

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D/A

Under the Securities Exchange Act of 1934
(Amendment No. 32)

LSB INDUSTRIES, INC.

(Name of Issuer)

COMMON STOCK, PAR VALUE \$.10

(Title of Class of Securities)

5021600-10-4

(CUSIP Number)

Jack E. Golsen
16 South Pennsylvania
Oklahoma City, Oklahoma 73107
(405) 235-4546

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

December 5, 2006

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of his Schedule 13D, and is filing this schedule because of '240.13d-1(e), 240.13d-1(f), or 240.13d-1(g) Rule 13d-1(b)(3) or (4), check the following box. []

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. '240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP NO. 5021600-10-4

(1)	Names of Reporting Persons, I.R.S. Identification, No. of above Persons (entities only)	Jack E. Golsen
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) [] (b) [X]
(3)	SEC Use Only	
(4)	Source of Funds (See Instructions)	Not applicable
(5)	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or Place of Organization	USA
	(7) Sole Voting Power	432,362
	Number of Shares Beneficially Owned by Each Reporting Person With:	
	(8) Shared Voting Power	3,436,781
	(9) Sole Dispositive Power	432,362
	(10) Shared Dispositive Power	3,436,781
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	3,869,143
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	[X]
(13)	Percent of Class Represented by Amount in Row (11)	23.18%
(14)	Type of Reporting Person (See Instructions)	IN

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(1)	Names of Reporting Persons, I.R.S. Identification No. of above Persons (entities only)	Sylvia H. Golsen
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
(3)	SEC Use Only	
(4)	Source of Funds (See Instructions)	Not applicable
(5)	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or Place of Organization	USA
	(7) Sole Voting Power	-
	Number of Shares Beneficially Owned by Each Reporting Person With:	
	(8) Shared Voting Power	3,436,781
	(9) Sole Dispositive Power	-
	(10) Shared Dispositive Power	3,436,781
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	3,436,781
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	<input checked="" type="checkbox"/>
(13)	Percent of Class Represented by Amount in Row (11)	20.59%
(14)	Type of Reporting Person (See Instructions)	IN

(1)	Names of Reporting Persons, I.R.S. Identification No. of above Persons (entities only)	SBL Corporation
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
(3)	SEC Use Only	
(4)	Source of Funds (See Instructions)	Not applicable
(5)	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or Place of Organization	Oklahoma
	(7) Sole Voting Power	-
Number of Shares Beneficially Owned by Each Reporting Person With:	(8) Shared Voting Power	2,598,034
	(9) Sole Dispositive Power	-
	(10) Shared Dispositive Power	2,598,034
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	2,598,034
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	<input checked="" type="checkbox"/>
(13)	Percent of Class Represented by Amount in Row (11)	15.56%
(14)	Type of Reporting Person (See Instructions)	CO

(1)	Names of Reporting Persons, I.R.S. Identification No. of above Persons (entities only)	Golsen Petroleum Corporation
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
(3)	SEC Use Only	
(4)	Source of Funds (See Instructions)	Not applicable
(5)	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or Place of Organization	Oklahoma
	(7) Sole Voting Power	-
	Number of Shares Beneficially Owned by Each Reporting Person	(8) Shared Voting Power 396,758
	With:	(9) Sole Dispositive Power -
		(10) Shared Dispositive Power 396,758
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	396,758
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	<input type="checkbox"/>
(13)	Percent of Class Represented by Amount in Row (11)	2.38%
(14)	Type of Reporting Person (See Instructions)	CO

(1)	Names of Reporting Persons, I.R.S. Identification No. of above Persons (entities only)	Barry H. Golsen
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
(3)	SEC Use Only	
(4)	Source of Funds (See Instructions)	PF
(5)	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or Place of Organization	USA
	(7) Sole Voting Power	377,889
Number of Shares Beneficially Owned by Each Reporting Person With:	(8) Shared Voting Power	2,791,040
	(9) Sole Dispositive Power	377,889
	(10) Shared Dispositive Power	2,791,040
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	3,168,929
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	<input checked="" type="checkbox"/>
(13)	Percent of Class Represented by Amount in Row (11)	18.98%
(14)	Type of Reporting Person (See Instructions)	IN

(1)	Names of Reporting Persons, I.R.S. Identification No. of above Persons (entities only)	Steven J. Golsen
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
(3)	SEC Use Only	
(4)	Source of Funds (See Instructions)	PF
(5)	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or Place of Organization	USA
	(7) Sole Voting Power	295,165
	Number of Shares Beneficially Owned by Each Reporting Person	(8) Shared Voting Power 2,663,488
	With:	(9) Sole Dispositive Power 295,165
		(10) Shared Dispositive Power 2,663,488
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	2,958,653
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	<input checked="" type="checkbox"/>
(13)	Percent of Class Represented by Amount in Row (11)	17.72%
(14)	Type of Reporting Person (See Instructions)	IN

(1)	Names of Reporting Persons, I.R.S. Identification No. of above Persons (entities only)	Linda Golsen Rappaport
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
(3)	SEC Use Only	
(4)	Source of Funds (See Instructions)	Not Applicable
(5)	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or Place of Organization	USA
	(7) Sole Voting Power	82,552
	Number of Shares Beneficially Owned by Each Reporting Person	(8) Shared Voting Power 2,725,586
	With:	(9) Sole Dispositive Power 82,552
	(10) Shared Dispositive Power	2,725,586
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	2,808,138
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	<input checked="" type="checkbox"/>
(13)	Percent of Class Represented by Amount in Row (11)	16.82%
(14)	Type of Reporting Person (See Instructions)	IN

Introduction

This Schedule 13D is reporting matters with respect to the group consisting of Jack E. Golsen, Sylvia H. Golsen, SBL Corporation ("SBL"), Golsen Petroleum Corporation ("GPC"), which is a wholly owned subsidiary of SBL, Barry H. Golsen, Steven J. Golsen and Linda Rappaport (together, the "Golsen Group").

This statement constitutes Amendment No. 32 to the Schedule 13D dated October 7, 1985, as amended (the "Schedule 13D"), relating to the common stock, par value \$.10 a share ("Common Stock") of LSB Industries, Inc. (the "Company"). All terms not otherwise defined herein shall have the meanings ascribed in the Schedule 13D.

This Amendment No. 32 is being filed as a result of a change in the facts contained in the Schedule 13D. The change is due to (a) the adoption of the 10B5-1 Sales Plan, dated December 5, 2006, between Jack Golsen, an individual, and Capital West Securities, Inc. (the "Broker"), providing for the sale of up to 25,000 shares of Common Stock, and (b) the adoption of the 10B5-1 Sales Plan, dated December 5, 2006, between Jack E. Golsen, Trustee of the Jack E. Golsen 1992 Revocable Trust, and the Broker, providing for the sale of up to 25,000 shares of Common Stock (together, the "10B5-1 Plans").

In addition to the foregoing, reference is made to (a) Item 5(c) of this Amendment No. 32 for a disclosure of other transactions in the Common Stock that were effected by certain reporting persons during the past 60 days from the filing date of this Amendment No. 32 and (b) Item 6 of this Amendment No. 32 for other agreements relating to Company securities held by certain reporting persons.

Item 1. Security and Issuer.

Item 1 of this Schedule 13D is unchanged.

Item 2. Identity and Background.

Item 2 of this Schedule 13D is unchanged.

Item 3. Source and Amount of Funds or Other Consideration.

As disclosed in Item 5(c), each of Barry H. Golsen and Steven J. Golsen acquired shares of Common Stock upon the exercise of Company incentive stock options using their personal funds.

This Item 3 is not applicable to the other agreements and understandings described in Item 6 of this Amendment 32.

Item 4. Purpose of Transaction.

The reporting persons do not presently have any plans or proposals required to be reported under Item 4 of this Schedule 13D, except as described below.

10B5-1 Plans.

On December 5, 2006, certain of the reporting persons entered into the 10B5-1 Plans listed in the Introduction to this Amendment 32. The 10B5-1 Plans provide for the sale of up to an aggregate 50,000 shares of Common Stock in accordance with Rule 10B5-1 of the Exchange Act of 1934, as amended (the "Exchange Act"). Each of the 10B5-1 Plans contains the following terms, among others:

- (a) each 10B5-1 Plan will terminate not later than the earlier of December 6, 2007, or the date that all shares of Common Stock covered by such 10B5-1 Plan have been sold in accordance with such plan;
- (b) the sale price of Common Stock sold under each 10B5-1 Plan will be at a price per share (before selling expenses) at or above \$0.15 below market price or \$15.00, whichever is higher;
- (c) all sales will be made on the American Stock Exchange; and
- (d) sales of Common Stock under each 10B5-1 Plan will be made in the discretion of the Broker, subject to the terms and conditions of each 10B5-1 Plan.

Jayhawk Agreement.

See Item 6 of this Amendment No. 32 for a discussion of the Jayhawk Agreement, which is incorporated by reference in this Item 4.

Pledge Agreements.

See Item 6 of this Amendment No. 32 for a discussion of the two stock pledge agreements covering shares of Common Stock, which is incorporated by reference in this Item 4.

Item 5. Interest in Securities of the Issuer.

- (a) The following table sets forth as of the filing date of this Amendment 32 the aggregate number and percentage of the class of Common Stock of the Company identified pursuant to Item 1 beneficially owned by each person named in Item 2:

<u>Person</u>	<u>Amount</u>	<u>Percent (10)</u>
Jack E. Golsen	3,869,143 (1) (2) (6) (9)	23.18%
Sylvia H. Golsen	3,436,781 (1) (6) (7)	20.59%
SBL	2,598,034 (1) (9)	15.56%
GPC	396,758 (8) (9)	2.38%
Barry H. Golsen	3,168,929 (1) (3) (6)	18.98%
Steven J. Golsen	2,958,653 (1) (4) (6)	17.72%
Linda Golsen Rappaport	2,808,138 (1) (5) (6)	16.82%

- (1) The amount shown includes (i) 1,512,099 shares held directly by SBL; (ii) 250,000 shares that SBL has the right to acquire upon the conversion of 1,000,000 shares of the Company's Series D Preferred owned of record by SBL; (iii) 400,000 shares that SBL has the right to acquire upon the conversion of 12,000 shares of the Company's Series B Preferred owned of record by SBL; (iv) 39,177 shares that SBL has the right to acquire upon the conversion of 9,050 shares of the Company's Class C, Series 2 Stock owned of record by SBL; and (v) 396,758 shares beneficially owned by SBL's wholly owned subsidiary, GPC, which includes (1) 133,333 shares that GPC has the right to acquire upon conversion of 4,000 shares of Series B Preferred owned of record by GPC, and (2) 175,325 shares that GPC has the right to acquire upon conversion of 40,500 shares of Class C, Series 2 Preferred owned of record by GPC. The relationship between Jack E. Golsen, Sylvia H. Golsen, Barry H. Golsen, Steven J. Golsen, Linda Golsen Rappaport, SBL, and GPC is described in more detail in paragraph (b) of this Item 5.

