

GOLSEN STEVEN
 Form 5
 February 16, 2010

FORM 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0362
 Expires: January 31, 2005
 Estimated average burden hours per response... 1.0

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 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

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)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
04/01/2009

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

P O BOX 705

(Street)

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

6. Individual or Joint/Group Reporting

(check applicable line)

OKLAHOMA, OK 73102

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Amount Price			
Common Stock	Â	Â	Â	Â	Â	I	By Trust (1)
Common Stock	04/01/2009	Â	G(4)	21,805 (4)	A \$ 0	I	By GFLLC (2)
Common Stock	Â	Â	Â	Â	Â	I	By SBL (3)

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

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SEC 2270 (9-02)

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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)	
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
5.5 % Convertible Debentures	Â	04/01/2009	Â	G ⁽⁴⁾	\$ 27,081 ⁽⁴⁾	Â	Â ⁽⁶⁾	07/01/2012	Common Stock	3
5.5% Convertible Debentures	Â	Â	Â	Â	Â	Â	Â ⁽⁶⁾	07/01/2012	Common Stock	24
Series B Preferred	Â	04/01/2009	Â	G ⁽⁴⁾	163 ⁽⁴⁾	Â	Â ⁽⁷⁾	Â ⁽⁷⁾	Common Stock	17
Series B Preferred	Â	Â	Â	Â	Â	Â	Â ⁽⁷⁾	Â ⁽⁷⁾	Common Stock	90
Series D Preferred	Â	04/01/2009	Â	G ⁽⁴⁾	6,770 ⁽⁴⁾	Â	Â ⁽⁸⁾	Â ⁽⁸⁾	Common Stock	5
Series D Preferred	Â	Â	Â	Â	Â	Â	Â ⁽⁸⁾	Â ⁽⁸⁾	Common Stock	42
Nonqualified Stock Option ⁽⁹⁾	\$ 2.73	Â	Â	Â	Â	Â	Â ⁽⁹⁾	11/29/2011	Common Stock	11

Reporting Owners

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

Signatures

Jack E Golsen,
Attorney-in-Fact

02/16/2010

**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.

Following the bona fide gifts reported herein, 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

- (2) subsidiary of the Issuer (4.323%), and his daughter, Linda F. Rappaport (4.322%). The Issuer securities reported as beneficially owned by GFLLC includes the shares beneficially owned by GFLLC through SBL (see footnote 3). The reporting person disclaims beneficial ownership of the Issuer securities held by GFLLC, except to the extent of his pecuniary interest therein. The reporting person disclaims beneficial ownership of the Issuer securities held by GFLLC, except to the extent of his pecuniary interest therein.

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. The amount shown includes Issuer securities owned by GPC.

- (3) 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.

On April 1, 2009, the reporting person received a bona fide gift of 1.3817% of the membership interests in GFLLC. As a result, the reporting person's membership interest in GFLLC increased to 4.323%. The amount of securities shown as acquired by the reporting

- (4) person represents the increase in the reporting person's pecuniary interest in the Issuer securities held directly by GFLLC and indirectly by GFLLC through SBL as a result of the bona fide gift. The reporting person disclaims beneficial ownership of the Issuer securities held by GFLLC, except to the extent of his pecuniary interest therein.

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

- (5) Issuer securities through its proportionate ownership in SBL, and (2) SBL, which is comprised of (a) SBL's direct ownership of Issuer securities and (b) SBL's indirect ownership of Issuer securities through SBL.

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.

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
- (8) 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.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.