

LSB INDUSTRIES INC
Form 4
May 12, 2006

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)
05/10/2006

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| Common Stock | 05/10/2006 | | F | 2,188 D | \$ 8.91 6,161 | I | By Trust (1) |
| Common Stock | 05/10/2006 | | M | 4,000 A | \$ 4.875 10,161 | I | By Trust (1) |
| Common Stock | 05/10/2006 | | F | 1,094 D | \$ 8.91 11,146 | I | By Spouse (2) |
| Common Stock | 05/10/2006 | | M | 2,000 A | \$ 4.895 13,146 | I | By Spouse (2) |

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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Incentive Stock Option | \$ 4.875 | 05/10/2006 | | M | 4,000 | (3) 06/27/2006 | Common Stock | 4,000 (3) |

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 05/12/2006

**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).

(1) These shares are held by Mr. Shear's revocable trust, of which he is trustee and beneficiary.

These shares are owned by Mr. Shear's wife's revocable trust, the beneficial ownership of which is disclaimed by Mr. Shear. This amount does not include, and Mr. Shear disclaims beneficial ownership of shares held by two trusts established for the benefit of each of the son and daughter of Mr. Shear and Heidi Brown Shear for which Mrs. Shear is trustee and exercises investment control over the trusts'

(2) portfolio securities, and 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 for which Mrs. Shear is trustee and exercises investment control over the trusts= portfolio securities, and disclaims beneficial ownership in the trusts.

(3)

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Incentive Stock Options ("ISO") granted to Mr. Shear under the Incentive Stock Option Plans (the "Plans") of LSB Industries, Inc. (the "Company"). Each ISO allows the purchase of shares of the Company's common stock upon the exercise thereof. Each ISO is exercisable for a period of ten years from the date of grant and was fully vested on or before December 31, 2005. As of the date of this report, the total number of shares underlying the ISOs held by Mr. Shear is 125,544. On the most recent Form 4 filed June 29, 2004, it was incorrectly reported that Mr. Shear's \$4.875 option covered 2000 shares.

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.