- (2) The amount shown includes (i) 25,000 shares held directly by Jack E. Golsen; (ii) 93,529 shares held indirectly by the Jack E. Golsen 1992 Revocable Trust; (iii) 4,000 shares that Jack E. Golsen has the right to acquire upon conversion of a promissory note, (iv) 133,333 shares that J. Golsen has the right to acquire upon the conversion of 4,000 shares of the Series B Preferred Stock owned of record by the Jack E. Golsen 1992 Revocable Trust; (v) 176,500 shares that Jack E. Golsen may acquire upon the exercise of Company nonqualified stock options; and (vi) 838,747 shares owned by the Sylvia H. Golsen 1992 Revocable Trust of which Sylvia H. Golsen is the trustee.
- (3) The amount shown does not include (i) 533 shares that Barry Golsen's wife owns, in which Barry Golsen disclaims beneficial ownership and (ii) 89,440 shares owned of record by the Barry H. Golsen 1992 Trust, of which Barry H. Golsen is the primary beneficiary, but of which Barry H. Golsen has no voting or dispositive control. Such amount does include (a) 311,639 shares held directly by Barry H. Golsen; (b) 34,750 shares owned of record by the Amy G. Rappaport Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; (c) 30,704 shares owned of record by the Joshua B. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; (d) 35,638 shares owned of record by the Adam Z. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; (e) 28,638 shares owned of record by the Stacy L. Rappaport Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; (f) 35,638 shares owned of record by the Michelle L. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; (g) 27,638 shares owned of record by the Lori R. Rappaport Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; and (h) 66,250 shares which Barry H. Golsen may acquire upon exercise of nonqualified stock options.
- (4) The amount shown does not include 84,440 shares owned of record by the Steven J. Golsen 1992 Trust, of which Steven J. Golsen is the primary beneficiary, but of which Steven J. Golsen has no voting or dispositive control. Such amount does include (i) 248,915 shares held directly by Steven J. Golsen; (ii) 34,750 shares owned of record by the Amy G. Rappaport Trust No. J-1, of which Steven J. Golsen is a Co-Trustee; (iii) 30,704 shares owned of record by the Joshua B. Golsen Trust No. J-1, of which Steven J. Golsen is a Co-Trustee; and (iv) 46,250 shares which Steven J. Golsen may acquire upon exercise of nonqualified stock options.

- (5) The amount shown does not include 70,200 shares that Mrs. Rappaport's husband owns and 185,000 shares which Mrs. Rappaport's husband may acquire upon exercise of nonqualified stock options of the Company, for which Mrs. Rappaport disclaims beneficial ownership. The amount shown does not include 89,440 shares owned of record by the Linda F. Rappaport 1992 Trust, of which Linda F. Rappaport is the primary beneficiary, but of which Linda F. Rappaport has no voting or dispositive control. Such amount does include (i) 82,552 shares held directly by Linda F. Rappaport;(ii) 35,638 shares owned of record by the Adam Z. Golsen Trust No. J-1, of which Linda F. Rappaport is a Co-Trustee; (iii) 28,638 shares owned of record by the Stacy L. Rappaport Trust No. J-1, of which Linda F. Rappaport is a Co-Trustee; (iv) 35,638 shares owned of record by the Michelle L. Golsen Trust No. J-1 of which Linda F. Rappaport is a Co-Trustee; and (v) 27,638 shares owned of record by the Lori R. Rappaport Trust No. J-1, of which Linda F. Rappaport is a Co-Trustee.
- (6) Jack E. Golsen and Sylvia H. Golsen each disclaims beneficial ownership of (i) the shares of Common Stock owned of record by Barry H. Golsen, the shares that Barry H. Golsen has the right to acquire under the Company's incentive stock options, and the shares considered beneficially owned by Barry H. Golsen as a result of his position as trustee of certain trusts; (ii) the shares owned of record by Steven J. Golsen, the shares that Steven J. Golsen has the right to acquire under the Company's incentive stock options, and the shares considered beneficially owned by Steven J. Golsen as a result of his position as trustee of certain trusts; and (iii) the shares owned of record by Linda Golsen Rappaport, and the shares considered beneficially owned by Linda Golsen Rappaport as a result of her position as a trustee of certain trusts. Barry H. Golsen, Steven J. Golsen and Linda Golsen Rappaport disclaim beneficial ownership of the shares beneficially owned by Jack E. Golsen and Sylvia H. Golsen, except for shares beneficially owned by SBL and GPC.
- (7) The amount shown does not include, and Sylvia H. Golsen disclaims beneficial ownership of the shares listed in footnote (2) above as beneficially owned by Jack E. Golsen (other than the 838,747 shares held by the Sylvia H. Golsen 1992 Revocable Trust of which Sylvia H. Golsen is trustee).

- (8) The amount shown includes (i) 88,100 shares held directly by GPC, (ii) 133,333 shares that GPC has the right to acquire upon conversion of 4,000 shares of the Company's Series B Preferred Stock owned of record by GPC, and (iii) 175,325 shares that GPC has the right to acquire upon conversion of 40,500 shares of Class C, Series 2 Preferred owned of record by GPC. The relationship between Jack E. Golsen, Sylvia H. Golsen, Barry H. Golsen, Steven J. Golsen, Linda Golsen Rappaport, SBL, and GPC is described in more detail in paragraph (b) of this Item 5.
- (9) Holders of the Series B Preferred are entitled to one vote per share, and holders of the Series D Preferred are entitled to .875 votes per share. Both vote together with holders of Common Stock. The holders of the Class C, Series 2 Preferred have no voting rights, except as required by law and except that such holders have the right to vote as a separate class to elect two directors, if the equivalent of six full quarterly dividends on the Class C, Series 2 Preferred are accrued and unpaid. This Class C, Series 2 Preferred voting right continues until all dividends due on such shares are paid in full. The amounts and percentages set forth in the table reflect only the voting power of Common Stock into which the Series B Preferred, the Class C, Series 2 Preferred, and the Series D Preferred are convertible.
- (10) The percentage ownership of each reporting person is based on 16,693,961 shares of Common Stock outstanding, as of November 30, 2006. Shares of Common Stock of the Company not outstanding, but which may be acquired by a reporting person during the next 60 days under options, warrants, rights or conversion privileges, are considered to be outstanding only for the purpose of computing the percentage of the class for such reporting person, but are not deemed to be outstanding for the purpose of computing the percentage of the class by any other person.
 - (b) The following table sets forth, as of the filing date of this Amendment 32 for each person and entity identified under paragraph (a), the number of shares of Common Stock as to which the person and entity has (1) the sole power to vote or direct the voting, (2) shared power to vote or direct the voting, (3) the sole power to dispose or to direct the disposition, or (4) shared power to dispose or to direct the disposition:

<u>Person or Entity</u>	<u>Sole Voting and Power of Disposition</u>	<u>Shared Voting and Power of Disposition</u>
Jack E. Golsen	432,632 (1) (5) (12)	3,436,781 (2) (3) (5)
Sylvia H. Golsen	None	3,436,781 (2) (3) (11)
SBL	None	2,598,034 (2) (12)
GPC	None	396,758 (4) (12)
Barry H. Golsen	377,889 (6)	2,791,040 (2) (7)
Steven J. Golsen	295,165 (8)	2,663,488 (2) (9)
Linda Golsen Rappaport	82,552	2,725,586 (2) (10)

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- (1) The amount shown includes (a) 25,000 shares held directly by Jack E. Golsen; (b) 93,529 shares held indirectly by the Jack E. Golsen 1992 Revocable Trust; (c) 4,000 shares that Jack E. Golsen has the right to acquire upon conversion of a promissory note; (d) 133,333 shares that J. Golsen has the right to acquire upon the conversion of 4,000 shares of the Series B Preferred Stock owned of record by him; and (e) 176,500 shares that Jack E. Golsen may acquire upon the exercise of nonqualified stock options.
- (2) See footnote (1) under paragraph (a) of this Item 5.
- (3) The amount shown includes 838,747 shares of Common Stock owned by the Sylvia H. Golsen 1992 Revocable Trust of which Sylvia H. Golsen is trustee.
- (4) See footnote (8) under paragraph (a) of this Item 5.
- (5) See footnote (6) under paragraph (a) of this Item 5.
- (6) The amount shown includes (a) 311,639 shares held directly by Barry H. Golsen; and (b) 66,250 shares which Barry H. Golsen may acquire upon exercise of nonqualified stock options of the Company.

- (7) The amount shown does not include 89,440 shares owned of record by the Barry H. Golsen 1992 Trust, of which Barry H. Golsen has no voting or dispositive power and 533 shares that Barry Golsen's wife owns in which Barry Golsen disclaims beneficial ownership. Such amount does include (a) 34,750 shares owned of record by the Amy G. Rappaport Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; (b) 30,704 shares owned of record by the Joshua B. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; (c) 35,638 shares owned of record by the Adam Z. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; (d) 28,638 shares owned of record by the Stacy L. Rappaport Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; (e) 35,638 shares owned of record by the Michelle L. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; and (f) 27,638 shares owned of record by the Lori R. Rappaport Trust No. J-1, of which Barry H. Golsen is a Co-Trustee.
- (8) The amount shown includes (a) 248,915 shares held directly by Steven J. Golsen; and (b) 46,250 shares which Steven J. Golsen may acquire upon exercise of nonqualified stock options of the Company.
- (9) The amount shown does not include 84,440 shares owned of record by the Steven J. Golsen 1992 Trust, of which Steven J. Golsen has no voting or dispositive power. Such amount includes (a) 34,750 shares owned of record by the Amy G. Rappaport Trust No. J-1, of which Steven J. Golsen is a Co-Trustee; and (b) 30,704 shares owned of record by the Joshua B. Golsen Trust No. J-1, of which Steven J. Golsen is a Co-Trustee.
- (10) The amount shown does not include 70,200 shares that Mrs. Rappaport's husband owns and 185,000 shares which Mrs. Rappaport's husband may acquire upon exercise of nonqualified stock options of the Company, for which Mrs. Rappaport disclaims beneficial ownership. The amount shown does not include 89,440 shares owned of record by the Linda F. Rappaport 1992 Trust, of which Linda F. Rappaport is the primary beneficiary, but of which Linda F. Rappaport has no voting or dispositive control. Such amount does include (i) 35,638 shares owned of record by the Adam Z. Golsen Trust No. J-1, of which Linda F. Rappaport is a Co-Trustee; (ii) 28,638 shares owned of record by the Stacy L. Rappaport Trust No. J-1, of which Linda F. Rappaport is a Co-Trustee; (iii) 35,638 shares owned of record by the Michelle L. Golsen Trust No. J-1, of which Linda F. Rappaport is a

Co-Trustee; and (iv) 27,638 shares owned of record by the Lori R. Rappaport Trust No. J-1, of which Linda F. Rappaport is a Co-Trustee.

(11) See footnotes (6) and (7) under paragraph (a) of this Item 5.

(12) See footnote (9) under paragraph (a) of this Item 5.

SBL is wholly owned by Sylvia H. Golsen (40% owner), Barry H. Golsen (20% owner), Steven J. Golsen (20% owner) and Linda Golsen Rappaport (20% owner). GPC is a wholly owned subsidiary of SBL. The directors and executive officers of SBL and GPC are Jack E. Golsen, Sylvia H. Golsen, Barry H. Golsen, Steven J. Golsen and Linda Golsen Rappaport. Barry H. Golsen, Steven J. Golsen and Linda Golsen Rappaport are the children of Jack E. and Sylvia H. Golsen, husband and wife.

