GALLAGHER ARTHUR J & CO

Form 4 March 18, 2016

FORM 4

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

OMB Numbers 3235-0287

Estimated average

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Number: January 31, 2005

OMB APPROVAL

Form 4 or Form 5 obligations may continue.

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

burden hours per response... 0.5

See Instruction

1(b).

(Print or Type Responses)

| 1. Name and Address of Reporting Person * CARY RICHARD C | | ing Person * | 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) ARTHUR J. C CO., TWO PI | | | 3. Date of Earliest Transaction (Month/Day/Year) 03/16/2016 | Director 10% Owner Officer (give title Other (specify below) Controller, CAO | | |
| | (Street) | | 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 | | |
| ITASCA, IL 60143 | | | | Form filed by More than One Reporting Person | | |

| (City) | (State) (Z | Table Table | I - Non-De | rivative S | Securi | ties Acqu | ired, Disposed of | , or Beneficiall | y Owned |
|--------------------------------------|---|---|---|------------|------------------|--|--|---|---------|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8) | | | 5. Amount of 6. Securities Ownership Beneficially Form: Direct Owned (D) or Following Indirect (I) | | 7. Nature of Indirect Beneficial Ownership (Instr. 4) | |
| | | | Code V | Amount | (A) or (D) | Price | Reported Transaction(s) (Instr. 3 and 4) | (Instr. 4) | |
| Common Stock (restricted) | 03/16/2016 | | M | 1,450 | | | 3,200 | D | |
| Common Stock | 03/16/2016 | | M | 1,450 | A | \$ 42.97 | 30,810 | D | |
| Common Stock (restricted) | 03/17/2016 | | A | 1,150 | A | \$ 0 | 4,350 | D | |

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

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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. Transacti Code (Instr. 8) | 5. Number on 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 | ŕ | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Non-qualified Stock Option | \$ 43.71 | 03/17/2016 | | A | 6,600 | <u>(1)</u> | 03/17/2023 | Common Stock | 6,600 |
| Phantom Stock | <u>(2)</u> | 03/18/2016 | | A | 2,323 (3) | <u>(4)</u> | <u>(4)</u> | Common Stock | 2,323 |

Reporting Owners

Relationships Reporting Owner Name / Address

> Other Director 10% Owner Officer

CARY RICHARD C ARTHUR J. GALLAGHER & CO. TWO PIERCE PLACE ITASCA, IL 60143

Controller, CAO

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) One-third of this stock option becomes exerciseable on each of the 3rd, 4th, and 5th anniversaries of the grant date.
- (2) Each share of phantom stock represents a right to receive one share of Gallagher common stock.
- (3) The reported transaction resulted from the Company's allocation of an award to the reporting person under the Company's Age 62 Plan.

(4)

Reporting Owners 2

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These shares represent awards under the Age 62 Plan, a nonqualified deferred compensation plan of the Company, which have been 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. 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.