

LSB INDUSTRIES INC
Form 4
May 14, 2007

FORM 4

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

OMB APPROVAL

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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)
05/10/2007

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 05/10/2007 | | M | V 9,000 A \$ 1.25 | 9,000 | D | |
| Common Stock | 05/10/2007 | | G | V 9,000 D \$ 0 | 0 | D | |
| Common Stock | 05/10/2007 | | G | V 9,000 A \$ 0 | 74,212 | I | By Trust and Spouse's Trust ⁽¹⁾ |
| Common Stock | 05/10/2007 | | S | 5,000 D \$ 20.01 | 69,212 | I | By Trust and Spouse's |

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| | | | | | | | | | |
|--------------|------------|--|---|-------|---|----------|--------|---|--|
| Common Stock | 05/10/2007 | | S | 4,000 | D | \$ 20.06 | 65,212 | I | Trust ⁽¹⁾ By Trust and Spouse's Trust ⁽¹⁾ |
| Common Stock | 05/11/2007 | | S | 500 | D | \$ 20.3 | 64,712 | I | By Trust and Spouse's Trust ⁽¹⁾ |
| Common Stock | 05/11/2007 | | S | 300 | D | \$ 20.35 | 64,412 | I | By Trust and Spouse's Trust ⁽¹⁾ |
| Common Stock | 05/11/2007 | | S | 2,700 | D | \$ 20.39 | 61,712 | I | By Trust and Spouse's Trust ⁽¹⁾ |
| Common Stock | 05/11/2007 | | S | 1,500 | D | \$ 20.45 | 60,212 | I | By Trust and Spouse's Trust ⁽¹⁾ |
| Common Stock | 05/11/2007 | | S | 400 | D | \$ 20.6 | 59,812 | I | By Trust and Spouse's Trust ⁽¹⁾ |
| Common Stock | 05/11/2007 | | S | 600 | D | \$ 20.65 | 59,212 | I | By Trust and Spouse's Trust ⁽¹⁾ |

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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|

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| | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Share |
|----------------------------------|---------|------------|------|---|-----|-------|------------------|-----------------|--------------|---------------------------|
| Nonqualified Stock Option (1) | \$ 1.25 | 05/10/2007 | M | | | 9,000 | (2) | 07/08/2009 | Common Stock | 9,000 |
| Incentive Stock Option | \$ 1.25 | | | | | | (2) | 07/08/2009 | Common Stock | 50,544 |
| Incentive Stock Option | \$ 2.73 | | | | | | (2) | 11/29/2011 | Common Stock | 15,000 |
| Incentive Stock Option | \$ 1.25 | | | | | | (3) | 07/08/2009 | Common Stock | 12,760 |
| Nonqualified Stock Option | \$ 2.73 | | | | | | (3) | 11/29/2011 | Common Stock | 10,000 |

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 | |

Signatures

David M. Shear 05/14/2007
 __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).
 These shares are held in a jointly owned account by Mr. Shear's revocable trust, of which he is trustee, and the revocable trust of Mr. Shear's wife, of which she is trustee. The shares acquired upon exercise of the option reported herein were contributed by Mr. Shear to the joint account. This amount does not include, and Mr. Shear disclaims beneficial ownership of (a) 22,988 shares held by two trust
 (1) established for the benefit of Mr. Shear's son and daughter of which Mr. Shear's wife is trustee and exercises investment control over the trusts' portfolio securities, and (b) 263,320 shares held by three trusts, each one established for the benefit of one of the three children of Jack E. Golsen and Sylvia H. Golsen of which Mr. Shear's wife is trustee and exercises investment control over the trusts' portfolio securities.
 Incentive Stock Options ("ISO") and Nonqualified Stock Options ("NQSO") granted by the Issuer to Mr. Shear. All ISOs and NQSOs held
 (2) by Mr. Shear are currently exercisable. As of the date of this report, the total number of shares underlying the ISOs and NQSOs held by Mr. Shear is 91,544.
 Incentive Stock Options ("ISO") and Nonqualified Stock Options ("NQSO") granted by the Issuer to the reporting person's spouse. All
 (3) ISOs and NQSO's held by the reporting person's spouse are currently exercisable. As of the date of this report, the total number of shares underlying the ISOs and NQSO's held by the reporting person's spouse is 22,760.

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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