(c) During the past 60 days from the filing date of this report, the following reporting persons effected transactions in the Common Stock, as follows:

(i) On November 20, 2006, Barry H. Golsen acquired 8,750 shares of Common Stock from the Company upon the exercise of Company incentive stock options for an aggregate exercise price of \$26,250 or \$3.00 per share; and

(ii) On November 29, 2006, Steven J. Golsen acquired 8,750 shares of Common Stock from the Company upon the exercise of Company incentive stock options for an aggregate exercise price of \$26,250 or \$3.00 per share.

(d) See Item 6 below.

(e) Not applicable.

Item 6. Contracts, Agreements, Underwritings or Relationships With Respect to Securities of the Issuer.

Item 6 of the Schedule 13D is unchanged, except as set forth below.

10B5-1 Plans.

The reporting persons who have entered into the 10B5-1 Plans listed in the Introduction to this Amendment No. 32 have authorized Capital West Securities, Inc. to sell, in

the aggregate, up to 50,000 shares of Common Stock pursuant to the terms of their respective 10B5-1 Plans. See Item 4 of this Amendment No. 32 for a description of certain terms of the 10B5-1 Plans, which description is qualified in its entirety by reference to the terms of the 10B5-1 Plan attached as Exhibit 99.20 to this Amendment No. 32.

Jayhawk Agreement.

On November 10, 2006, the Company entered into an Agreement (the "Agreement") with Kent C. McCarthy, Jayhawk Capital Management, L.L.C., Jayhawk Institutional Partners, L.P., and Jayhawk Investments, L.P. (collectively, the "Jayhawk Group"). The Agreement provides that if the Company undertakes, in its sole discretion, within one year from the date of the Agreement, a tender or exchange offer for the Company's \$3.25 Convertible Exchangeable Class C Preferred Stock, Series 2 (the "Series 2 Preferred"), the Jayhawk Group will (a) tender or exchange an aggregate total of only 180,450 shares of the Series 2 Preferred owned by the Jayhawk Group and (b) waive their rights to all accrued and unpaid dividends on the Series 2 Preferred tendered or exchanged.

The obligations of the Jayhawk Group described in the foregoing clauses (a) and (b) are subject to certain conditions, including: (i) the consideration to be paid for each share tendered or exchanged is to be 7.4 shares of Common Stock, (ii) the Board of Directors of the Company shall have received an opinion that the tender or exchange offer and the consideration therefor is fair to the stockholders of the Company, (iii) the approval by the holders of the Common Stock and Series 2 Preferred of certain amendments to the Certificate of Designations of the Series 2 Preferred as described below and, if required by the rules of the AMEX, the approval by the holders of the Common Stock of the issuance of the shares of Common Stock pursuant to the transaction; and (iv) the Golsen Group shall only exchange or tender 26,467 shares of the 49,550 shares of Series 2 Preferred beneficially owned by them. As of December 22, 2006, based on the Form 4 Statements of Changes in Beneficial Ownership filed by members of the Jayhawk Group, the Jayhawk Group is the beneficial and record of 344,800 shares of Series 2 Preferred. Such ownership represents the power to vote approximately 69% of the total votes held by all holders of Series 2 Preferred, which is sufficient to approve the amendments to the certificate of Designation of the Series 2 Preferred described below on behalf of the Series 2 Preferred.

The Agreement also provides that the Jayhawk Group agrees to vote its shares of Common Stock and Series 2 Preferred to amend the Certificate of Designations of the Series 2 Preferred to (a) allow the Company to acquire shares of its Common Stock for a period of five years from the date of completion of the tender or exchange offer, without the approval of the holders of the Series 2 Preferred, notwithstanding that accrued and unpaid dividends may exist with respect to the Series 2 Preferred, and (b) provide that the existing right of the holders of Series 2 Preferred to elect two directors to the Company's Board of Directors when dividends on the Series 2 Preferred are unpaid may be exercised only if and so long as at least 140,000 shares of Series 2 Preferred remain issued and outstanding.

The Certificate of Designations of the Series 2 Preferred currently prohibits the Company from purchasing, redeeming or otherwise acquiring any shares of Common Stock or other securities ranking junior to the Series 2 Preferred as to dividends and rights upon liquidation and provides that when dividends on the Series 2 Preferred are in arrears and unpaid in an amount equal to at least six quarterly dividends the Series 2 Preferred holders have the exclusive right to vote for and elect two additional directors during period the dividends remain in arrears.

The foregoing is a summary of the material terms of the Agreement. The above discussion is qualified in its entirety by reference to the Agreement, a copy of which is filed herewith as Exhibit 99.19 to this Amendment No. 32. The Jayhawk Agreement was previously disclosed by the Company in its Form 8-K, filed with the Securities and Exchange Commission ("SEC") on November 14, 2006, as amended by the Form 8-K/A, filed with the SEC on November 21, 2006.

Pledge Agreements

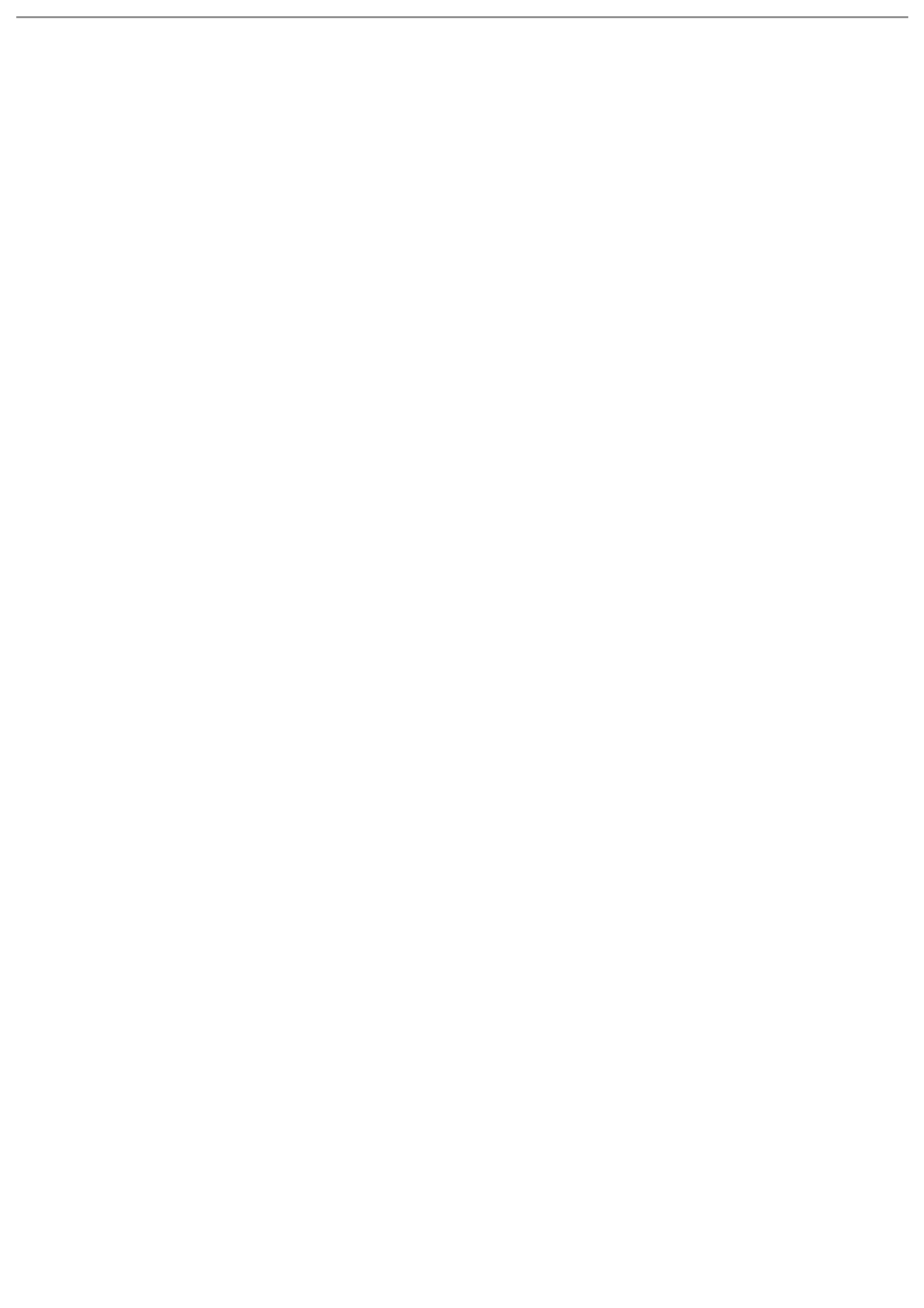
On April 12, 2006, SBL Corporation ("SBL") pledged 420,000 shares of Common Stock pursuant to a Commercial Pledge Agreement, dated the same date (the "Pledge Agreement") to secure a promissory note, dated the same date, from First Industries Capital Corporation, a subsidiary of GPC, to The Bank of Union. The promissory note has an original principal amount of approximately \$2,800,000 and a maturity date of April 17, 2009. In addition to standard default and similar provisions

contained in the Security Agreement, The Bank of Union retains the right to all dividends paid in connection with the collateral. The 420,000 shares pledged pursuant to the Pledge Agreement are also pledged under the Security Agreement, dated March 14, 2002 with The Bank of Union, which is included as Exhibit 99.15 to this Amendment 32. The total number of shares of Common Stock pledged by members of the Golsen Group to The Bank of Union is 420,000.

