

LSB INDUSTRIES INC  
Form 4  
December 26, 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)  
12/21/2007

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  |                                | (A) or (D) Code V Amount Price                                    |   |  |   |
| Common Stock                    | 12/21/2007                           |  | S(2)                           | 10,000 D \$ 23  | 48,277  | I  | By Trusts (1)   |
| Common Stock                    | 12/21/2007                           |  | S(2)                           | 950 D \$ 23.5   | 47,327  | I  | By Trusts (1)   |
| Common Stock                    | 12/21/2007                           |  | S(2)                           | 50 D \$ 23.51   | 47,277  | I  | By Trusts (1)   |
| Common Stock                    | 12/24/2007                           |  | S(2)                           | 10,000 D \$ 24.59   | 37,277  | I  | By Trusts (1)   |
| Common Stock                    | 12/24/2007                           |  | S(2)                           | 7,770 D \$ 25   | 29,507  | I  | By Trusts (1)   |

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|              |            |                  |       |   |          |        |   |                           |
|--------------|------------|------------------|-------|---|----------|--------|---|---------------------------|
| Common Stock | 12/24/2007 | S <sup>(2)</sup> | 1,000 | D | \$ 25.01 | 28,507 | I | By Trusts <sup>(1)</sup>  |
| Common Stock | 12/24/2007 | S <sup>(2)</sup> | 500   | D | \$ 25.02 | 28,007 | I | By Trusts <sup>(1)</sup>  |
| Common Stock | 12/24/2007 | S <sup>(2)</sup> | 500   | D | \$ 25.12 | 27,507 | I | By Trusts <sup>(1)</sup>  |
| Common Stock | 12/24/2007 | S <sup>(2)</sup> | 230   | D | \$ 25.16 | 27,277 | I | By Trusts <sup>(1)</sup>  |
| Common Stock |            |                  |       |   |          | 22,988 | I | As Trustee <sup>(3)</sup> |

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) | 8. Price or Value 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  |                                      |  |                                |   | 07/08/1999   | 07/08/2009  | Common Stock  | 50,544                     |
| Incentive Stock Option                     | \$ 2.73  |                                      |  |                                |   | 11/29/2001   | 11/29/2011  | Common Stock  | 15,000                     |
| Incentive Stock Option                     | \$ 1.25  |                                      |  |                                |   | 07/08/1999   | 07/08/2009  | Common Stock  | 12,760                     |

## Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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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 12/26/2007

\_\_Signature of Date  
Reporting Person

Heidi L. Brown 12/26/2007  
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 (3) for a description of the children's trusts.
  - (2) These shares were sold pursuant to a Rule 10b5-1 Sales Plan adopted on December 14, 2007.
  - (3) 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.
  - (4) These Incentive Stock Options ("ISO") are owned directly by David Shear, and all ISOs held by him are currently exercisable. As of the date of this report, the total number of shares underlying these ISOs is 65,544.
  - (5) These ISOs are owned directly by Heidi Shear, and all ISOs held by her are currently exercisable. As of the date of this report, the total number of shares underlying these ISOs is 12,760.

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