

SHEAR DAVID MICHAEL
Form 4
November 01, 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)
10/30/2007

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)
Senior VP/General Counsel/Sec

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)
			Code	V Amount (D) Price \$			
Common Stock	10/30/2007		A ⁽¹⁾	V 26,000 A 1.25 <u>(1)</u>	26,000	D	
Common Stock	10/30/2007		G ⁽²⁾	V 26,000 D <u>(2)</u>	0	D	
Common Stock	10/30/2007		G ⁽²⁾	V 26,000 A <u>(2)</u>	65,212	I	By Trust and Spouse's Trust ⁽³⁾
Common Stock	10/30/2007		A ⁽⁴⁾	10,000 A \$ 2.73	10,000	I	By Spouse

(4)

Common Stock	10/30/2007	G ⁽²⁾	V	10,000	D	(2)	0	I	By Spouse
Common Stock	10/30/2007	G ⁽²⁾	V	10,000	A	(2)	75,212	I	By Trust and Spouse's Trust ⁽³⁾

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Nonqualified Stock Option	\$ 1.25	10/30/2007		M ⁽¹⁾	26,000	(1) 07/08/2009	Common Stock	26,000	
Incentive Stock Option	\$ 1.25					(1) 07/08/2009	Common Stock	50,500	
Incentive Stock Option	\$ 2.73					(1) 11/29/2011	Common Stock	15,000	
Incentive Stock Option	\$ 1.25					(4) 07/08/2009	Common Stock	12,700	
Nonqualified Stock Option	\$ 2.73	10/30/2007		M ⁽⁴⁾	10,000	(4) 11/29/2011	Common Stock	10,000	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SHEAR DAVID MICHAEL 16 SOUTH PENNSYLVANIA AVENUE			Senior VP/General Counsel/Sec	

OKLAHOMA CITY, OK 73107

Signatures

David M. Shear

11/01/2007

__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).
 - (1) Incentive Stock Options ("ISO") and Nonqualified Stock Options ("NQSO") granted by the Issuer to the reporting person. As of the date of this report and following the exercise of 26,000 NQSOs by the reporting person as reported herein, the reporting person has exercised all remaining NQSOs held by the reporting person. All ISOs held by the reporting person are currently exercisable. As of the date of this report, the total number of shares underlying the ISOs held by the reporting person is 65,544.
 - (2) The reporting person and his spouse contributed the shares reported herein as acquired upon exercise of the NQSOs to his and her respective revocable trust. *See* footnote (3) for a description of the revocable trusts.

These shares are held in a jointly owned account by the reporting person's revocable trust, of which he is trustee, and the revocable trust of the reporting person's spouse, of which she is trustee. This amount does not include, and the reporting person disclaims beneficial ownership of 22,988 shares held by two trusts established for the benefit of each of the reporting person's children of which the reporting person's spouse is trustee and exercises investment control over the trusts' portfolio securities.
 - (3) ISOs and NQSOs granted by the Issuer to the reporting person's spouse. As of the date of this report and following the exercise of 10,000 NQSOs by the reporting person's spouse as reported herein, the reporting person's spouse has exercised all remaining NQSOs held by the reporting person's spouse. All ISOs held by the reporting person's spouse are currently exercisable. As of the date of this report, the total number of shares underlying the ISOs held by the reporting person's spouse is 12,760.
 - (4)

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.