

BRINKERHOFF ELIZABETH
 Form 4
 June 15, 2006

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 *
 BRINKERHOFF ELIZABETH

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)
 06/14/2006

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
 Vice President

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				(A) or (D)	Price
Common Stock	06/14/2006		M			3,600	A	\$ 7.97	23,096	D	
Common Stock	06/14/2006		S			2,100	D	\$ 26.2176	20,996	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)
Non-Qualified Stock Option (right to buy)	\$ 7.97	06/14/2006		M	3,600	01/01/1997 ⁽¹⁾ 07/18/2006	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BRINKERHOFF ELIZABETH ARTHUR J. GALLAGHER & CO. TWO PIERCE PLACE ITASCA, IL 60143			Vice President	

Signatures

By: John C. Rosengren For: Elizabeth J. Brinkerhoff
Date: 06/14/2006

__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 10% each year, commencing January 1 after the date of grant.

Remarks:

The directly owned common stock holdings reflected in Table I of this form include shares purchased through Arthur J. Gallagher & Co.

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.