

GOLSEN STEVEN  
Form 4  
October 05, 2010

**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 STEVEN

2. Issuer Name and Ticker or Trading Symbol  
LSB INDUSTRIES INC [LXU]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
P O BOX 705  
(Street)  
OKLAHOMA, OK 73102

3. Date of Earliest Transaction (Month/Day/Year)  
10/01/2010

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below)  
 10% Owner  
\_\_\_\_ Other (specify below)

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

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					263,915	I	By Trust (1)
Common Stock	10/01/2010		S	2,765 (4) (9) D \$ 19 (9)	65,457 (4)	I	By GFLLC (2)
Common Stock	10/04/2010		S	454 (4) (10) D \$ 19.05 (10)	65,003 (4)	I	By GFLLC (2)
Common Stock	10/05/2010		S	1,104 (4) (11) D \$ 19.13 (11)	63,899 (4)	I	By GFLLC (2)
Common					320,629 (4)	I	By SBL (3)

Stock

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

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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	3,085
5.5% Convertible Debentures	(5)					(5) 07/01/2012	Common Stock	24,754
Series B Preferred	(6)					(6) (6)	Common Stock (2)	17,067
Series B Preferred	(6)					(6) (6)	Common Stock	90,666
Series D Preferred	(7)					(7) (7)	Common Stock	5,296
Series D Preferred	(7)					(7) (7)	Common Stock	42,500
Nonqualified Stock Option (8)	\$ 2.73					(8) 11/29/2011	Common Stock	11,250

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GOLSEN STEVEN P O BOX 705 OKLAHOMA, OK 73102			X	

## Signatures

Jack E Golsen,  
Attorney-in-Fact

10/05/2010

\_\_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 owned of record by a revocable trust of which the reporting person is the settlor and trustee, with voting and dispositive power over the securities held in the trust.

(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 (43.516%), his spouse, Sylvia Golsen through her revocable trust (43.516%), his sons, Barry H. Golsen, director and the president of the Issuer (4.323%), and Steven J. Golsen, executive officer of a subsidiary of the Issuer (4.323%), and his daughter, Linda F. Rappaport (4.322%). The reporting person disclaims beneficial ownership of the Issuer securities held by GFLLC, except to the extent of his pecuniary interest therein.

(3) SBL, LLC ("SBL") is owned by GFLLC (49%), Barry Golsen (17%), Linda Rappaport (17%), and the reporting person (17%). Golsen Petroleum Corporation ("GPC") is a wholly owned subsidiary of SBL. Voting and dispositive power over the securities held 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. The reporting person disclaims beneficial ownership of the Issuer securities held by SBL, except to the extent of his pecuniary interest therein.

(4) The amount of Issuer securities shown as beneficially owned by the reporting person is based on the reporting person's proportionate ownership in (1) GFLLC, which is comprised of (a) GFLLC's direct ownership of Issuer securities and (b) GFLLC's indirect ownership of Issuer securities through its proportionate ownership in SBL, and (2) SBL, which is comprised of SBL's direct ownership of Issuer securities. The reporting person disclaiming beneficial ownership of the Issuer securities held by GFLLC, except to the extent of his pecuniary intent therein.

(5) The Issuer's 5.5% Convertible Senior Subordinated Debentures due 2012 (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) 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.

(7) 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.

(8) Nonqualified Stock Options ("NQSO") granted by the Issuer to the reporting person. All NQSOs held by the reporting person are currently exercisable. As of the date of this report, the total number of shares underlying the NQSOs held by the reporting person is 11,250.

(9) On October 1, 2010, GFLLC sold a total of 63,791 shares of the Issuer's common stock at the weighted average price per share of \$19.00, which is based on multiple prices ranging from \$19.00 to \$19.08. The reporting persons undertake to provide to the Issuer, any security holder of the Issuer, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within such range. These shares were sold pursuant to the Rule 10b5-1 Sales Plan adopted

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by GFLLC on August 19, 2010.

On October 4, 2010, GFLLC sold a total of 10,498 shares of the Issuer's common stock at the weighted average price per share of \$19.05, which is based on multiple prices ranging from \$19.00 to \$19.18. The reporting persons undertake to provide to the Issuer, any security holder of the Issuer, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within such range. These shares were sold pursuant to the Rule 10b5-1 Sales Plan adopted by GFLLC on August 19, 2010.

**(10)**

On October 5, 2010, GFLLC sold a total of 25,531 shares of the Issuer's common stock at the weighted average price per share of \$19.13, which is based on multiple prices ranging from \$19.01 to \$19.37. The reporting persons undertake to provide to the Issuer, any security holder of the Issuer, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within such range. These shares were sold pursuant to the Rule 10b5-1 Sales Plan adopted by GFLLC on August 19, 2010.

**(11)**

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.