

ADAMS MICHAEL G
 Form 4
 November 17, 2008

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 *
 ADAMS MICHAEL G

(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)
 11/13/2008

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)
 VP/Corporate Controller

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			By Trust (1)
Common Stock					11,304	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)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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	
				Code	V	(A)	(D)		
Incentive Stock Option ⁽²⁾	\$ 7.86	11/13/2008		A	15,000	<u>(2)</u>	11/13/2018	Common Stock	15,000
Incentive Stock Option ⁽²⁾	\$ 2.73					<u>(2)</u>	11/29/2011	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address

Relationships

ADAMS MICHAEL G
16 SOUTH PENNSYLVANIA AVENUE
OKLAHOMA CITY, OK 73107

Director	10% Owner	Officer	Other
			VP/Corporate Controller

Signatures

Michael G.
Adams

11/17/2008

**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).
- (1) These shares are held by the reporting person's revocable trust of which he is the settlor and trustee and possesses a pecuniary interest in the securities held by the trust.
- Incentive Stock Option ("ISO") granted by the Issuer to the reporting person under the Issuer's Incentive Stock Option Plans. Each ISO is for a term of ten years from the date of grant. An ISO for 10,000 shares of the Issuer's common stock exercisable at \$2.73, with an expiration date of November 29, 2011, was granted to the reporting person on November 29, 2001. This ISO is fully vested. An ISO for
- (2) 15,000 shares of the Issuer's common stock exercisable at \$7.86, with an expiration date of November 13, 2018, was granted to the reporting person on November 13, 2008. This ISO vests at the end of years one through six in the following amounts: 16.5%, 16.5%, 16.5%, 16.5%, 16.5% and 17.5%. This ISO will be fully vested at the end of year six. As of the date of this report, the total number of shares underlying the two ISOs is 25,000.

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.