

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

**Date of report (Date of earliest event reported): August 16, 2007**

**LSB INDUSTRIES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-7677**  
(Commission File  
Number)

**73-1015226**  
(IRS Employer  
Identification No.)

**16 South Pennsylvania, Oklahoma City, Oklahoma**  
(Address of principal executive offices)

**73107**  
(Zip Code)

**Registrant's telephone number, including area code (405) 235-4546**

**Not applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## Section 5 – Corporate Governance and Management

### Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On August 16, 2007, the Board of Directors of LSB Industries, Inc. (the “Company”) increased the number of its members from 13 to 15 and appointed Mr. Robert A. Butkin and Mr. Ronald V. Perry as directors to fill the newly-created positions.

The terms of the Company’s \$3.25 Convertible Exchangeable Class C Preferred Stock, Series 2 (“\$3.25 Preferred”) provide that, if and so long as at least 140,000 shares of \$3.25 Preferred are outstanding, whenever dividends on the \$3.25 Preferred are in arrears and unpaid in an amount equal to at least six quarterly dividends (a) the number of members of the Company’s Board of Directors shall be increased by two effective as of the time of election of such directors, and (b) the \$3.25 Preferred holders have the exclusive right to vote for and elect such two additional directors. In accordance with such terms of the \$3.25 Preferred, in March 2002, the holders of the \$3.25 Preferred elected Mr. Allen Ford and Mr. Grant Donovan to serve as members of the Board of Directors. The terms of the \$3.25 Preferred provide that the term of office for such directors will terminate immediately upon the termination of the right of the \$3.25 Preferred holders to vote for such directors.

All of the issued and outstanding shares of \$3.25 Preferred were called for redemption by notice of redemption mailed to the holders of record of the \$3.25 Preferred on July 12, 2007. In connection with the scheduled redemption, as of August 16, 2007, a total of 166,875 of the 193,295 outstanding shares of \$3.25 Preferred were irrevocably delivered to the Company’s transfer agent for conversion. These existing conversions are expected to be completed by the Company’s transfer agent on August 21, 2007, which will result in only 26,420 shares of \$3.25 Preferred remaining outstanding as of that date. Upon completion of the existing conversions, less than 140,000 shares of \$3.25 Preferred will be outstanding, and the right of the holders of the \$3.25 Preferred to elect two directors will automatically terminate at that time pursuant to the terms of the \$3.25 Preferred. Accordingly, assuming the existing conversions are completed on August 21, 2007, the term of office will expire on that date for Mr. Ford and Mr. Donovan, the Company’s two directors elected by the \$3.25 Preferred, and such individuals will no longer serve as members of the Company’s Board of Directors.

Upon the departure of Messrs. Donovan and Ford from the Board, LSB’s Board will be reduced to 13 members. Mr. Robert A. Butkin and Mr. Ronald V. Perry were appointed as directors in anticipation of Mr. Ford and Mr. Donovan’s departure from the Board of Directors.

The Board of Directors has determined that Mr. Butkin and Mr. Perry are “independent” for purposes of the rules of the American Stock Exchange (“AMEX”). As such, the Company’s Board of Directors will continue to be comprised of a majority of independent directors following the expiration of Mr. Ford’s and Mr. Donovan’s service as directors. Accordingly, the risk factor set forth under the heading “Subsequent Events” in the Company’s Form 10-K/A, filed July 18, 2007, relating to the Company’s compliance with the AMEX’s requirement that the Company maintain a majority of independent directors is no longer applicable.

Neither Mr. Butkin nor Mr. Perry has any relationships or related transactions with the Company that would require disclosure pursuant to Item 404(a) of Regulation S-K under the Securities Exchange Act of 1934, as amended.

**Section 9 – Financial Statements and Exhibits**

**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits.

99.1 Press Release issued by LSB Industries, Inc., dated August 17, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 17, 2007

LSB INDUSTRIES, INC.

By: /s/ Jim D. Jones

Jim D. Jones

Senior Vice President and Controller



COMPANY CONTACT:  
Tony M. Shelby, Chief Financial Officer  
(405) 235-4546

Investor Relations Contact:  
Linda Latman (212) 836-9609  
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The Equity Group Inc.