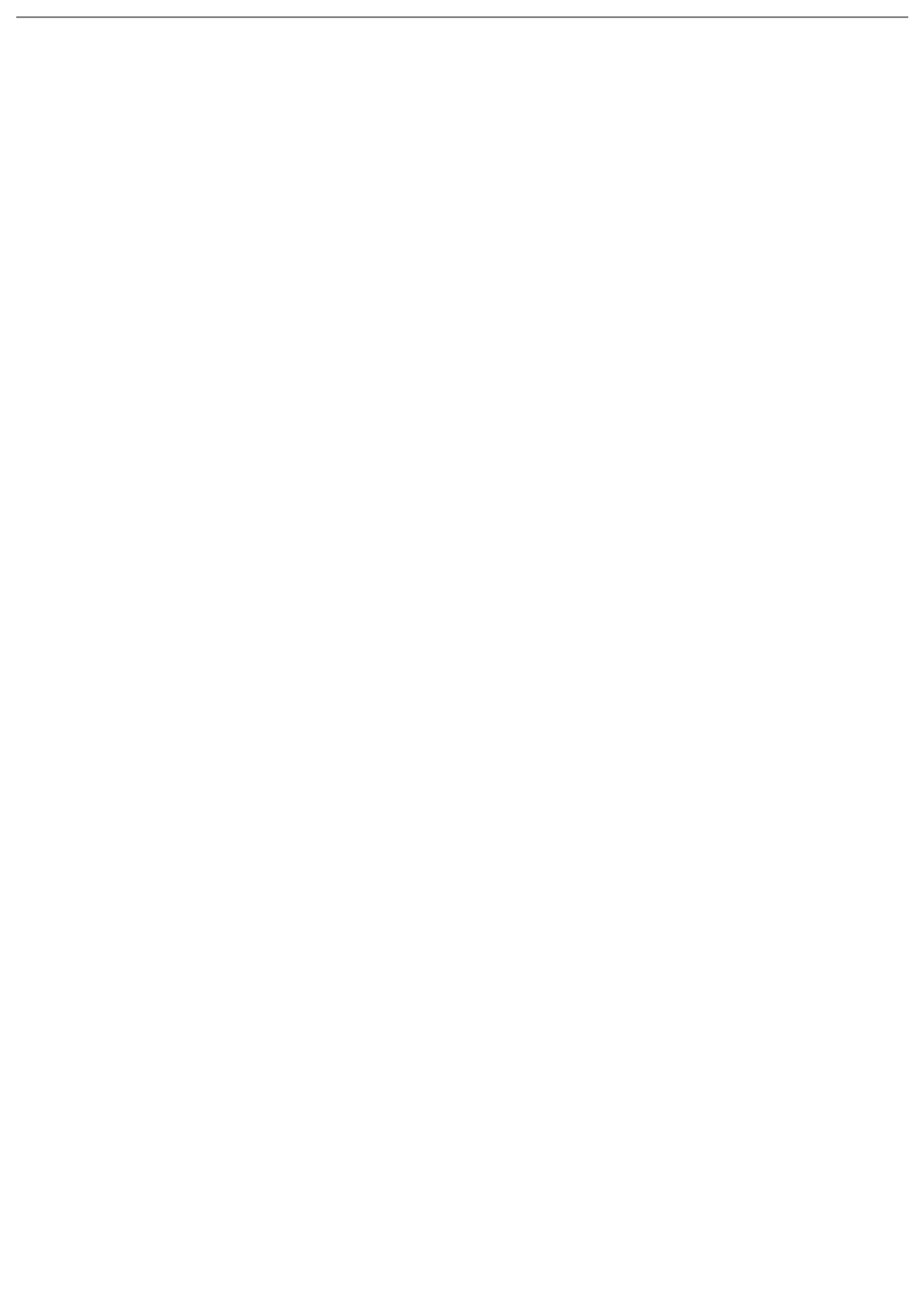
On July 5, 2006, the Sylvia H. Golsen Trust, of which Sylvia H. Golsen is trustee, pledged 370,000 shares of Common Stock pursuant to a Security Agreement, dated the same date (the "Security Agreement") to secure a promissory note, dated the same date, from SBL to Bank of the West. The promissory note was issued to refinance an existing loan with Bank of the West. The promissory note has an original principal amount of \$1,300,000 and a maturity date of July 5, 2013. In addition to standard default provisions contained in the Security Agreement, Bank of the West retains the right to all dividends paid in connection with the collateral. The Security Agreement replaces a prior Security Agreement, dated December 19, 2005, pursuant to which Sylvia H. Golsen pledged 370,000 shares to secure the prior loan.

Item 7. Materials to be Filed as Exhibits.

- 24.1 Powers of Attorney executed by Barry H. Golsen, Steven J. Golsen, and Linda Golsen Rappaport are filed as Exhibit 6 to Amendment No. 3 to the Schedule 13D and are incorporated herein by reference.
- 99.1 Agreement of the reporting persons as to joint filing of this Schedule 13D, is filed as Exhibit 7 to Amendment No. 3 to the Schedule No. 13D and is incorporated herein by reference.
- 99.2 Convertible Note between the Company and Jack E. Golsen filed as Exhibit (a) to the original Schedule 13D and is incorporated herein by reference.
- 99.3 Issuer's Proxy Statement dated July 14, 1986 setting forth the terms of the Company's Series B 12% Cumulative Convertible Preferred Stock is filed as Exhibit 1 to Amendment No. 1 to the Schedule 13D and is incorporated herein by reference.



- 99.4 Stacy L. Rappaport Trust No. J-1, is filed as Exhibit 14 to Amendment No. 13 to the Schedule 13D and is incorporated herein by reference. The Joshua B. Golsen Trust No. J-1, Adam Z. Golsen Trust No. J-1, Amy G. Rappaport Trust No. J-1, Lori R. Rappaport Trust No. J-1 and Michelle L. Golsen Trust No. J-1 are substantially similar to the Stacy L. Rappaport Trust No. J-1, except for the names of the trustees, and copies of the same will be supplied to the Commission upon request.
- 99.5 Barry H. Golsen 1992 Trust is filed as Exhibit 15 to Amendment No. 16 to the Schedule 13D and is incorporated herein by reference. The Steven J. Golsen 1992 Trust and Linda F. Rappaport 1992 Trust are substantially similar to the Barry H. Golsen 1992 Trust, and copies of the same will be supplied to the Commission upon request.
- 99.6 Agreement of Sylvia H. Golsen as to joint filing of this Schedule 13D is filed as Exhibit 15 to Amendment No. 18 and is incorporated herein by reference.
- 99.7 Agreement of SBL Corporation as to the joint filing of this Schedule 13D is filed as Exhibit 19 to Amendment No. 23, and is incorporated herein by reference.
- 99.8 Shareholder's Agreement, effective December 1, 1995, between Sylvia Golsen and SBL Corporation is filed as Exhibit 22 to Amendment No. 24 and is incorporated herein by reference.
- 99.9 Shareholder's Agreement, effective December 1, 1995, among Jack E. Golsen, Sylvia Golsen and SBL Corporation is filed as Exhibit 23 to Amendment No. 24 and is incorporated herein by reference.
- 99.10 Shareholder's Agreement, effective December 1, 1995, among Barry H. Golsen, Sylvia Golsen and SBL Corporation. The Shareholder's Agreement is substantially similar to the Shareholder's Agreement filed as Exhibit 23 to Amendment No. 24, and a copy of the same will be supplied to the Commission upon request.
- 99.11 Shareholder's Agreement, effective December 1, 1995, among Steven J. Golsen, Sylvia Golsen and SBL Corporation. The Shareholder's Agreement is substantially similar to the Shareholder's Agreement filed as Exhibit 23 to Amendment No. 24, and a copy of the same will be supplied to the Commission upon request.



- 99.12 Shareholder's Agreement, effective December 1, 1995, among Linda F. Rappaport, Sylvia Golsen and SBL Corporation. The Shareholder's Agreement is substantially similar to the Shareholder's Agreement filed as Exhibit 23 to Amendment No. 24, and a copy of the same will be supplied to the Commission upon request.
- 99.13 Security Agreement, dated December 12, 2003, executed by SBL Corporation in favor of Bank of the West, is attached as Exhibit 99.18 to Amendment No. 28 and is incorporated herein by reference.
- 99.14 Security Agreement, dated December 12, 2003, executed by Linda F. Rappaport in favor of Bank of the West, is attached as Exhibit 99.19 to Amendment No. 28 and is incorporated herein by reference.
- 99.15 Security Agreement, dated March 14, 2002, between the Bank of Union (the "Bank"), Golsen Petroleum Corporation, SBL corporation, Jack E. Golsen, Jack E. Golsen Trust, Sylvia H. Golsen, and Sylvia H. Golsen Trust (the "Pledgors"), is listed as Exhibit 99.17 of Amendment No. 29 to this Schedule 13D and is incorporated herein by reference.
- 99.16 Security Agreement, dated May 10, 2004, executed by the Linda F. Rappaport Trust in favor of Bank of the West.
- 99.17 Security Agreement, dated July 5, 2006, executed by the Sylvia H. Golsen Trust in favor of Bank of the West.
- 99.18 Commercial Pledge Agreement, dated April 12, 2006, executed by SBL Corporation in favor of The Bank of Union.
- 99.19 Agreement, dated November 10, 2006, between the Company and Kent C. McCarthy, Jayhawk Capital Management, L.L.C., Jayhawk Institutional Partners, L.P., and Jayhawk Investments, L.P.
- 99.20 10B5-1 Sales Plan, dated December 5, 2006, between Jack Golsen and Capital West Securities, Inc. (the "Broker") covering the sale of up to 25,000 shares of Company Common Stock. A substantially similar 10B5-1 Sales Plans was entered into on December 5, 2006, by Jack E. Golsen, Trustee of the Jack E. Golsen Revocable Trust covering the sale of up to 25,000 shares of Company Common Stock, a copy of which will be provided to the Commission upon request.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DATED: December 29, 2006.

/s/ Jack E. Golsen *
Jack E. Golsen

GOLSEN PETROLEUM CORPORATION

By: /s/ Jack E. Golsen *
Jack E. Golsen, President

/s/ Jack E. Golsen *
Barry H. Golsen

/s/ Jack E. Golsen *
Steven J. Golsen

/s/ Jack E. Golsen *
Linda Golsen Rappaport

*Executed by Jack E. Golsen pursuant to Power of Attorney

/s/ Sylvia H. Golsen *
Sylvia H. Golsen

SBL CORPORATION

By: /s/ Jack E. Golsen *
Jack E. Golsen, President

DEBTOR NAME AND ADDRESS	PLEDGOR NAME AND ADDRESS	LENDER NAME AND ADDRESS
SBL Corporation P.O. Box 705 Oklahoma City, OK 73101	Linda F. Rappaport 1992 Trust	The Bank Of The West Oklahoma City Branch 4801 Gaillardia Parkway, Suite 190 Oklahoma City, OK 73142

I. GRANT OF SECURITY INTEREST. For value received, the Undersigned whether one or more (hereinafter individually referred to as "Debtor" or "Pledgor" as their capacities are above set forth) hereby grants to Lender named above a security interest in the property described in Paragraph II, which property is hereinafter referred to collectively as "Collateral." This security interest is given to secure all the obligations of the Debtor and of the Pledgor to lender as more fully set forth in Paragraphs III and IV hereof. If the Collateral includes a certificate of deposit maintained with Lender, Lender may place a hold on such certificate(s) of deposit.

For purposes of this Agreement, any term used in the Uniform Commercial Code, as adopted and revised from time to time in the State of Oklahoma ("UCC"), and not defined in this Agreement has the meaning given to the term in the UCC. Debtor's location (if other than the address reflected above is in the state of _____).

II. COLLATERAL. The Collateral includes: (A) All specifically described Collateral; (B) All proceeds of Collateral; and (C) Other property as indicated below.

(A) SPECIFICALLY DESCRIBED COLLATERAL
See Attached Exhibit "A"

(B) ALL PROCEEDS of the specifically described Collateral regardless of kind, character or form (including, but not limited to, renewals, extensions, redeposits, reissues or any other changes in form of the rights represented thereby), together with any stock rights, rights to subscribe, liquidating dividends, stock dividends, dividends paid in stock or other property, new securities, or any other property to which Undersigned may hereafter become entitled to receive by reason of the specifically described Collateral; and in the event Undersigned receives any such property, Undersigned agrees immediately to deliver same to Lender to be held by Lender in the same manner as Collateral specifically described above.

(C) OTHER PROPERTY which shall be deemed Collateral shall include all dividends and interest paid in cash on the Collateral, provided, however, that Lender at its option may permit such dividends and/or interest to be received and retained by Undersigned, but provided further, that Lender may at any time terminate such permission. Collateral shall further include without limitation, all money, funds, or property owned by Undersigned which is now or which hereafter may be possessed or controlled by Lender whether by pledge, deposit or otherwise.

