of phantom stock represents a right to receive one share of Gallagher common stock.
- (5) The reported transaction resulted from the Company's allocation of an award to the reporting person under the Company's Age 62 Plan.
These shares represent awards under the Age 62 Plan, a nonqualified deferred compensation plan of the Company, which have been
- (6) deemed invested in Company common stock at the election of the reporting person. Participants vest in these awards when they attain age 62, or after a one-year period for participants who have attained age 61.

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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