

TEPPER MICHAEL DAWE  
Form 4  
July 21, 2008

**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 \*  
**TEPPER MICHAEL DAWE**

(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)  
**07/17/2008**

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)

Sr. VP - Int'l Operations

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	07/17/2008		M		50,000	A	\$ 1.25	52,000	D	
Common Stock	07/17/2008		M		10,000	A	\$ 2.73	62,000	D	
Common Stock	07/17/2008		G <sup>(1)</sup>	V	60,000	D	\$ 0	2,000	D	
Common Stock	07/17/2008		G <sup>(1)</sup>	V	60,000	A	\$ 0	89,455	I	By Trust <sup>(2)</sup>

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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**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)	Amount or Number of Shares
Nonqualified Stock Option (3)	\$ 1.25					07/08/1999 07/08/2009	Common Stock	50,000
Incentive Stock Option (3)	\$ 1.25	07/17/2008		M	50,000	07/08/1999 07/08/2009	Common Stock	50,000
Incentive Stock Option (3)	\$ 2.73	07/17/2008		M	10,000	11/29/2001 11/29/2011	Common Stock	10,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TEPPER MICHAEL DAWE 16 SOUTH PENNSYLVANIA AVENUE OKLAHOMA CITY, OK 73107			Sr. VP - Int'l Operations	

## Signatures

Michael Dawe  
Tepper 07/21/2008

\*\*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 were contributed by the reporting person to the reporting person's revocable trust on July 17, 2008. Please see footnote (2) for a description of the reporting person's revocable trust.

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- (2) These shares are held by the reporting person's revocable trust, of which the reporting person is the trustee and exercises investment and dispositive control over the trust's portfolio securities.

Incentive Stock Options ("ISO") and Nonqualified Stock Options ("NQSO") granted by the Issuer to the reporting person. All ISOs and

- (3) NQSOs held by the reporting person are currently exercisable. As of the date of this report, there are no ISOs held by the reporting person and the total number of shares underlying the NQSOs held by the reporting person is 50,000.

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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