III. OBLIGATIONS SECURED BY THIS AGREEMENT. The security interest herein granted is given to secure all of the obligations of Debtor or Pledgor to Lender including: (a) The performance of all of the agreements, covenants and warranties of the Debtor or Pledgor as set forth in any agreement between Debtor or Pledgor and Lender; (b) All liabilities of Debtor or Pledgor to Lender of every kind and description including: (1) all future advances, (2) both direct and indirect liabilities, (3) liabilities due or to become due and whether absolute or contingent, and (4) liabilities now existing or hereafter arising and however evidenced; (c) All extensions and renewals of liabilities of Debtor or Pledgor to Lender for any term or terms to which Undersigned hereby consents; (d) All interest due or to become due on the liabilities of Debtor or Pledgor to Lender; (e) All expenditures by Lender involving the performance of or enforcement of any agreement, covenant or warranty provided for by this or any other agreement between the parties; and (f) All costs, attorney fees, and other expenditures of Lender in the collection and enforcement of any obligation or liability of Debtor or Pledgor to Lender and in the collection and enforcement of or realization upon any of the Collateral.

IV. FUTURE ADVANCES. It is specifically agreed that the obligations of Debtor and Pledgor secured by this Agreement include all future advances by Lender to Debtor as set forth in Paragraph III above.

V. ADDITIONAL PROVISIONS. The Undersigned agrees to the Additional Provisions set forth on page two hereof, the same being incorporated herein by reference.

RECEIPT FOR COLLATERAL	SIGNATURE(S)
By: <u>/s/ Charlie Smith</u> Charlie Smith, Loan Operator	By: <u>/s/ Heidi Brown Shear</u> Heidi Brown Shear, Trustee
Form 0406764 FCHAR12052000120235P	(C) Copyright 7/97 American Bank Systems

ADDITIONAL PROVISIONS

UNDERSIGNED EXPRESSLY WARRANTS, COVENANTS AND AGREES:

DEBTOR NAME AND ADDRESS

1. Financial Information. All loan applications, balance sheets, earnings statements, other financial information and other representations which have been or may hereafter be, furnished Lender to induce it to enter into or continue a financial transaction with Borrower fairly represent the financial condition of Borrower as of the date and for the period shown therein, and all other information, reports, documents, papers and data furnished to Lender are or shall be, at the time furnished, accurate and correct in all material respects and complete insofar as completeness may be necessary to give Lender a true and accurate knowledge of the subject matter. There has been no material change in the financial condition of Borrower since the effective date of the last furnished financial information which has not been reported to Lender in writing. (The provisions of this paragraph do not apply to Debtors who are different parties from Borrower.)

2. Furnishing of Information on Collateral. Undersigned will furnish Lender information adequate to identify with accuracy all Collateral in a form and substance and at times as may be requested by Lender. Undersigned will also upon request deliver to Lender true copies of purchase orders, shipping and delivery receipts and invoices evidencing and describing the Collateral. Debtor will execute such documents as Lender may from time to time require to enable Lender to perfect the security interest granted hereby and to receive proceeds of and distributions from or interests in the Collateral.

3. Adequacy of Collateral. After written notice of such fact and within the time specified in such notice, Debtor agrees to deliver to Lender additional collateral satisfactory to Lender, if Lender in its sole discretion determines that the Collateral is inadequate to secure the obligations of Borrower to Lender covered by this Agreement or the Lender deems itself otherwise insecure.

4. Debtor's Name and Location. Debtor's exact legal name is as set forth on the reverse side of this Agreement. If Debtor is an individual, Debtor's principal residence is at Debtor's address as set forth herein. If Debtor is an entity other than an individual, Debtor's location (i.e., place of business, chief executive office or state of organization, as the case may be) is in the state reflected for Debtor's address or as otherwise set forth on the reverse side of this Agreement. Until the Indebtedness is paid in full, Debtor agrees that it will not change its location (for example, its state of incorporation, or its legal name without providing Lender 30 days prior written notice.

5. Control. Debtor will cooperate with Lender in obtaining control with respect to Collateral consisting of: deposit accounts; investment property; letter-of-credit rights; electronic chattel paper.

6. Possession. Debtor shall have possession of the Collateral, except where expressly otherwise provided in this Agreement or where Lender chooses to perfect its security interest by possession in addition to the filing of a financing statement. Where Collateral is in the possession of a third party, Debtor will join with Lender in notifying the third party of Lender's security interest and obtaining an acknowledgement from the third party that it is holding the Collateral for the benefit of Lender.

7. Taxes. Undersigned shall promptly pay any and all taxes, assessments and license fees with respect to the Collateral or the use of the Collateral.

8. Sale, Lease or Disposition of Collateral Prohibited. Undersigned shall not sell, transfer, exchange, lease or otherwise dispose of the Collateral or any part thereof or the Undersigned's rights therein without first obtaining the prior written consent of Lender. The consent of Lender may be conditioned upon any requirements which lender deems to be for its protection; and, it is understood and agreed that such consent will not be deemed to be effective unless and until such requirements and conditions have been fulfilled.

9. Financing Statement. No Financing Statement covering Collateral is on file in any public office. Undersigned agrees to join with Lender in executing one or more Financing Statements, or other instrument of encumbrance, in form satisfactory to Lender, in order to perfect, or to continue perfection of, the security interest of Lender which may arise hereunder.

10. Adequate Insurance. Undersigned at own expense, if required by Lender, shall insure Collateral with companies acceptable to Lender against such casualties and in such amounts as prudent and adequate to protect Lender or as Lender shall require. All insurance policies shall be written for benefit of Undersigned and Lender as their interests appear and such policies or certified copies thereof evidencing same shall be furnished to Lender within ten days of date of this agreement. All policies of insurance shall provide for at least ten days prior written notice of cancellation to Lender. Lender may act as attorney for Undersigned in the procuring of insurance, in making, adjusting, and settling claims under or cancelling such insurance and in endorsing Undersigned's name on any drafts or checks drawn by insurers of Collateral.

EVENTS OF DEFAULT

Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions, herein called "Events of Default":

1. Any warranty, covenant, agreement, representation, financial information or statement made or furnished to Lender by or in behalf of Borrower or Debtor to induce Lender to enter into this Agreement, or in conjunction therewith, is violated or proves to have been false in any material respect when made or furnished.

2. Any payment required hereunder or under any note or obligation of Borrower or Debtor to this Lender or to others is not made when due or in accordance with terms of the applicable contract.

3. Borrower or Debtor defaults in the performance of any covenant, obligation, warranty or provision contained in any Loan Agreement or in any other note or obligation of Borrower or Debtor to Lender or to others.

4. The occurrence of any event or condition which results in acceleration of the maturity of any obligation of Borrower or Debtor to Lender to others under any note, indenture, agreement or undertaking.

5. Loss, theft, substantial damage to or destruction of Collateral.

6. The making of any levy against or seizure, garnishment or attachment of any Collateral, the consensual encumbrance thereof, or the sale, lease or other disposition of Collateral without the prior written consent of Lender as required elsewhere in this Agreement.

7. When the judgment of Lender the Collateral becomes unsatisfactory or insufficient in character or value, and upon request Borrower fails to provide additional Collateral as required by Lender.

8. Any time Lender in its sole discretion believes the prospect of payment or performance of any liability, covenant, warranty or obligation of Borrower or Debtor is impaired.

9. The death, dissolution, termination of existence or insolvency of Borrower or Debtor, the appointment of a receiver over any part of Borrower's or Debtor's property or any part of the Collateral, as assignment for the benefit of creditors or the commencement of any proceeding under any bankruptcy or insolvency law by or against Borrower or Debtor or any guarantor or surety for Borrower or Debtor.

REMEDIES

Upon the occurrence of an Event of Default, and at any time thereafter, Lender may at its option and without notice or demand to Borrower or Debtor except as otherwise provided by law, exercise any and all rights and remedies provided by the U.C.C., as well as all other rights and remedies possessed by Lender, including, but not limited to:

Borrower to Lender or apply it on or against any such liability. Lender may also demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, release or realize upon Collateral in its own name or in the name of the Debtor as Lender may determine.

1. Declare all liabilities secured hereby immediately due and payable, and/or proceed to enforce payment and performance of all liabilities secured hereby.
2. Require Debtor to assemble Collateral or evidence thereof and make it available to Lender at any place designated by Lender which is reasonably convenient to both parties.
3. Repossess the Collateral, and for the purpose Lender is hereby granted authority to enter into and upon any premises on which Collateral or any part may be situated, and remove it as a part of such repossession.
4. Possess all books and records evidencing or pertaining to the Collateral, and for this purpose Lender is hereby given authority to enter into and upon any premises at which such books and records or any part of them may be situated, and to remove them.
5. Apply that portion of the Collateral consisting of cash or cash equivalent items such as checks, drafts or deposited funds against any liabilities of Borrower selected by Lender, and for this purpose Debtor agrees that cash or equivalents will be considered identical to cash proceeds. Lender shall have the right immediately and without further action by it to set all against the liabilities secured hereby all money owed by Lender to Borrower, whether due or not due, and Lender shall be deemed to have exercised such right to set off and to have made a charge against such money at the time of any acceleration upon default even though such charges made are entered on the Lender's books subsequent thereto.
6. Transfer any of the Collateral or evidence thereof into its own name or that of a nominee and receive the proceeds therefrom and hold the same as security for the liabilities of

7. Sell or otherwise dispose of the Collateral. Unless Collateral in whole or part is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Borrower and Debtor reasonable notice, as required by law, of the time and place of any public sale, or of the time after which any private sale or other disposition is to be made. Any requirement of notice shall be met if notice is mailed, postage prepaid, to the address provided for herein at least ten days before sale or other disposition or action. Lender shall be entitled to, and Undersigned shall be liable for, all reasonable costs and expenditures incurred in realizing on its security interest, including without limitation, court costs, fees for replevin bonds, storage, repossession costs, repair and preparation costs for sale, selling costs and reasonable attorneys' fees as set forth in any promissory note. All such costs shall be secured by the Security interest in the Collateral covered herein.
8. Lender shall not be liable for failure to collect any account, enforce any contract right, or for any other act or omission on the part of Lender, its officers, agents or employees, except as the same constitutes a lack of good faith or failure to act in a commercially reasonable manner. Lender shall have acted in a commercially reasonable manner if its action or non-action is consistent with the general usage of lenders in the area of Lender's location at the time the action or non-action occurs, but this standard shall not constitute disapproval of any procedures which may be otherwise reasonable under the circumstances nor require Lender to take necessary steps to preserve rights against prior parties in an instrument or chattel paper.

