

GOLSEN STEVEN  
Form 4  
March 09, 2011

**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 \*  
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)

3. Date of Earliest Transaction (Month/Day/Year)  
03/07/2011

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

OKLAHOMA, OK 73102

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

(City) (State) (Zip)

**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 or Price					
Common Stock	03/08/2011		S		15,000 <sup>(1)</sup>	D	\$ 35.59 <sup>(10)</sup>	248,915	I	By Trust <sup>(1)</sup>
Common Stock	03/07/2011		S		3,079	D	\$ 34.88 <sup>(9)</sup>	60,820 <sup>(4)</sup>	I	By GFLLC <sup>(2)</sup>
Common Stock	03/07/2011		S		1,244	D	\$ 35.83 <sup>(9)</sup>	59,576 <sup>(4)</sup>	I	By GFLLC <sup>(2)</sup>
Common Stock								320,629 <sup>(4)</sup>	I	By SBL <sup>(3)</sup>

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Common Stock	03/07/2011	M	11,250	A	\$ 2.73	11,250	D
Common Stock	03/09/2011	S	11,250	D	\$ 35.88 <u>(12)</u>	0	D

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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
5.5% Convertible Debentures <u>(5)</u>	<u>(5)</u>	03/07/2011		S	\$ 42,365 <u>(5)</u>	<u>(5)</u> 07/01/2012	Common Stock 1,54
5.5% Convertible Debentures <u>(5)</u>	<u>(5)</u>	03/07/2011		S	\$ 340,000 <u>(5)</u>	<u>(5)</u> 07/01/2012	Common Stock 12,3
Series B Preferred	<u>(6)</u>					<u>(6)</u> <u>(6)</u>	Common Stock 17,0
Series B Preferred	<u>(6)</u>					<u>(6)</u> <u>(6)</u>	Common Stock 90,6
Series D Preferred	<u>(7)</u>					<u>(7)</u> <u>(7)</u>	Common Stock 5,29
Series D	<u>(7)</u>					<u>(7)</u> <u>(7)</u>	Common Stock 42,5
Nonqualified Stock Option <u>(8)</u>	\$ 2.73	03/07/2011		M	11,250	<u>(8)</u> 11/29/2011	Common Stock 11,2

## 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

03/09/2011

\_\_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.
- 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 (4.323%). The reporting person disclaims beneficial ownership of the Issuer securities held by GFLLC, except to the extent of his pecuniary interest therein.
- (2)
- 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 1,602,099 shares owned 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 by SBL and 4,000 shares of the Issuer's Series B Preferred owned directly by GPC. 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 Golsen, a director and the president of the Issuer.
- (3)
- 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.
- (4)
- The Issuer's 5.5% Convertible Senior Subordinated Debentures due 2012 (the "Debentures") are convertible at any time 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. On March 7, 2011, SBL sold \$2,000,000 principal amount of the Debentures for an aggregate purchase price of \$2,506,600, and the amounts disclosed in this report represent the reporting person's pecuniary interest in such sale. See footnote 4.
- (5)
- 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.
- (6)
- 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.
- (7)
- 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 0.
- (8)
- On March 7, 2011, GFLLC sold a total of 100,000 shares of the issuer's common stock, comprised of 71,222 shares sold at a weighted average price per share of \$34.88 based on multiple prices ranging from \$34.52 to \$35.51, and 28,778 shares sold at a weighted average
- (9)

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price per share of \$35.83 based on multiple prices ranging from \$35.52 to \$36.24. The reporting persons undertake to provide to the Issuer, any securityholder 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 December 29, 2010.

- (10) On March 8, 2011, the reporting person sold a total of 15,000 shares of the Issuer's common stock, held by the reporting person's revocable trust, at the weighted average price per share of \$35.59, which is based on multiple prices ranging from \$35.50 to \$35.86. The reporting person undertakes 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.
- (11) In addition to the purchase price, SBL received \$21,083.33 for 69 days of accrued interest for the \$2,000,000 in Debentures sold.
- (12) On March 9, 2011, the reporting person sold a total of 11,250 shares of the Issuer's common stock at the weighted average price per share of \$35.88, which is based on multiple prices ranging from \$35.74 to \$36.04. The reporting person undertakes 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.

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.