

LSB INDUSTRIES INC
Form 4
May 15, 2006

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

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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 *
MURRAY JAMES WILLIAM III

(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)
05/11/2006

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)
VP/Sr Assoc Gen Couns/Asst 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 (A) or (D) Price			
Common Stock	05/11/2006		M	4,000 A \$ 2.73	4,000	D	
Common Stock	05/11/2006		S	2,000 D \$ 9.1	2,000	D	
Common Stock	05/11/2006		S	2,000 D \$ 9.09	0	D	
Common Stock	05/12/2006		M	2,000 A \$ 2.73	2,000	D	
Common Stock	05/12/2006		S	2,000 D \$ 8.58	0	D	

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- Incentive Stock Option ("ISO") granted by LSB Industries, Inc. (the "Issuer ") to James W. Murray, III under the Issuer's Incentive Stock
- (1) Option Plans. Each ISO is for a term of ten years from the date of grant. Each ISO vests at the end of year one through year four in the following amounts: 20%, 20%, 30% and 30%. Each option is fully vested at the end of year four.

- (2) An ISO for 10,000 shares of Common Stock, exercisable at \$2.73, was granted to Mr. Murray on November 29, 2001, and Mr. Murray exercised such ISO for 4,000 underlying shares of common stock on May 11, 2006 and 2,000 underlying shares of common stock on May 12, 2006. Mr. Murray previously exercised such ISO for 4,000 underlying shares of common stock under separate transactions dated December 3, 2003, and December 4, 2003.

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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