

TEPPER MICHAEL DAWE  
Form 4  
December 23, 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 \*  
TEPPER MICHAEL DAWE

2. Issuer Name and Ticker or Trading Symbol  
LSB INDUSTRIES INC [LXU]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
16 SOUTH PENNSYLVANIA AVENUE  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
12/19/2008

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)

Sr. VP-Int'l Operations

OKLAHOMA CITY, OK 73107

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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					2,000	D	
Common Stock	12/19/2008		S	800	D 8.64 48,055	I	By Trust (2)
Common Stock	12/22/2008		S	4,727	D 7.29 43,328	I	By Trust (2)
Common Stock	12/23/2008		S	5,000	D 7.38 38,328	I	By Trust (2)

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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)	Amount or Number of Shares
Nonqualified Stock Option (4)	\$ 1.25					07/08/1999 07/08/2009	Common Stock	50,000

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director 10% Owner Officer Other

TEPPER MICHAEL DAWE  
16 SOUTH PENNSYLVANIA AVENUE  
OKLAHOMA CITY, OK 73107

Sr. VP-Int'l Operations

## Signatures

Michael Dawe 12/23/2008  
Tepper

\_\_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).

On December 19, 2008, the reporting person sold a total of 800 shares of the Issuer's common stock at the weighted average price per share of \$8.64, which is based on the following sales of the Issuer's common stock at the respective price per share: (a) \$8.54 - 200 shares, (b) \$8.55 - 200 shares, and (c) \$8.73 - 400 shares. On December 22, 2008, the reporting person sold a total of 4,727 shares of the Issuer's common stock at the weighted average price per share of \$7.29, which is based on the following sales of the Issuer's common stock at the respective price per share: (a) \$7.25 - 500 shares, (b) \$7.26 - 600 shares, (c) \$7.28 - 3,291 shares, and (d) \$7.49 - 336 shares.

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- (2) These shares are held by the reporting person's revocable trust, of which the reporting person is the trustee and exercises investment and dispositive control over the trust's portfolio securities.

On December 23, 2008, the reporting person sold a total of 5,000 shares of the Issuer's common stock at the weighted average price per

- (3) share of \$7.38, which is based on the following sales of the Issuer's common stock at the respective price per share: (a) \$7.34 - 1,100 shares, (b) \$7.35 - 1,200 shares, (c) \$7.36 - 200 shares, (d) \$7.37 - 400 shares, (e) \$7.38 - 300 shares, (f) \$7.39 - 400 shares, (g) \$7.40 - 400 shares, (h) \$7.41 - 100 shares, (i) \$7.42 - 200 shares, (j) \$7.43 - 100 shares, (k) \$7.44 - 300 shares, and (l) \$7.46 - 300 shares.

- (4) Nonqualified Stock Option ("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 50,000.

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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