

AAR CORP

Form 4

August 08, 2005

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
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(Print or Type Responses)

1. Name and Address of Reporting Person *
MCDONALD JAMES M

(Last) (First) (Middle)

1100 N WOOD DALE RD

(Street)

WOODDALE, IL 60191

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
07/25/2005

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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	07/25/2005	08/05/2005	M		20,000	A	\$ 6.96	53,598	D	
Common Stock	07/25/2005	08/05/2005	M		3,000	A	\$ 16.0834	56,598	D	
Common Stock	07/25/2005	08/05/2005	M		4,000	A	\$ 14.9	60,598	D	
Common Stock	07/25/2005	08/05/2005	M		7,500	A	\$ 13.4375	68,098	D	
Common Stock	07/25/2005	08/05/2005	M		1,000	A	\$ 3.2	69,098	D	

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Common Stock	07/25/2005	08/05/2005	F	24,820	D	\$ 17.5	44,278	D	
Common Stock							5,600	I	Cust for minor children

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 Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 3.2	07/25/2005	08/05/2005	M			1,000	10/09/2002	10/09/2012	Common Stock	1,000
Stock Option	\$ 6.96	07/25/2005	08/05/2005	M			20,000	07/21/2004	07/21/2013	Common Stock	20,000
Stock Option	\$ 13.4375	07/25/2005	08/05/2005	M			7,500	07/11/2000	07/11/2010	Common Stock	7,500
Stock Option	\$ 14.9	07/25/2005	08/05/2005	M			4,000	07/10/2001	07/10/2011	Common Stock	4,000
Stock Option	\$ 16.0834	07/25/2005	08/05/2005	M			3,000	10/09/1996	10/09/2006	Common Stock	3,000
Stock Option	\$ 17.5	07/25/2005 ⁽¹⁾	08/05/2005	A		5,759		07/25/2005	07/11/2010	Common Stock	5,759
Stock Option	\$ 17.5	07/25/2005 ⁽¹⁾	08/05/2005	A		3,405		07/25/2005	07/10/2011	Common Stock	3,405
Stock Option	\$ 17.5	07/25/2005 ⁽¹⁾	08/05/2005	A		183		07/25/2005	10/09/2012	Common Stock	183
Stock Option	\$ 17.5	07/25/2005 ⁽¹⁾	08/05/2005	A		7,954		07/25/2005	07/21/2013	Common Stock	7,954

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCDONALD JAMES M 1100 N WOOD DALE RD WOODDALE, IL 60191			Vice President	

Signatures

Jo-Ellen Kiddie, Power of Attorney for James M. McDonald	08/08/2005
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__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) Reload option resulting from withholding of stock in payment of exercise price.

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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