

AAR CORP
Form 4
December 26, 2007

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 *
STORCH DAVID P

(Last) (First) (Middle)

C/O AAR CORP, 1100 N. WOOD DALE RD.

(Street)

IL 60007

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
AAR CORP [AIR]

3. Date of Earliest Transaction (Month/Day/Year)
12/21/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman & CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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 | 12/21/2007 | | S | | 24,781 | D | \$ 35.8046 |
| common stock | 12/21/2007 | | F | | 35,230 | D | \$ 37 |
| common stock | 12/21/2007 | | F | | 119,836 | D | \$ 37 |
| common stock | 12/24/2007 | | S | | 31,058 | D | \$ 37.013 |
| common stock | 12/26/2007 | | S | | 36,547 | D | \$ 37.2851 |
| | | | | | | | 1,088,891 |
| | | | | | | | 1,053,661 |
| | | | | | | | 933,825 |
| | | | | | | | 902,767 |
| | | | | | | | 866,220 |

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| | | | | | | | |
|--------------|------------|---|---------|---|---------|-----------|---|
| common stock | 12/21/2007 | M | 70,000 | A | \$ 23.5 | 926,231 | D |
| common stock | 12/21/2007 | M | 187,441 | A | \$ 6.96 | 1,113,772 | 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 Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount of Number of Shares |
| stock option | \$ 23.5 | 12/21/2007 | | M | 70,000 | 01/01/1999 01/01/2008 | common stock 70,000 |
| stock option | \$ 14.96 | 12/21/2007 | | M | 187,441 | 03/18/2006 03/18/2015 | common stock 187,441 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| STORCH DAVID P C/O AAR CORP 1100 N. WOOD DALE RD. IL 60007 | X | | Chairman & CEO | |

Signatures

Jo-Ellen Kiddie, Power of Attorney
Date: 12/26/2007

**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).

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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