

LSB INDUSTRIES INC
Form 4
November 24, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
GOLSEN JACK E

(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)
11/20/2008

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)

Chairman of the Board and CEO

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 | | | | | 463,726 | I | As Trustee <u>(1)</u> | |
| Common Stock | | | | | 653,976 | I | By GFLLC <u>(2)</u> | |
| Common Stock | 11/20/2008 | | P | | \$ 7.38 | I | By SBL <u>(3)</u> | |
| | | | | | <u>(4)</u> | | | |
| Common Stock | 11/21/2008 | | P | | \$ 6.7 | I | By SBL <u>(3)</u> | |
| | | | | | <u>(4)</u> | | | |

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.

SEC 1474
(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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| 5.5% Convertible Debentures | (5) | | | | | (5) 07/01/2012 | Common Stock | 145,600 |
| 5.5% Convertible Debentures | (5) | | | | | (5) 07/01/2012 | Common Stock | 36,400 |
| Series B Preferred | (7) | | | | | (7) (7) | Common Stock | 133,333 |
| Series B Preferred | (7) | | | | | (7) (7) | Common Stock | 533,333 |
| Series D Preferred | (8) | | | | | (8) (8) | Common Stock | 250,000 |
| Promissory Note | (9) | | | | | (9) (9) | Common Stock | 4,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| GOLSEN JACK E 16 SOUTH PENNSYLVANIA AVENUE OKLAHOMA CITY, OK 73107 | X | X | Chairman of the Board and CEO | |
| GOLSEN SYLVIA H 16 SOUTH PENNSYLVANIA AVENUE | | X | | |

OKLAHOMA CITY, OK 73107

Signatures

Jack E. Golsen

11/24/2008

__Signature of Reporting Person

Date

Sylvia H. Golsen by 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 held by 10 trusts established for the benefit of the children, grandchildren and a great-grandchild (the "Trusts") of the reporting persons, of which Jack E. Golsen is the trustee. The amount shown is the aggregate number of shares held in the Trusts. As the sole trustee, Mr. Golsen possesses voting and dispositive power over the Issuer securities held in the Trusts, but holds no pecuniary interest in the securities held by the Trusts and disclaims beneficial ownership of the shares held in the Trusts.

(2) 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 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 persons disclaim beneficial ownership of the Issuer securities held by GFLLC, except to the extent of their respective pecuniary interest therein.

(3) SBL, LLC (?SBL?) is owned by GFLLC (49%), Barry Golsen (17%), Steven Golsen (17%), and Linda Rappaport (17%). Golsen Petroleum Corporation (?GPC?) is a wholly owned subsidiary of SBL. The amount shown in Table I includes 1,572,099 shares owned directly by SBL and 283,955 shares owned directly by GPC, and the amount shown in Table II includes 12,000 shares of the Issuer's Series B Preferred owned directly by SBL and 4,000 shares of the Issuer's Series B Preferred owned directly by GPC. Voting and dispositive power over the securities shared by SBL and 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.

(4) 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, (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.

(5) This amount is the principal amount of the Issuer's 5.5% Convertible Senior Subordinated Debentures due 2012 (the "Debentures") held by the reporting person. 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 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.

(6) This amount is the principal amount of the Debentures owned of record by the reporting persons' daughter, Linda F. Rappaport. The reporting persons hold no pecuniary interest in these debentures and disclaim any beneficial ownership therein, and this report shall not be deemed an admission that the reporting persons hold any pecuniary interest in or are the beneficial owners of these debentures for any purpose, including Section 16 of the Securities Exchange Act of 1934, as amended.

(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.

(8) 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.

(9) Mr. Golsen holds a note from the Issuer payable on demand and convertible, at the option of the holder, at the rate of \$2.00 for each share of common stock. The principal amount of the note is \$8,000.

Remarks:

The designated reporting person is Jack E. Golsen, chairman of the board and chief executive officer of the Issuer. Mr. Golsen

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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