

LSB INDUSTRIES INC
Form 4
November 24, 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

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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 *
GOLSEN BARRY H

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
16 SOUTH PENNSYLVANIA AVENUE

3. Date of Earliest Transaction (Month/Day/Year)
11/20/2008

Director 10% Owner
 Officer (give title below) Other (specify below)
President and COO

(Street)
OKLAHOMA CITY, OK 73107

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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 (D) Price | | |
| Common Stock | | | | | 296,639 | D | |
| Common Stock | | | | | 653,976 | I | By GFLLC <u>(1)</u> |
| Common Stock | 11/20/2008 | | P | 15,028 | A \$ 7.38 <u>(4)</u> | I | By SBL <u>(2)</u> |
| Common Stock | | | | | 533 | I | By Spouse <u>(3)</u> |
| Common Stock | 11/21/2008 | | P | 10,000 | A \$ 6.7 <u>(4)</u> | I | By SBL <u>(2)</u> |

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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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| 5.5% Convertible Debentures | (5) | | | | | (5) | 07/01/2012 | Common Stock | 145,600 |
| Series B Preferred | (6) | | | | | (6) | (6) | Common Stock | 133,333 |
| Series B Preferred | (6) | | | | | (6) | (6) | Common Stock | 533,333 |
| Series D Preferred | (7) | | | | | (7) | (7) | Common Stock | 250,000 |
| Nonqualified Stock Option (8) | \$ 2.73 | | | | | 11/29/2001 | 11/29/2011 | Common Stock | 11,250 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| GOLSEN BARRY H 16 SOUTH PENNSYLVANIA AVENUE OKLAHOMA CITY, OK 73107 | X | X | President and COO | |

Signatures

Jack E. Golsen,
Attorney-in-Fact

11/24/2008

__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).

Golsen Family, L.L.C. ("GFLLC") is owned by Jack E. Golsen, chief executive officer and chairman of the board of the Issuer, through his revocable trust (45.923%), his spouse, Sylvia Golsen through her revocable trust (45.923%), his sons, Barry H. Golsen, a director and (1) the president of the Issuer (2.718%), and Steven J. Golsen, executive officer of a subsidiary of the Issuer (2.718%), and his daughter, Linda F. Rappaport (2.718%). The reporting person disclaims beneficial ownership of the Issuer securities held by GFLLC, except to the extent of his pecuniary interest therein.

SBL, LLC (?SBL?) is owned by GFLLC (49%), Steven Golsen (17%), Linda Rappaport (17%), and the reporting person (17%). Golsen Petroleum Corporation (?GPC?) is a wholly owned subsidiary of SBL. The amount shown in Table I includes 1,572,099 shares owned by SBL and 283,955 shares owned directly by GPC, and the amount shown in Table II includes 12,000 shares of the Issuer's Series B Preferred owned by SBL and 4,000 shares of the Issuer's Series B Preferred owned directly by GPC. Voting and dispositive power over the securities held by SBL and GPC is possessed by Jack E. Golsen, who is the chief executive officer and chairman of the board of the Issuer, and the reporting person, a director and the president of the Issuer.

(3) These shares of common stock are owned of record by the reporting person's wife. The reporting person disclaims beneficial ownership of the shares owned by his wife.

On November 20, 2008, SBL purchased a total of 15,028 shares of the Issuer's common stock at the weighted average price per share of \$7.38, which is based on the following purchases of the Issuer's common stock at the respective price per share: (a) \$7.34 ? 2,500 shares, (4) (b) \$7.38 ? 10,028 shares, (c) \$7.39 ? 1,500 shares, and (d) \$7.40 ? 1,000 shares. On November 21, 2008, SBL purchased a total of 10,000 shares of the Issuer's common stock at the weighted average price per share of \$6.70, which is based on the following purchases of the Issuer's common stock at the respective price per share: (a) \$6.67 ? 200 shares, and (b) \$6.70 ? 9,800 shares.

This amount is the principal amount of the Issuer's 5.5% Convertible Senior Subordinated Debentures due 2012 (the "Debentures") held by the reporting person. The Debentures are convertible at the option of the holder in whole or in part into the Issuer's common stock prior to their maturity. The conversion rate of the Debentures is 36.4 shares of the Issuer's common stock per \$1,000 principal amount of debentures (representing a conversion price of \$27.47 per share of common stock), subject to adjustment under certain conditions as set forth in the Indenture, dated June 28, 2007 (the "Indenture"), by the Issuer in favor of UMB Bank, N.A., as Trustee, filed as Exhibit 4.2 to the Issuer's Form 8-K on June 29, 2007. The Debentures bear interest at the rate of 5.5% per year and mature on July 1, 2012.

(6) Each share of the Issuer's Series "B" 12% Cumulative Preferred Stock is convertible, at the option of the holder into 33.3333 shares of the Issuer's common stock. Each share is convertible as long as such is outstanding.

(7) The Issuer's Series "D" 6% Cumulative, Convertible Class C Preferred Stock is convertible at the option of the holder into the Issuer's common stock at the rate of four shares of Preferred "D" for one share of common stock. Each share is convertible as long as such is outstanding.

(8) Nonqualified Stock Options ("NQSO") granted by the Issuer to the reporting person. All NQSOs held by the reporting person are currently exercisable. As of the date of this report, the total number of shares underlying the NQSOs held by the reporting person is 11,250.

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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