GENERAL

1. Expenditures of Lender. At its option and after any written notice to Undersigned required by law, which Undersigned hereby agrees is sufficient if mailed, postage prepaid, to the address of Undersigned provided for herein at least ten days before the commencement of the performance of the duties specified therein, it is agreed Lender may discharge taxes, liens, security interests or other encumbrances on the Collateral and may pay for the repair of any damage to the Collateral, for the maintenance and preservation thereof and for insurance thereon. Undersigned shall be liable for and agrees to pay Lender for all expenditures of Lender for taxes on Collateral, for the discharge of liens, security interests or other encumbrances on the Collateral, for the repair of any damage to Collateral, and for all costs, attorneys' fees and other disbursements of Lender in connection with the foregoing. Undersigned agrees promptly to reimburse Lender for all such expenditures and until such reimbursement the amounts of such expenditures shall be considered a liability of Undersigned to Lender which is secured by this Agreement. In addition, Undersigned shall be liable for and agrees to pay Lender for all costs, attorneys' fees and other disbursements of Lender as allowed by law or provided for herein in the enforcement or collection of any note, warranty or liability of Undersigned to Lender, or in the realization upon or the enforcement or collection of any account receivable, contract right, promissory note, chattel paper, instrument, document or other Collateral in which Lender has a security interest. Undersigned agrees to reimburse Lender for all such expenditures, and until such reimbursement the amount of such expenditures shall be considered a liability of Undersigned to lender which is secured by this Agreement.
2. Right of Offset. Any property, tangible or intangible of Undersigned in possession of Lender at any time during the term hereof, or any indebtedness due from Lender to Undersigned and any deposit or credit balances due from Lender to Undersigned, or any of the foregoing of any party hereto, is pledged to secure payments hereof and may at any time while the whole or any part of Undersigned's indebtedness to Lender remains unpaid, whether before or after maturity thereof, be appropriated, held or applied toward the payment of any obligation of Undersigned to Lender.
3. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Oklahoma, except to the extent that the UCC provides for application of the law where the Debtor or the collateral is located (if other than Oklahoma) as the case may be.

4. Waivers. No act, delay or omission, including Lender's waiver of remedy because of any default hereunder, shall constitute a waiver of any of the Lender's rights and remedies under this agreement between the parties. All rights and remedies of Lender are cumulative and may be exercised singularly or concurrently, and the exercise of any one or more remedy will not be a waiver of any other. No waiver, change, modification or discharge of any of Lender's rights or of Undersigned's duties as so specified or allowed will be effective unless in writing and signed by a duly authorized officer of Lender, and any such waiver will not be a bar to the exercise of any right or remedy on any subsequent default, Undersigned hereby waives: (a) all demands and notices of any action taken by Lender under this Agreement or any other agreement between the parties or in connection with any notes; (b) any indulgence Agreement or any other of Lender; and (c) any substitution for, exchange of, or release of all or any part of the Collateral or of other collateral securing obligations of Borrower to Lender. Undersigned also consents to the addition or release of person liable on any obligation of Borrower to Lender.
5. Agreement Binding on Assigns. This Agreement shall insure to the benefit of the successors and assigns of Lender and shall be binding upon the heirs, executors, administrators, successors and assigns of Undersigned.
6. Rights of Lender Assignable. Lender at any time and at its option may pledge, transfer or assign its rights under this Agreement in whole or in part, and any pledge, transferee or assignee shall have all the rights of Lender as to the rights or parts thereof so pledged, transferred or assigned. The rights of the Undersigned hereunder may not be assigned.
7. Joint and Several Responsibility of Debtor. If more than one Undersigned executes this Agreement, their responsibility hereunder shall be joint and several and the reference to Undersigned herein shall be deemed to refer to each Undersigned signing this Agreement.
8. Severability of Provisions. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.
9. Copies. A carbon, photographic, or other reproduction of this Security Agreement or of any financing statement prepared or filed with respect hereto is sufficient as a financing statement.
10. Notice of Name Change, etc. Undersigned will immediately notify Lender of any change in his, her, or their name, identity, or organizational or corporate structure.

EXHIBIT "A"

Cert. #OKS11992	3,600	shares	February 10, 2004
Cert. #OKS11228	4,000	shares	December 20, 1996
Cert. #OKS7683	3,000	shares	December 28, 1994
Cert. #OKS3440	28,570	shares	December 31, 1992
Cert. #OKS3509	1,425	shares	December 31, 1992
Cert. #OKS3510	1,425	shares	December 31, 1992
Cert. #OKS3511	28,570	shares	December 31, 1992
Cert. #OKS3527	1,425	shares	December 31, 1992
Cert. #OKS3539	1,425	shares	December 31, 1992
Cert. #OKS10860	5,000	shares	December 16, 1995
Cert. #OKS11460	5,000	shares	December 31, 1975
Cert. #OKS12022	3,600	shares	April 22, 2004
	<hr/>		
Total	87,040		

DEBTOR NAME AND ADDRESS	PLEDGOR NAME AND ADDRESS	LENDER NAME AND ADDRESS
SBL Corporation 16 South Pennsylvania Oklahoma City, OK 73101	Sylvia H. Golsen Trust 01/08/1993	The Bank Of The West Oklahoma City Branch 4801 Gaillardia Parkway, Suite 190 Oklahoma City, OK 73142

I. GRANT OF SECURITY INTEREST. For value received, the Undersigned whether one or more (hereinafter individually referred to as "Debtor" or "Pledgor" as their capacities are above set forth) hereby grants to Lender named above a security interest in the property described in Paragraph II, which property is hereinafter referred to collectively as "Collateral." This security interest is given to secure all the obligations of the Debtor and of the Pledgor to lender as more fully set forth in Paragraphs III and IV hereof. If the Collateral includes a certificate of deposit maintained with Lender, Lender may place a hold on such certificate(s) of deposit.

For purposes of this Agreement, any term used in the Uniform Commercial Code, as adopted and revised from time to time in the State of Oklahoma ("UCC"), and not defined in this Agreement has the meaning given to the term in the UCC. Debtor's location (if other than the address reflected above is in the state of _____).

II. COLLATERAL. The Collateral includes: (A) All specifically described Collateral; (B) All proceeds of Collateral; and (C) Other property as indicated below.

- (A) **SPECIFICALLY DESCRIBED COLLATERAL**
370,000 share(s) of LSB Industries, Inc. common stock evidenced by certificate numbers SEE EXHIBIT "A".
- (B) ALL PROCEEDS of the specifically described Collateral regardless of kind, character or form (including, but not limited to, renewals, extensions, redeposits, reissues or any other changes in form of the rights represented thereby), together with any stock rights, rights to subscribe, liquidating dividends, stock dividends, dividends paid in stock or other property, new securities, or any other property to which Undersigned may hereafter become entitled to receive by reason of the specifically described Collateral; and in the event Undersigned receives any such property, Undersigned agrees immediately to deliver same to Lender to be held by Lender in the same manner as Collateral specifically described above.
- (C) OTHER PROPERTY which shall be deemed Collateral shall include all dividends and interest paid in cash on the Collateral, provided, however, that Lender at its option may permit such dividends and/or interest to be received and retained by Undersigned, but provided further, that Lender may at any time terminate such permission. Collateral shall further include without limitation, all money, funds, or property owned by Undersigned which is now or which hereafter may be possessed or controlled by Lender whether by pledge, deposit or otherwise.

III. OBLIGATIONS SECURED BY THIS AGREEMENT. The security interest herein granted is given to secure all of the obligations of Debtor or Pledgor to Lender including: (a) The performance of all of the agreements, covenants and warranties of the Debtor or Pledgor as set forth in any agreement between Debtor or Pledgor and Lender; (b) All liabilities of Debtor or Pledgor to Lender of every kind and description including: (1) all future advances, (2) both direct and indirect liabilities, (3) liabilities due or to become due and whether absolute or contingent, and (4) liabilities now existing or hereafter arising and however evidenced; (c) All extensions and renewals of liabilities of Debtor or Pledgor to Lender for any term or terms to which Undersigned hereby consents; (d) All interest due or to become due on the liabilities of Debtor or Pledgor to Lender; (e) All expenditures by Lender involving the performance of or enforcement of any agreement, covenant or warranty provided for by this or any other agreement between the parties; and (f) All costs, attorney fees, and other expenditures of Lender in the collection and enforcement of any obligation or liability of Debtor or Pledgor to Lender and in the collection and enforcement of or realization upon any of the Collateral.

IV. FUTURE ADVANCES. It is specifically agreed that the obligations of Debtor and Pledgor secured by this Agreement include all future advances by Lender to Debtor as set forth in Paragraph III above.

V. ADDITIONAL PROVISIONS. The Undersigned agrees to the Additional Provisions set forth on page two hereof, the same being incorporated herein by reference.

RECEIPT FOR COLLATERAL**SIGNATURE(S)**

By: /s/ Charlie Smith
Charlie Smith, Loan Operator

By: /s/ Sylvia H. Golsen
Sylvia H. Golsen, Trustee of Sylvia H. Golsen 01/08/1993 Trust

ADDITIONAL PROVISIONS

UNDERSIGNED EXPRESSLY WARRANTS, COVENANTS AND AGREES:

DEBTOR NAME AND ADDRESS

1. Financial Information. All loan applications, balance sheets, earnings statements, other financial information and other representations which have been or may hereafter be, furnished Lender to induce it to enter into or continue a financial transaction with Borrower fairly represent the financial condition of Borrower as of the date and for the period shown therein, and all other information, reports, documents, papers and data furnished to Lender are or shall be, at the time furnished, accurate and correct in all material respects and complete insofar as completeness may be necessary to give Lender a true and accurate knowledge of the subject matter. There has been no material change in the financial condition of Borrower since the effective date of the last furnished financial information which has not been reported to Lender in writing. (The provisions of this paragraph do not apply to Debtors who are different parties from Borrower.)
2. Furnishing of Information on Collateral. Undersigned will furnish Lender information adequate to identify with accuracy all Collateral in a form and substance and at times as may be requested by Lender. Undersigned will also upon request deliver to Lender true copies of purchase orders, shipping and delivery receipts and invoices evidencing and describing the Collateral. Debtor will execute such documents as Lender may from time to time require to enable Lender to perfect the security interest granted hereby and to receive proceeds of and distributions from or interests in the Collateral.
3. Adequacy of Collateral. After written notice of such fact and within the time specified in such notice, Debtor agrees to deliver to Lender additional collateral satisfactory to Lender, if Lender in its sole discretion determines that the Collateral is inadequate to secure the obligations of Borrower to Lender covered by this Agreement or the Lender deems itself otherwise insecure.
4. Debtor's Name and Location. Debtor's exact legal name is as set forth on the reverse side of this Agreement. If Debtor is an individual, Debtor's principal residence is at Debtor's address as set forth herein. If Debtor is an entity other than an individual, Debtor's location (i.e., place of business, chief executive office or state of organization, as the case may be) is in the state reflected for Debtor's address or as otherwise set forth on the reverse side of this Agreement. Until the Indebtedness is paid in full, Debtor agrees that it will not change its location (for example, its state of incorporation, or its legal name without providing Lender 30 days prior written notice.

