LSB INDUSTRIES INC

Form 4

November 24, 2008

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

SECURITIES

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

response...

Check this box if no longer subject to Section 16. Form 4 or

Form 5 obligations may continue. See Instruction

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

1(b).

(City)

(Print or Type Responses)

| 1. Name and Address of Reporting Person |
|---|
| GOLSEN STEVEN |

(First) (Middle) (Last)

16 SOUTH PENNSYLVANIA AVENUE

(Street)

(State)

2. Issuer Name and Ticker or Trading Symbol

LSB INDUSTRIES INC [LXU]

3. Date of Earliest Transaction (Month/Day/Year)

11/20/2008

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_X__ 10% Owner Director __ Other (specify Officer (give title below)

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

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

OKLAHOMA CITY, OK 73107

| (City) | (State) (Z | 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. Transactio Code (Instr. 8) | 4. Securities Acquired n(A) or Disposed of (D) (Instr. 3, 4 and 5) | | 5. Amount of Securities Beneficially Owned Following | 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 | Reported Transaction(s) (Instr. 3 and 4) | | |
| Common Stock | | | | | | | 263,915 | I | By Trust |
| Common Stock | 11/20/2008 | | P | 200 | A | \$ 7.38 (4) | 42,361 (5) | I | By GFLLC (2) |
| Common Stock | 11/20/2008 | | P | 2,555 | A | \$ 7.38 (4) | 313,829 (5) | I | By SBL (3) |
| Common Stock | 11/21/2008 | | P | 133 | A | \$ 6.7 (4) | 42,494 (5) | I | By GFLLC (2) |
| | 11/21/2008 | | P | 1,700 | A | | 315,529 (5) | I | By SBL (3) |

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Common \$ 6.7 (4) Stock

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. Transactic Code (Instr. 8) | 5. orNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | te | 7. Title and A Underlying S (Instr. 3 and | Securities |
|---|---|---|---|--|---|---------------------|--------------------|---|-------------------------------------|
| | | | | Code V | (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| 5.5% Convertib le Debentures | <u>(6)</u> | | | | | (6) | 07/01/2012 | Common Stock | 1,939 |
| 5.5% Convertib le Debentures | <u>(6)</u> | | | | | <u>(6)</u> | 07/01/2012 | Common Stock | 24,752 |
| Series B Preferred | <u>(7)</u> | | | | | <u>(7)</u> | <u>(7)</u> | Common Stock | 10,727 |
| Series B Preferred | <u>(7)</u> | | | | | <u>(7)</u> | <u>(7)</u> | Common Stock | 90,666 |
| Series D Preferred | <u>(8)</u> | | | | | <u>(8)</u> | (8) | Common Stock | 42,500 |
| Series D Preferred | <u>(8)</u> | | | | | (8) | <u>(8)</u> | Common Stock | 3,329 |
| Nonqualified Stock Option | \$ 2.73 | | | | | 11/29/2001 | 11/29/2011 | Common Stock | 11,250 |

Reporting Owners

Relationships

Reporting Owner Name / Address

Director 10% Owner Officer Other

GOLSEN STEVEN

16 SOUTH PENNSYLVANIA AVENUE OKLAHOMA CITY, OK 73107

X

Signatures

Jack E. Golsen, Attorney-in-Fact

11/24/2008

**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 owned of record by a revocable trust of which the reporting person is the settlor and trustee, with voting and dispositive power over the securities held in the trust.
- Golsen Family, L.L.C. ("GFLLC") is owned by Jack E. Golsen, chief executive officer and chairman of the board of the Issuer, through his revocable trust (45.923%), his spouse, Sylvia Golsen through her revocable trust (45.923%), his sons, Barry H. Golsen, director and
- (2) the president of the Issuer (2.718%), and Steven J. Golsen, executive officer of a subsidiary of the Issuer (2.718%), and his daughter, Linda F. Rappaport (2.718%). The reporting person disclaims beneficial ownership of the Issuer securities held by GFLLC, except to the extent of his pecuniary interest therein.
- SBL, LLC ("SBL") is owned by GFLLC (49%), Barry Golsen (17%), Linda Rappaport (17%), and the reporting person (17%). Golsen Petroleum Corporation ("GPC") is a wholly owned subsidiary of SBL. Voting and dispositive power over the securities held by SBL and
- (3) GPC is possessed by Jack E. Golsen, who is the chief executive officer and chairman of the board of the Issuer, and 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 his pecuniary interest therein.
 - On November 20, 2008, SBL purchased a total of 15,028 shares of the Issuer's common stock at the weighted average price per share of \$7.38, which is based on the following purchases of the Issuer's common stock at the respective price per share: (a) \$7.34 ? 2,500 shares,
- (4) (b) \$7.38 ? 10,028 shares, (c) \$7.39 ? 1,500 shares, and (d) \$7.40 ? 1,000 shares. On November 21, 2008, SBL purchased a total of 10,000 shares of the Issuer's common stock at the weighted average price per share of \$6.70, which is based on the following purchases of the Issuer's common stock at the respective price per share: (a) \$6.67 ? 200 shares, and (b) \$6.70 ? 9,800 shares.
- The amount of Issuer securities shown as beneficially owned by the reporting person is based on the reporting person's proportionate ownership in (1) GFLLC, which is comprised of (a) GFLLC's direct ownership of Issuer securities and (b) GFLLC's indirect ownership of Issuer securities through its proportionate ownership in SBL, and (2) SBL, which is comprised of SBL's direct ownership of Issuer securities.
 - The Issuer's 5.5% Convertible Senior Subordinated Debentures due 2012 (the "Debentures") are convertible at the option of the holder in whole or in part into the Issuer's common stock prior to their maturity. The conversion rate of the Debentures is 36.4 shares of the Issuer's common stock per \$1,000 principal amount of debentures (representing a conversion price of \$27.47 per share of common stock), subject to adjustment under certain conditions as set forth in the Indenture, dated June 28, 2007 (the "Indenture"), by the Issuer in favor of UMB
- to adjustment under certain conditions as set forth in the Indenture, dated June 28, 2007 (the "Indenture"), by the Issuer in favor of UMB Bank, N.A., as Trustee, filed as Exhibit 4.2 to the Issuer's Form 8-K on June 29, 2007. The Debentures bear interest at the rate of 5.5% per year and mature on July 1, 2012.
- (7) 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.
- The Issuer'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.
- Nonqualified Stock Options ("NQSO") granted by the Issuer to the reporting person. All NQSOs held by the reporting person are currently exercisable. As of the date of this report, the total number of shares underlying the NQSOs held by the reporting person is 11,250.

Reporting Owners 3

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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.