

LSB INDUSTRIES INC
Form 4
December 26, 2007

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)
12/21/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X 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
X 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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Code V Amount Price | | | |
| Common Stock | 12/21/2007 | | S(2) | 10,000 D \$ 23 | 48,277 | I | By Trusts (1) |
| Common Stock | 12/21/2007 | | S(2) | 950 D \$ 23.5 | 47,327 | I | By Trusts (1) |
| Common Stock | 12/21/2007 | | S(2) | 50 D \$ 23.51 | 47,277 | I | By Trusts (1) |
| Common Stock | 12/24/2007 | | S(2) | 10,000 D \$ 24.59 | 37,277 | I | By Trusts (1) |
| Common Stock | 12/24/2007 | | S(2) | 7,770 D \$ 25 | 29,507 | I | By Trusts (1) |

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| | | | | | | | | |
|--------------|------------|------------------|-------|---|----------|--------|---|---------------------------|
| Common Stock | 12/24/2007 | S ⁽²⁾ | 1,000 | D | \$ 25.01 | 28,507 | I | By Trusts ⁽¹⁾ |
| Common Stock | 12/24/2007 | S ⁽²⁾ | 500 | D | \$ 25.02 | 28,007 | I | By Trusts ⁽¹⁾ |
| Common Stock | 12/24/2007 | S ⁽²⁾ | 500 | D | \$ 25.12 | 27,507 | I | By Trusts ⁽¹⁾ |
| Common Stock | 12/24/2007 | S ⁽²⁾ | 230 | D | \$ 25.16 | 27,277 | I | By Trusts ⁽¹⁾ |
| Common Stock | | | | | | 22,988 | I | As Trustee ⁽³⁾ |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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. Price or Value of Underlying Securities (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Incentive Stock Option | \$ 1.25 | | | | | 07/08/1999 | 07/08/2009 | Common Stock | 50,544 |
| Incentive Stock Option | \$ 2.73 | | | | | 11/29/2001 | 11/29/2011 | Common Stock | 15,000 |
| Incentive Stock Option | \$ 1.25 | | | | | 07/08/1999 | 07/08/2009 | Common Stock | 12,760 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

SHEAR DAVID MICHAEL
16 SOUTH PENNSYLVANIA AVENUE
OKLAHOMA CITY, OK 73107

Senior VP/General Counsel/Sec

SHEAR HEIDI L BROWN
16 SOUTH PENNSYLVANIA AVENUE
OKLAHOMA CITY, OK 73107

VP/Managing Counsel/Asst Sec

Signatures

David M. Shear 12/26/2007

**Signature of Reporting Person Date

Heidi L. Brown Shear 12/26/2007

**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).
The designated reporting person is David M. Shear. Mr. Shear's spouse, Heidi L. Brown Shear, jointly files this report with Mr. Shear. Heidi Shear is Vice President, Managing Counsel and Assistant Secretary of the Issuer. These shares are held in an account jointly owned
(1) by David Shear's revocable trust, of which he is settlor and trustee, and Heidi Shear's revocable trust, of which she is settlor and trustee. This amount does not include, and David Shear disclaims beneficial ownership of 22,988 shares held by two trusts established for the benefit of each of the reporting persons' children. Please see footnote (3) for a description of the children's trusts.
(2) These shares were sold pursuant to a Rule 10b5-1 Sales Plan adopted on December 14, 2007.
(3) These shares are held by two trusts established for the benefit of each of the reporting persons' children, of which Heidi Shear is the trustee and exercises investment and dispositive control over the trusts' portfolio securities.
(4) These Incentive Stock Options ("ISO") are owned directly by David Shear, and all ISOs held by him are currently exercisable. As of the date of this report, the total number of shares underlying these ISOs is 65,544.
(5) These ISOs are owned directly by Heidi Shear, and all ISOs held by her are currently exercisable. As of the date of this report, the total number of shares underlying these ISOs is 12,760.

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.