

Bay Walter D.  
Form 4  
September 14, 2012

**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)  
09/13/2012

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

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--------------------|---|--|-----------------------------------|
|                                 |                                      |  |                                | Code  | V Amount (D) Price |   |  |                                   |
| Common Stock                    | 09/13/2012                           |  | M                              | 2,400   | A \$ 24.13         | 3,771   | D  |                                   |
| Common Stock                    | 09/13/2012                           |  | S                              | 2,400   | D \$ 37            | 1,371   | D  |                                   |
| Common Stock                    | 09/13/2012                           |  | M                              | 2,558   | A \$ 23.76         | 3,929   | D  |                                   |
| Common Stock                    | 09/13/2012                           |  | S                              | 2,558   | D \$ 37            | 1,371   | D  |                                   |
| Common Stock                    |                                      |  |                                |   |                    | 29,953  | D  |                                   |

(restricted)

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. Transaction Code (Instr. 8) | 5. Number of Derivative Securities (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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|--|--|-----------------|---|----------------------------|
|  |  |                                      |  |                                |  | Date Exercisable   | Expiration Date |   |                            |
| Non-qualified Stock Option                 | \$ 24.13   | 09/13/2012                           |  | M                              | 2,400  | (1)  | 03/02/2017      | Common Stock  | 2,400                      |
| Non-qualified Stock Option                 | \$ 23.76   | 09/13/2012                           |  | M                              | 2,558  | (1)  | 03/05/2018      | Common Stock  | 2,558                      |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                 |       |
|--|---------------|-----------|-----------------|-------|
|  | Director      | 10% Owner | Officer         | Other |
| Bay Walter D.<br>ARTHUR J. GALLAGHER & CO.<br>TWO PIERCE PLACE<br>ITASCA, IL 60143 |               |           | General Counsel |       |

## Signatures

/s/ April Hanes-Dowd, by power of attorney  
09/14/2012

\_\_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) 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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