**FOR IMMEDIATE RELEASE**

**LSB INDUSTRIES NAMES TWO INDEPENDENT DIRECTORS TO THE BOARD**

Oklahoma City, Oklahoma – August 17, 2007 – LSB Industries, Inc. (“LSB” or the “Company”), (AMEX: LXU), today announced that our Board of Directors has temporarily been enlarged to 15 members and that Robert A. Butkin and Ronald V. Perry have joined its Board of Directors to fill those newly-created directorships. Our Board has determined that both Messrs. Butkin and Perry are Independent Directors.

Upon completion of the previously announced redemption of our \$3.25 Convertible Exchangeable Class C Preferred Stock, Series 2 (“\$3.25 Preferred”), which is scheduled for August 27, 2007, or upon the number of outstanding shares of \$3.25 Preferred reducing to fewer than 140,000 shares, whichever occurs first, the two current directors elected by the \$3.25 Preferred, Grant J. Donovan and N. Allen Ford, who have served on LSB’s Board of Directors since March 2002, will no longer serve as members of our Board of Directors pursuant to the terms of the \$3.25 Preferred. Upon the departure of Messrs. Donovan and Ford from the Board, LSB’s Board will be reduced to 13 members, the majority of which our Board has determined are Independent Directors.

Robert A. Butkin is a Professor of Law at the University of Tulsa College of Law, where he had been Dean from June 2005 through June 2007. He is also President of BRJN Capital Corporation, general partner of a family owned oil and gas production company dating back to 1931.

Mr. Butkin has had a long and distinguished career in public service, most notably as assistant attorney general for the state of Oklahoma from 1987 to 1993, and as State Treasurer of Oklahoma from 1995 to 2005, during which time he was President of the Southern State Treasurers Association and Chairman of the Banking, Collateral and Cash Management Committee for the National Association of State Treasurers.

Mr. Butkin chaired then Governor-Elect Henry’s transition team, recruiting a bi-partisan group of business, civic and political leaders who assisted the governor in identifying key issues. Further, from 1981 to 1995, he served on the Board of Citizens Bank of Velma, Oklahoma, and he served as Chairman of the Board of that bank from 1991 to 1994. Mr. Butkin received a Bachelor of Arts degree from Yale College, graduating *magna cum laude* in 1975. He received his Juris Doctorate from the University of Pennsylvania Law School in Philadelphia in 1978. Following his graduation from law school, Mr. Butkin was one of 15 Americans named a Henry Luce Scholar in 1978 and served as visiting fellow at the University of the Philippines Law Center in Quezon City.

(more)

LSB's other new director, Ronald V. Perry, is founder and President of Prime Time Travel in Edmond, Oklahoma which is one of Greater Oklahoma City's premier full service travel agencies. Before that, he was a senior executive at the Sirloin Stockade organization, where he was responsible for managing 186 restaurants.

Upon graduation from Oklahoma State University with a Bachelor's degree in Business Administration, Mr. Perry was commissioned as a Second Lieutenant and served in the U.S. Army as an Armor Officer. He completed his service with the rank of Captain.

Mr. Perry has been active in community, civic and local business development activities. He currently serves on the Board of Directors of Leadership OKC and is a Commissioner on the Oklahoma City Convention and Visitors Bureau. He is past President of the Oklahoma City Food Bank. He has held a seat on the Board of the American Heart Association and the Downtown Oklahoma City Rotary Club, and has served on the associate boards of The Cowboy and Western Heritage Museum and the Oklahoma Symphony Orchestra.

Jack Golsen, Chairman & CEO of LSB Industries, stated, "We want to thank Grant Donovan and Allen Ford for their many years of service to LSB, and at the same time welcome Ron Perry and Robert Butkin as new Directors on our Board. The new Directors will enrich our Board with their diverse experience in business, finance, government, and law and their vision for the continued profitable growth of LSB."

LSB is a manufacturing, marketing and engineering company. LSB's principal business activities consist of the manufacture and sale of commercial and residential climate control products, such as geothermal and water source heat pumps, hydronic fan coils, large custom air handlers, the manufacture and sale of chemical products for the mining, agricultural and industrial markets, and the provision of specialized engineering services and other activities. LSB Industries is included in the Russell 2000 Index and the Russell 3000 Index.