

CLARK JAMES JOHN
Form 4
January 17, 2006

FORM 4

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

OMB APPROVAL

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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 *
CLARK JAMES JOHN

(Last) (First) (Middle)
1100 N. 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)
01/05/2006

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)
Vice President

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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	01/05/2006	01/13/2006	M	20,000 A \$ 6.96	64,808	D	
Common Stock	01/05/2006	01/13/2006	F	9,985 D \$ 25.34	54,823	D	

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			6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
					Acquired (A)	Disposed of (D)	(Instr. 3, 4, and 5)	Date Exercisable	Expiration Date		
Stock Option	\$ 6.96	01/05/2006	01/13/2006	M		20,000		07/21/2004	07/21/2013	Common Stock	20,000
Stock Option	\$ 25.34	01/05/2006 ⁽¹⁾	01/13/2006	A	5,493			01/05/2006	01/05/2016	Common Stock	5,493

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CLARK JAMES JOHN 1100 N. WOOD DALE ROAD WOOD DALE, IL 60191-			Vice President	

Signatures

Jo-Ellen Kiddie, Power of Attorney 01/16/2006

 **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) 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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