5. Control. Debtor will cooperate with Lender in obtaining control with respect to Collateral consisting of: deposit accounts; investment property; letter-of-credit rights; electronic chattel paper.
6. Possession. Debtor shall have possession of the Collateral, except where expressly otherwise provided in this Agreement or where Lender chooses to perfect its security interest by possession in addition to the filing of a financing statement. Where Collateral is in the possession of a third party, Debtor will join with Lender in notifying the third party of Lender's security interest and obtaining an acknowledgement from the third party that it is holding the Collateral for the benefit of Lender.
7. Taxes. Undersigned shall promptly pay any and all taxes, assessments and license fees with respect to the Collateral or the use of the Collateral.
8. Sale, Lease or Disposition of Collateral Prohibited. Undersigned shall not sell, transfer, exchange, lease or otherwise dispose of the Collateral or any part thereof or the Undersigned's rights therein without first obtaining the prior written consent of Lender. The consent of Lender may be conditioned upon any requirements which lender deems to be for its protection; and, it is understood and agreed that such consent will not be deemed to be effective unless and until such requirements and conditions have been fulfilled.
9. Financing Statement. No Financing Statement covering Collateral is on file in any public office. Undersigned agrees to join with Lender in executing one or more Financing Statements, or other instrument of encumbrance, in form satisfactory to Lender, in order to perfect, or to continue perfection of, the security interest of Lender which may arise hereunder.
10. Adequate Insurance. Undersigned at own expense, if required by Lender, shall insure Collateral with companies acceptable to Lender against such casualties and in such amounts as prudent and adequate to protect Lender or as Lender shall require. All insurance policies shall be written for benefit of Undersigned and Lender as their interests appear and such policies or certified copies thereof evidencing same shall be furnished to Lender within ten days of date of this agreement. All policies of insurance shall provide for at least ten days prior written notice of cancellation to Lender. Lender may act as attorney for Undersigned in the procuring of insurance, in making, adjusting, and settling claims under or cancelling such insurance and in endorsing Undersigned's name on any drafts or checks drawn by insurers of Collateral.

EVENTS OF DEFAULT

Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions, herein called "Events of Default":

- 1. Any warranty, covenant, agreement, representation, financial information or statement made or furnished to Lender by or in behalf of Borrower or Debtor to induce Lender to enter into this Agreement, or in conjunction therewith, is violated or proves to have been false in any material respect when made or furnished.
2. Any payment required hereunder or under any note or obligation of Borrower or Debtor to this Lender or to others is not made when due or in accordance with terms of the applicable contract.
3. Borrower or Debtor defaults in the performance of any covenant, obligation, warranty or provision contained in any Loan Agreement or in any other note or obligation of Borrower or Debtor to Lender or to others.
4. The occurrence of any event or condition which results in acceleration of the maturity of any obligation of Borrower or Debtor to Lender under any note, indenture, agreement or undertaking.

- 5. Loss, theft, substantial damage to or destruction of Collateral.
6. The making of any levy against or seizure, garnishment or attachment of any Collateral, the consensual encumbrance thereof, or the sale, lease or other disposition of Collateral without the prior written consent of Lender as required elsewhere in this Agreement.
7. When the judgment of Lender the Collateral becomes unsatisfactory or insufficient in character or value, and upon request Borrower fails to provide additional Collateral as required by Lender.
8. Any time Lender in its sole discretion believes the prospect of payment or performance of any liability, covenant, warranty or obligation of Borrower or Debtor is impaired.
9. The death, dissolution, termination of existence or insolvency of Borrower or Debtor, the appointment of a receiver over any part of Borrower's or Debtor's property or any part of the Collateral, as assignment for the benefit of creditors or the commencement of any proceeding under any bankruptcy or insolvency law by or against Borrower or Debtor or any guarantor or surety for Borrower or Debtor.

REMEDIES

Upon the occurrence of an Event of Default, and at any time thereafter, Lender may at its option and without notice or demand to Borrower or Debtor except as otherwise provided by law, exercise any and all rights and remedies provided by the U.C.C., as well as all other rights and remedies possesses by Lender, including, but not limited to:

- 1. Declare all liabilities secured hereby immediately due and payable, and/or proceed to enforce payment and performance of all liabilities secured hereby.
2. Require Debtor to assemble Collateral or evidence thereof and make it available to Lender at any place designated by Lender which is reasonably convenient to both parties.
3. Repossess the Collateral, and for the purpose Lender is hereby granted authority to enter into and upon any premises on which Collateral or any part may be situated, and remove it as a part of such repossession.
4. Possess all books and records evidencing or pertaining to the Collateral, and for this purpose Lender is hereby given authority to enter into and upon any premises at which such books and records or any part of them may be situated, and to remove them.
5. Apply that portion of the Collateral consisting of cash or cash equivalent items such as checks, drafts or deposited funds against any liabilities of Borrower selected by Lender, and for this purpose Debtor agrees that cash or equivalents will be considered identical to cash proceeds. Lender shall have the right immediately and without further action by it to set all against the liabilities secured hereby all money owed by Lender to Borrower, whether due or not due, and Lender shall be deemed to have exercised such right to set off and to have made a charge against such money at the time of any acceleration upon default even though such charges made are entered on the Lender's books subsequent thereto.
6. Transfer any of the Collateral or evidence thereof into its own name or that of a nominee and receive the proceeds therefrom and hold the same as security for the liabilities of

Borrower to Lender or apply it on or against any such liability. Lender may also demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, release or realize upon Collateral in its own name or in the name of the Debtor as Lender may determine.

- 7. Sell or otherwise dispose of the Collateral. Unless Collateral in hole or part is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Borrower and Debtor reasonable notice, as required by law, of the time and place of any public sale, or of the time after which any private sale or other disposition is to be made. Any requirement of notice shall be met if notice is mailed, postage prepaid, to the address provided for herein at least ten days before sale or other disposition or action. Lender shall be entitled to, and Undersigned shall be liable for, all reasonable costs and expenditures incurred in realizing on its security interest, including without limitation, court costs, fees for replevin bonds, storage, repossession costs, repair and preparation costs for sale, selling costs and reasonable attorneys' fees as set forth in any promissory note. All such costs shall be secured by the Security interest in the Collateral covered herein.
8. Lender shall not be liable for failure to collect any account, enforce any contract right, or for any other act or omission on the part of Lender, its officers, agents or employees, except as the same constitutes a lack of good faith or failure to act in a commercially reasonable manner. Lender shall have acted in a commercially reasonable manner if its action or non-action is consistent with the general usage of lenders in the area of Lender's location at the time the action or non-action occurs, but this standard shall not constitute disapproval of any procedures which may be otherwise reasonable under the circumstances nor require Lender to take necessary steps to preserve rights against prior parties in an instrument or chattel paper.

GENERAL

- 1. Expenditures of Lender. At its option and after any written notice to Undersigned required by law, which Undersigned hereby agrees is sufficient if mailed, postage prepaid, to the address of Undersigned provided for herein at least ten days before the commencement of the performance of the duties specified therein, it is agreed Lender may discharge taxes, liens, security interests or other encumbrances on the Collateral and may pay for the repair of any damage to the Collateral, for the maintenance and preservation thereof and for insurance thereon. Undersigned shall be liable for and agrees to pay Lender for all expenditures of Lender for taxes on Collateral, for the discharge of liens, security interests or other encumbrances on the Collateral, for the repair of any damage to Collateral, and for all costs, attorneys' fees and other disbursements of Lender in connection with the foregoing. Undersigned agrees promptly to reimburse Lender for all such expenditures and until such reimbursement the amounts of such expenditures shall be considered a liability of Undersigned to Lender which is secured by this Agreement. In addition, Undersigned shall be liable for and agrees to pay Lender for all costs, attorneys' fees and other disbursements of Lender as allowed by law or provided for herein in the enforcement or collection of any note, warranty or liability of Undersigned to Lender, or in the realization upon or the enforcement or collection of any account receivable, contract right, promissory note, chattel paper, instrument, document or other Collateral in which Lender has a security interest. Undersigned agrees to reimburse Lender for all such expenditures, and until such reimbursement the amount of such expenditures shall be considered a liability of Undersigned to lender which is secured by this Agreement.
2. Right of Offset. Any property, tangible or intangible of Undersigned in possession of Lender at any time during the term hereof, or any indebtedness due from Lender to Undersigned and any deposit or credit balances due from Lender to Undersigned, or any of the foregoing of any party hereto, is pledged to secure payments hereof and may at any time while the whole or any part of Undersigned's indebtedness to Lender remains unpaid, whether before or after maturity thereof, be appropriated, held or applied toward the payment of any obligation of Undersigned to Lender.
3. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Oklahoma, except to the extent that the UCC provides for application of the law where the Debtor or the collateral is located (if other than Oklahoma) as the case may be.

- 4. Waivers. No act, delay or omission, including Lender's waiver of remedy because of any default hereunder, shall constitute a waiver of any of the Lender's rights and remedies under this agreement between the parties. All rights and remedies of Lender are cumulative and may be exercised singularly or concurrently, and the exercise of any one or more remedy will not be a waiver of any other. No waiver, change, modification or discharge of any of Lender's rights or of Undersigned's duties as so specified or allowed will be effective unless in writing and signed by a duly authorized officer of Lender, and any such waiver will not be a bar to the exercise of any right or remedy on any subsequent default. Undersigned hereby waives: (a) all demands and notices of any action taken by Lender under this Agreement or any other agreement between the parties or in connection with any notes; (b) any indulgence Agreement or any other of Lender; and (c) any substitution for, exchange of, or release of all or any part of the Collateral or of other collateral securing obligations of Borrower to Lender. Undersigned also consents to the addition or release of person liable on any obligation of Borrower to Lender.
5. Agreement Binding on Assigns. This Agreement shall insure to the benefit of the successors and assigns of Lender and shall be binding upon the heirs, executors, administrators, successors and assigns of Undersigned.
6. Rights of Lender Assignable. Lender at any time and at its option may pledge, transfer or assign its rights under this Agreement in whole or in part, and any pledge, transferee or assignee shall have all the rights of Lender as to the rights or parts thereof so pledged, transferred or assigned. The rights of the Undersigned hereunder may not be assigned.
7. Joint and Several Responsibility of Debtor. If more than one Undersigned executes this Agreement, their responsibility hereunder shall be joint and several and the reference to Undersigned herein shall be deemed to refer to each Undersigned signing this Agreement.
8. Severability of Provisions. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.
9. Copies. A carbon, photographic, or other reproduction of this Security Agreement or of any financing statement prepared or filed with respect hereto is sufficient as a financing statement.
10. Notice of Name Change, etc. Undersigned will immediately notify Lender of any change in his, her, or their name, identity, or organizational or corporate structure.

EXHIBIT "A"

L.S.B. Industries Common Stock Pledged

Cusip # 502160 10.4

Sylvia H. Golsen Trust 1/08/93 Note #80535 SBL Corp.

Table with 2 columns: Certificate Numbers and # shares. Rows include OKS 4029 (10,000), OKS 4030 (10,000), OKS 4031 (10,000), OKS 4032 (10,000), OKS 4033 (10,000), and OKS 4034 (10,000).

OKS 4035	10,000
OKS 4036	10,000
OKS 4037	10,000
OKS 4038	10,000
OKS 4039	10,000
OKS 4040	10,000
OKS 4041	10,000
OKS 4042	10,000
OKS 4043	10,000
OKS 4044	10,000
OKS 4045	10,000
OKS 4046	10,000
OKS 4047	10,000
OKS 4048	10,000
OKS 4049	10,000
OKS 4050	10,000
OKS 4051	10,000
OKS 4052	10,000
OKS 4053	10,000
OKS 4054	10,000
OKS 4055	10,000
OKS 4056	10,000
OKS 4057	10,000
OKS 4058	10,000
OKS 4059	10,000
OKS 4060	10,000
OKS 11116	20,000
OKS 11117	20,000
OKS 11120	10,000

TOTAL	370,000
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COMMERCIAL PLEDGE AGREEMENT

Principal	Loan date	Maturity	Loan No.	Call/CoB	Account	Officer	Initials
\$2,800,327.00	04-12-2006	04-17-2009	89528		730738754	DDC	
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing **** has been omitted due to text length limitations.							

