

AAR CORP  
Form 4  
July 14, 2010

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
STORCH DAVID P

(Last) (First) (Middle)  
1100 WOOD DALE ROAD  
(Street)

WOOD DALE, IL 60191

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
07/12/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman & CEO

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)
Common Stock	07/12/2010		A <sup>(3)</sup>	42,082 A	\$ 0 972,872	D	
Common Stock	07/12/2010		A <sup>(4)</sup>	56,109 A	\$ 0 1,028,981	D	
Common Stock					50,000	I	By Dps Asset Management Llc
Common Stock					18,810	I	By Wife
Common Stock					6,876	I	By Wife 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 of Underlying Securities (Instr. 3 and 4)		
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)
Stock Option <u>(1)</u>	\$ 17.27	07/12/2010		A	84,163	07/12/2011 <sup>(2)</sup>	07/11/2020	Common Stock	84,163

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STORCH DAVID P 1100 WOOD DALE ROAD WOOD DALE, IL 60191	X		Chairman & CEO	

## Signatures

/s/ Jo-Ellen Kiddie, Power of Attorney  
07/14/2010  
\*\*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) Grantee may elect to pay the exercise price of the option or any tax withholding obligation in connection therewith by directing the Company to withhold a portion of the shares otherwise distributable to the grantee upon exercise or by transferring to the Company previously acquired shares, valued at their fair market value on such taxable date.
  - (2) The option vests in three equal installments beginning on 7/12/11.
  - (3) Award of stock pursuant to a Restricted Stock Agreement in a transaction exempt under Rule 16b-3. The stock vests 50% on May 31, 2014 and 50% on May 31, 2015.

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- (4) Award of stock pursuant to a Performance Restricted Stock Agreement in a transaction exempt under Rule 16b-3. The stock award is conditioned upon the Company meeting a cumulative net income performance goal target for the three-year performance period beginning June 1, 2010 and ending May 31, 2013, subject to earlier acceleration based on the performance of the Company's common stock.

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.