

LSB INDUSTRIES INC
Form 4
January 28, 2008

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 *
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)
01/24/2008

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)
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 (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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 01/24/2008 | | <u>A</u> ⁽³⁾ | V 24,152 A \$ 1.25 | 24,152 | D | |
| Common Stock | 01/24/2008 | | <u>G</u> ⁽⁴⁾ | V 24,152 D \$ 0 | 0 | D | |
| Common Stock | 01/24/2008 | | <u>A</u> ⁽³⁾ | V 15,000 A \$ 2.73 | 15,000 | D | |
| Common Stock | 01/24/2008 | | <u>G</u> ⁽⁴⁾ | V 15,000 D \$ 0 | 0 | D | |
| Common Stock | 01/24/2008 | | <u>G</u> ⁽⁴⁾ | V 39,152 A \$ 0 | 105,581 | I | By Trusts <u>(1)</u> |

Edgar Filing: LSB INDUSTRIES INC - Form 4

Common Stock 22,988 I As Trustee (2)

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)

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 | 01/24/2008 | | M(3) | 24,152 | 07/08/1999 07/08/2009 | Common Stock 24,152 |
| Incentive Stock Option | \$ 2.73 | 01/24/2008 | | M(3) | 15,000 | 11/29/2001 11/29/2011 | Common Stock 15,000 |

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 01/28/2008
 **Signature of Reporting Person Date

Heidi L. Brown Shear 01/28/2008

__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).

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 24, 2008, David Shear acquired in total 39,152 shares of common stock upon the exercise of Incentive Stock Options

(3) ("ISOs") owned directly by David Shear. As of the date of this report, and following the exercise reported herein, there are no shares of common stock remaining under these ISOs.

The reporting person contributed these shares acquired upon exercise of the 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. Please see footnote (1) for a description of the revocable trusts and the joint account.

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.