

LSB INDUSTRIES INC  
Form 4  
May 14, 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)  
05/10/2007

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	05/10/2007		M	9,000 A \$ 1.25	9,000	D	
Common Stock	05/10/2007		G	9,000 V D \$ 0	0	D	
Common Stock	05/10/2007		G	9,000 V A \$ 0	74,212	I	By Trust and Spouse's Trust <sup>(1)</sup>
Common Stock	05/10/2007		S	5,000 D \$ 20.01	69,212	I	By Trust and Spouse's

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Common Stock	05/10/2007		S	4,000	D	\$ 20.06	65,212	I	Trust <sup>(1)</sup> By Trust and Spouse's Trust <sup>(1)</sup>
Common Stock	05/11/2007		S	500	D	\$ 20.3	64,712	I	By Trust and Spouse's Trust <sup>(1)</sup>
Common Stock	05/11/2007		S	300	D	\$ 20.35	64,412	I	By Trust and Spouse's Trust <sup>(1)</sup>
Common Stock	05/11/2007		S	2,700	D	\$ 20.39	61,712	I	By Trust and Spouse's Trust <sup>(1)</sup>
Common Stock	05/11/2007		S	1,500	D	\$ 20.45	60,212	I	By Trust and Spouse's Trust <sup>(1)</sup>
Common Stock	05/11/2007		S	400	D	\$ 20.6	59,812	I	By Trust and Spouse's Trust <sup>(1)</sup>
Common Stock	05/11/2007		S	600	D	\$ 20.65	59,212	I	By Trust and Spouse's Trust <sup>(1)</sup>

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)
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			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Share
Nonqualified Stock Option (1)	\$ 1.25	05/10/2007	M			9,000	(2)	07/08/2009	Common Stock	9,000
Incentive Stock Option	\$ 1.25						(2)	07/08/2009	Common Stock	50,544
Incentive Stock Option	\$ 2.73						(2)	11/29/2011	Common Stock	15,000
Incentive Stock Option	\$ 1.25						(3)	07/08/2009	Common Stock	12,760
Nonqualified Stock Option	\$ 2.73						(3)	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 OKLAHOMA CITY, OK 73107			Senior VP/General Counsel/Sec	

## Signatures

David M. Shear                      05/14/2007  
 \_\_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).
 

(1) These shares are held in a jointly owned account by Mr. Shear's revocable trust, of which he is trustee, and the revocable trust of Mr. Shear's wife, of which she is trustee. The shares acquired upon exercise of the option reported herein were contributed by Mr. Shear to the joint account. This amount does not include, and Mr. Shear disclaims beneficial ownership of (a) 22,988 shares held by two trust established for the benefit of Mr. Shear's son and daughter of which Mr. Shear's wife is trustee and exercises investment control over the trusts' portfolio securities, and (b) 263,320 shares held by three trusts, each one established for the benefit of one of the three children of Jack E. Golsen and Sylvia H. Golsen of which Mr. Shear's wife is trustee and exercises investment control over the trusts' portfolio securities.

(2) Incentive Stock Options ("ISO") and Nonqualified Stock Options ("NQSO") granted by the Issuer to Mr. Shear. All ISOs and NQSOs held by Mr. Shear are currently exercisable. As of the date of this report, the total number of shares underlying the ISOs and NQSOs held by Mr. Shear is 91,544.

(3) Incentive Stock Options ("ISO") and Nonqualified Stock Options ("NQSO") granted by the Issuer to the reporting person's spouse. All ISOs and NQSO's 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 and NQSO's held by the reporting person's spouse is 22,760.

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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