

LSB INDUSTRIES INC
Form 4
October 22, 2007

FORM 4

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

OMB APPROVAL

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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 SYLVIA H

(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)
10/19/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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	10/19/2007		A ⁽¹⁾		176,500	A	\$ 1.25 ⁽¹⁾
Common Stock					458,726	I	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Nonqualified Stock Option	\$ 1.25	10/19/2007		M ⁽¹⁾	176,500	<u>(1)</u>	07/08/2009	Common Stock	176,500
Series B Preferred	<u>(5)</u>					<u>(5)</u>	<u>(5)</u>	Common Stock	133,000
Series B Preferred	<u>(5)</u>					<u>(5)</u>	<u>(5)</u>	Common Stock	533,000
Series D Preferred	<u>(6)</u>					<u>(6)</u>	<u>(6)</u>	Common Stock	250,000
Promissory Note	<u>(7)</u>					<u>(7)</u>	<u>(7)</u>	Common Stock	4,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GOLSEN SYLVIA H 16 SOUTH PENNSYLVANIA AVENUE OKLAHOMA CITY, OK 73107			X	

Signatures

Jack E. Golsen,
Attorney-In-Fact

10/22/2007

**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).

- Nonqualified Stock Options ("NQSOs") granted by the Issuer to the reporting person's spouse, Jack E. Golsen, under the Issuer's Non-Qualified Stock Option Agreement - 1999 (the "1999 Plan"), for the purchase of up to 176,500 shares of the Issuer's Common Stock
- (1) at an option price of \$1.25 per share. The 1999 Plan covering 176,500 shares provides that 20% of the NQSOs vest and become exercisable on July 8, 2000, an additional 20% on July 8, 2001, an additional 30% on July 8, 2002, and the remaining 30% on July 8, 2003. The NQSOs were fully vested on July 8, 2003. The 1999 Plan is for a term of ten years from the date of grant.
 - (2) These shares are held by ten trusts established for the benefit of the children, grandchildren and a great-grandchild (the "Trusts") of the reporting person and the reporting person's spouse, Jack E. Golsen, of which the reporting person's spouse is the sole trustee. The amount

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shown is the aggregate number of shares held in the Trusts. The reporting person possesses no voting or dispositive power over the Issuer securities held in the Trusts, and holds no pecuniary interest in the securities held by the Trusts and disclaims beneficial ownership of the shares held in the Trusts.

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

- (4) SBL, LLC (f/k/a SBL Corporation) ("SBL") is owned by GFLLC (49% owner), Barry Golsen (17% owner), Steven Golsen (17% owner), and Linda Rappaport (17% owner). Golsen Petroleum Corporation ("GPC") is a wholly owned subsidiary of SBL. The amount shown in Table I includes 1,512,099 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 the reporting person's spouse, Jack E. Golsen, who is the chief executive officer and chairman of the board of the Issuer, and the reporting person's son, Barry H. Golsen, a director and the president of the Issuer. The reporting person disclaims beneficial ownership of the Issuer securities held by SBL, except to the extent of her pecuniary interest therein.

- (5) 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.

- (6) The Company'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.

- (7) The reporting person's spouse holds a note from the Issuer payable on demand and convertible, at the option of the holder, at the rate of \$2.00 for each share of common stock. The principal amount of the note is \$8,000.

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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