

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 *
GALLAGHER THOMAS JOSEPH

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)
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)
VICE PRESIDENT

ITASCA, IL 60143

(City) (State) (Zip)

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

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 (restricted)	03/16/2016		M	3,250 D \$ 42.97	13,810	D	
Common Stock	03/16/2016		M	3,250 A \$ 42.97	171,743	D	
Common Stock	03/16/2016		F	1,011 D \$ 42.97	170,732	D	
Common Stock					71,535	I	By grantor retained annuity trust
					58,179	I	

Common Stock						By Irrevocable Trust
Common Stock			31,671	I		By wife
Common Stock			55,280	I		By wife as trustee <u>(1)</u> <u>(2)</u>

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

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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)	Amount or Number of Shares
				Code V	(A) (D)	Date Exercisable Expiration Date	Title	
Non-qualified Stock Option	\$ 43.71	03/17/2016		A	35,400	<u>(3)</u> 03/17/2023	Common Stock	35,400
Phantom Stock	<u>(4)</u>	03/18/2016		A	9,292 <u>(5)</u>	<u>(6)</u> <u>(6)</u>	Common Stock	9,292

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GALLAGHER THOMAS JOSEPH TWO PIERCE PLACE ITASCA, IL 60143			VICE PRESIDENT	

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) The reporting person disclaims beneficial ownership of these shares, and this report shall not be deemed an admission that the reporting person is the beneficial owner of these shares for purposes of Section 16 or for any other purpose.

(2) These shares are held in trusts, for the benefit of the reporting person's children, of which his wife is a trustee.

(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.

(6) 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.