

LSB INDUSTRIES INC

Form 4

January 22, 2008

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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
SHEAR DAVID MICHAEL

(Last) (First) (Middle)

**16 SOUTH PENNSYLVANIA
AVENUE**

(Street)

OKLAHOMA CITY, OK 73107

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
LSB INDUSTRIES INC [LXU]

3. Date of Earliest Transaction
(Month/Day/Year)
01/18/2008

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) below)

Senior VP/General Counsel/Sec

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 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)
Common Stock	01/18/2008		<u>A⁽³⁾</u>	V Amount (A) or (D) Price 26,392 A \$ 1.25	26,392	D	
Common Stock	01/18/2008		<u>G⁽⁴⁾</u>	V 26,392 D \$ 0 0	0	D	
Common Stock	01/18/2008		<u>A⁽⁵⁾</u>	12,760 A \$ 1.25	12,760	D	
Common Stock	01/18/2008		<u>G⁽⁴⁾</u>	V 12,760 D \$ 0 0	0	D	
Common Stock	01/18/2008		<u>G⁽⁴⁾</u>	V 39,152 A \$ 0 66,429	66,429	I	By Trusts (1)

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Common Stock	22,988	I	As Trustee (2)
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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 Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Incentive Stock Option	\$ 1.25	01/18/2008		M ⁽³⁾		26,392		07/08/1999	07/08/2009	Common Stock	26,392
Incentive Stock Option	\$ 2.73							11/29/2001	11/29/2011	Common Stock	15,000
Incentive Stock Option	\$ 1.25	01/18/2008		M ⁽⁵⁾		12,760		07/08/1999	07/08/2009	Common Stock	12,760

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
SHEAR DAVID MICHAEL 16 SOUTH PENNSYLVANIA AVENUE OKLAHOMA CITY, OK 73107	Senior VP/General Counsel/Sec
SHEAR HEIDI L BROWN 16 SOUTH PENNSYLVANIA AVENUE OKLAHOMA CITY, OK 73107	VP/Managing Counsel/Asst Sec

Signatures

David M. Shear 01/22/2008
 **Signature of Date
 Reporting Person

Heidi L. Brown 01/22/2008
 Shear
 **Signature of Date
 Reporting Person

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).

The designated reporting person is David M. Shear. Mr. Shear's spouse, Heidi L. Brown Shear, jointly files this report with Mr. Shear. Heidi Shear is Vice President, Managing Counsel and Assistant Secretary of the Issuer. These shares are held in an account jointly owned
 (1) by David Shear's revocable trust, of which he is settlor and trustee, and Heidi Shear's revocable trust, of which she is settlor and trustee. This amount does not include, and David Shear disclaims beneficial ownership of 22,988 shares held by two trusts established for the benefit of each of the reporting persons' children. Please see footnote (2) for a description of the children's trusts.

(2) These shares are held by two trusts established for the benefit of each of the reporting persons' children, of which Heidi Shear is the trustee and exercises investment and dispositive control over the trusts' portfolio securities.

On January 18, 2007, David Shear acquired 26,392 shares of common stock upon the exercise of Incentive Stock Options ("ISOs") owned
 (3) directly by David Shear. All ISOs held by him are currently exercisable. As of the date of this report, the total number of shares underlying the ISOs held by Mr. Shear is 39,152.

The reporting person contributed these shares acquired upon exercise of ISOs to the reporting person's revocable trust. Immediately
 (4) following such contribution, the shares were transferred into the joint account owned by the reporting person's revocable trust and the revocable trust of the reporting person's spouse. See footnote (1) for description of the revocable trusts and the joint account.

(5) On January 18, 2007, Heidi Shear acquired 12,760 shares of common stock upon the exercise of ISOs owned directly by Heidi Shear. As of the date of this report, and following the exercise reported herein, there are no shares remaining under these ISOs.

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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