

SHEAR HEIDI L BROWN
Form 4
November 01, 2007

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 *
SHEAR HEIDI L BROWN

(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)
VP/Managing Counsel/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	10/30/2007		A ⁽¹⁾		26,000	A	1.25 <u>(1)</u>	I	By Spouse
Common Stock	10/30/2007		G ⁽²⁾	V	26,000	D	<u>(2)</u> 0	I	By Spouse
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	\$ 10,000 2.73	D	

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						(4)				
Common Stock	10/30/2007		G ⁽²⁾	V	10,000	D	(2)	0	D	
Common Stock	10/30/2007		G ⁽²⁾	V	10,000	A	(2)	75,212	I	By Trust and Spouse's Trust ⁽³⁾
Common Stock								22,988	I	As Trustee ⁽⁵⁾

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)	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 HEIDI L BROWN
16 SOUTH PENNSYLVANIA AVENUE
OKLAHOMA CITY, OK 73107

VP/Managing Counsel/Asst Sec

Signatures

Heidi L. Brown
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).

Incentive Stock Options ("ISO") and Nonqualified Stock Options ("NQSO") granted by the Issuer to the reporting person's spouse. As of the date of this report and following the exercise of 26,000 NQSOs by the reporting person's spouse as reported herein, the reporting

(1) 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 65,544.

(2) The reporting person and her 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 she is trustee, and the revocable trust

(3) of the reporting person's spouse, of which he is trustee. This amount does not include 22,988 shares held by two trusts established for the benefit of each of the reporting person's children of which the reporting person is trustee.

ISOs and NQSOs granted by the Issuer to the reporting person. As of the date of this report and following the exercise of 10,000 NQSOs

(4) 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 12,760.

(5) These shares are held by two trusts established for the benefit of each of the reporting person's children, of which the reporting person is the trustee and exercises investment control over the trusts' portfolio securities.

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.