#### MCDONALD JAMES M

Form 4

December 27, 2006

### FORM 4

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

OMB Number:

Check this box if no longer subject to Section 16.

### STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

30(h) of the Investment Company Act of 1940

January 31, Expires: 2005

3235-0287

**OMB APPROVAL** 

Form 4 or Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue.

Estimated average burden hours per 0.5 response...

See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * MCDONALD JAMES M			2. Issuer Name <b>and</b> Ticker or Trading Symbol AAR CORP [AIR]	5. Relationship of Reporting Person(s) to Issuer			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check all applicable)			
			(Month/Day/Year)	Director 10% Owner			
1100 N. WOOD DALE ROAD			12/22/2006	_X_ Officer (give title Other (specify below)			
				Vice President			
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person			
WOOD DALE, IL 60191-				Form filed by More than One Reporting Person			

(City)	(State)	(Zip) Table	e I - Non-D	erivative	Secur	ities Acq	uired, Disposed of	f, or Beneficial	ly 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)				5. Amount of Securities Beneficially Owned Following Reported	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	Transaction(s) (Instr. 3 and 4)		
Common Stock	12/22/2006		S	200	D	\$ 28.49	56,171	D	
Common Stock	12/22/2006		S	100	D	\$ 28.48	56,071	D	
Common Stock	12/22/2006		S	100	D	\$ 28.46	55,971	D	
Common Stock	12/22/2006		S	1,100	D	\$ 28.45	54,871	D	
Common Stock							5,600	I	Cust for minor children

#### Edgar Filing: MCDONALD JAMES M - Form 4

(e.g., puts, calls, warrants, options, convertible securities)

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

**SEC 1474** 

(9-02)

9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5	5.	6. Date Exerc	cisable and	7. Titl	le and	8. Price of
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transa	ection	Number	Expiration D	ate	Amou	ınt of	Derivative
Security	or Exercise		any	Code	(	of	(Month/Day/	Year)	Under	lying	Security
(Instr. 3)	Price of		(Month/Day/Year)	(Instr.	8) I	Derivative	e		Secur	ities	(Instr. 5)
	Derivative				5	Securities			(Instr.	3 and 4)	
	Security				I	Acquired					
					(	(A) or					
					I	Disposed					
					C	of (D)					
					(	(Instr. 3,					
					4	4, and 5)					
										A	
										Amount	
							Date	Expiration	TP:41	or	
						Exercisable		ble Date		Number	
				C 1	T. (A) (D)					of	
				Code	V (	(A) (D)				Shares	

# **Reporting Owners**

Reporting Owner Name / Address	Relationships
Reporting Owner Maine / Address	

Director 10% Owner Officer Other

MCDONALD JAMES M 1100 N. WOOD DALE ROAD WOOD DALE, IL 60191-

Vice President

# **Signatures**

Jo-Ellen Kiddie, Power of Attorney

12/27/2006

\*\*Signature of Reporting Person Date

### **Explanation of Responses:**

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

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.

Reporting Owners 2

<sup>\*\*</sup> Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).