Borrower: First Industries Capital Corporation
(TIN: 73-0738754)
P.O. Box 705
Oklahoma City, OK 73101

Lender: THE BANK OF UNION
THE BANK OF UNION, EL RENO
2 000 S. COUNTRY CLUB RD.
P.O. BOX 1010
EL RENO, OK 73036
(405) 262-6577

Grantor: SBL Corporation
(TIN: 73-1477865)
16 S. Pennsylvania
Oklahoma City, OK 73101

THIS COMMERCIAL PLEDGE AGREEMENT dated April 12, 2006, is made and executed among SBL Corporation ("Grantor"); First Industries Capital Corporation ("Borrower"); and THE BANK OF UNION ("Lender").

GRANT OF SECURITY INTEREST: For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the Indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means Grantor's present and future rights, title and interest in and to, together with any and all present and future additions thereto, substitutions therefore, and replacements thereof, together with any and all present and future certificates and/or instruments evidencing any Stock and further together with all Income and Proceeds as described herein:

- 20,000 Shares of SBL Corporation Stock, Cusip No. 10763
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10764
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10765
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10766
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10767
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10768
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10769
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10770
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10771
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10772
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10773
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10774
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10775
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10776
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10777
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10778
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10779
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10780
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10781
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10782
- 20,000 Shares of SBL Corporation Stock, Cusip No. 10783

CROSS-COLLATERALIZATION. In addition to the Note, this Agreement secures all obligations, debts and liabilities, plus interest thereon, of either Grantor or Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower and Grantor or any one or more of them, owed to Lender, whether of a like nature to the Note Indebtedness or not, whether arising from a loan or a purchased obligation, whether incurred for a consumer or a business purpose, whether now existing or hereafter arising, whether related to unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Borrower or Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

BORROWER'S WAIVERS AND RESPONSIBILITIES. Except as otherwise required under this Agreement or by applicable law, (A) Borrower agrees that Lender need not tell Borrower about any action or inaction Lender takes in connection with this Agreement; (B) Borrower assumes the responsibility for being and keeping informed about the Collateral; and (C) Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Collateral or any delay by Lender in realizing upon the Collateral; and Borrower agrees to remain liable under the Note no matter what action Lender takes or fails to take under this Agreement.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (A) this Agreement is executed at Borrower's request and not at the request of Lender; (B) Grantor has the full right, power and authority to enter into this Agreement and to pledge the Collateral to Lender; (C) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (D) Lender has made no representation to Grantor about Borrower or Borrower's creditworthiness.

GRANTOR'S WAIVERS. Grantor waives all requirements of presentment, protest, demand, and notice of dishonor or non-payment to Borrower or Grantor, or any other party to the Indebtedness or the Collateral. Lender may do any of the following with respect to any obligation of any Borrower, without first obtaining the consent of Grantor: (A) grant any extension of time for any payment, (B) grant any renewal, (C) permit any modification of payment terms or other terms, or (D) exchange or release any Collateral or other security. No such act or failure to act shall affect Lender's rights against Grantor or the Collateral.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts.

REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. Grantor represents and warrants to Lender that:

Ownership. Grantor is the lawful owner of the Collateral free and clear of all security interests, liens, encumbrances and claims of others except as disclosed to and accepted by Lender in writing prior to execution of this Agreement.

Authority; Binding Effect. Grantor has the full right, power and authority to enter into this Agreement and to grant a security interest in the Collateral to Lender. This Agreement is binding upon Grantor as well as Grantor's successors and assigns, and is legally enforceable in accordance with its terms. The foregoing representations and warranties, and all other representations and warranties contained in this Agreement are and shall be continuing in nature and shall remain in full force and effect until such time as this Agreement is terminated or cancelled as provided herein.

No Further Assignment. Grantor has not, and shall not, sell, assign, transfer, encumber or otherwise dispose of any of Grantor's rights in the Collateral except as provided in this Agreement.

No Defaults. There are no defaults existing under the Collateral, and there are no offsets or counterclaims to the same. Grantor will strictly and promptly perform each of the terms, conditions, covenants and agreements, if any, contained in the Collateral which are to be performed by Grantor.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute lien entry forms and documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. If Grantor changes Grantor's name or address, or the name or address of any person granting a security interest under this Agreement changes, Grantor will promptly notify the Lender of such change.

LENDER'S RIGHTS AND OBLIGATIONS WITH RESPECT TO THE COLLATERAL. Lender may hold the Collateral until all Indebtedness has been paid and satisfied. Thereafter Lender may deliver the Collateral to Grantor or to any other owner of the Collateral. Lender shall have the following rights in addition to all other rights Lender may have by law:

Maintenance and Protection of Collateral. Lender may, but shall not be obligated to, take such steps as it deems necessary or desirable to protect, maintain, insure, store, or care for the Collateral, including paying of any liens or claims against the Collateral. This may include such things as hiring other people, such as attorneys, appraisers or other experts. Lender may charge Grantor for any cost incurred in so doing. When applicable law provides more than one method of perfection of Lender's security interest, Lender may choose the method(s) to be used. If the Collateral consists of stock, bonds or other investment property for which no certificate has been issued, Grantor agrees, at Lender's request, either to request issuance of an appropriate certificate or to give instructions on Lender's forms to the issuer, transfer agent, mutual fund company, or broker, as the case may be, to record on its books or records Lender's security interest in the Collateral. Grantor also agrees to execute any additional documents, including but not limited to, a control agreement, necessary to perfect Lender's security interest as Lender may desire.

Income and Proceeds from the Collateral. Lender may receive all Income and Proceeds and add it to the Collateral. Grantor agrees to deliver to Lender immediately upon receipt, in the exact form received and without commingling with other property, all Income and Proceeds from the Collateral which may be received by, paid, or delivered to Grantor or for Grantor's account, whether as an addition to, in discharge of, in substitution of, or in exchange for any of the Collateral.

Application of Cash. At Lender's option, Lender may apply any cash, whether included in the Collateral or received as Income and Proceeds or through liquidation, sale, or retirement, of the Collateral, to the satisfaction of the Indebtedness or such portion thereof as Lender shall choose, whether or not matured.

Transactions with Others. Lender may (1) extend time for payment or other performance, (2) grant a renewal or change in terms or conditions, or (3) compromise, compound or release any obligation, with any one or more Obligors, endorsers, or Guarantors of the Indebtedness as Lender deems advisable, without obtaining the prior written consent of Grantor, and no such act or failure to act shall affect Lender's rights against Grantor or the Collateral.

All Collateral Secures Indebtedness. All Collateral shall be security for the Indebtedness, whether the Collateral is located at one or more offices or branches of Lender. This will be the case whether or not the office or branch where Grantor obtained Grantor's loan knows about the Collateral or relies upon the Collateral as security. In the event Grantor comes into the possession of any Collateral, Grantor will deliver it immediately to Lender.

Collection of Collateral. Lender at Lender's option may, but need not, collect the Income and Proceeds directly from the Obligors. Grantor authorizes and directs the Obligors, if Lender decides to collect the Income and Proceeds, to pay and deliver to Lender all Income and Proceeds from the Collateral and to accept Lender's receipt for the payments.

Power of Attorney. Grantor irrevocably appoints Lender as Grantor's attorney-in-fact, with full power of substitution, (a) to demand, collect, receive, receipt for, sue and recover all Income and Proceeds and other sums of money and other property which may now or hereafter become due, owing or payable from the Obligors in accordance with the terms of the Collateral; (b) to execute, sign and endorse any and all instruments, receipts, checks, drafts and warrants issued in payment for the Collateral; (c) to settle or compromise any and all claims arising under the Collateral, and in the place and stead of Grantor, execute and deliver Grantor's release and acquittance for Grantor; (d) to file any claim or claims or to take any action or institute or take part in any proceedings, either in Lender's own name or in the name of Grantor, or otherwise, which in the discretion of Lender may seem to be necessary or advisable; and (e) to execute in Grantor's name and to deliver to the Obligors on Grantor's behalf, at the time and in the manner specified by the Collateral, any necessary instruments or documents.

Protection of Security Interest. Upon Lender's request, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral. When applicable law provides more than one method of perfection of Lender's security interest, Lender may choose the method(s) to be used. Upon Lender's request, Grantor will sign and deliver any writings necessary to perfect Lender's security interest. If any of the Collateral consists of securities for which no certificate has been issued, Grantor agrees, at Lender's option, either to request issuance of an appropriate certificate or to execute appropriate instructions on Lender's forms instructing the issuer, transfer agent, mutual fund company, or broker, as the case may be, to record on its books or records, by book-entry or otherwise, Lender's security interest in the Collateral. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note or at the highest rate authorized by law, from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default. If Lender is required by law to give Grantor notice before or after Lender

makes an expenditure, Grantor agrees that notice sent by regular mail at least five (5) days before the expenditure is made or notice delivered two (2) days before the expenditure is made is sufficient, and that notice within sixty (60) days after the expenditure is made is reasonable.

LIMITATIONS ON OBLIGATIONS OF LENDER. Lender shall use ordinary reasonable care in the physical preservation and custody of the Collateral in Lender's possession, but shall have no other obligation to protect the Collateral or its value. In particular, but without limitation, Lender shall have no responsibility for (A) any depreciation in value of the Collateral or for the collection or protection of any Income and Proceeds from the Collateral, (B) preservation of rights against parties to the Collateral or against third persons, (C) ascertaining any maturities, calls, conversions, exchanges, offers, tenders, or similar matters relating to any of the Collateral, or (D) informing Grantor about any of the above, whether or not Lender has or is deemed to have knowledge of such matters. Except as provided above, Lender shall have no liability for depreciation or deterioration of the Collateral.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Borrower's or Grantor's existence as a going business, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceedings, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Borrower's or Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Declare all Indebtedness, including any prepayment penalty which Borrower would be required to pay, immediately due and payable, without notice of any kind to Borrower or Grantor.

Collect the Collateral. Collect any of the Collateral and, at Lender's option and to the extent permitted by applicable law, retain possession of the Collateral while suing on the Indebtedness.

Sell the Collateral. Sell the Collateral, at Lender's discretion, as a unit or in parcels, at one or more public or private sales. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender shall give or mail to Grantor, and other persons as required by law, notice at least ten (10)

days in advance of the time and place of any public sale, or of the time after which any private sale may be made. However, no notice need be provided to any person who, after an Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. Grantor agrees that any requirement of reasonable notice as to Grantor is satisfied if Lender mails notice by ordinary mail addressed to Grantor at the last address Grantor has given Lender in writing. If a public sale is held, there shall be sufficient compliance with all requirements of notice to the public by a single publication in any newspaper of general circulation in the county where the Collateral is located, setting forth the time and place of sale and a brief description of the property to be sold. Lender may be a purchaser at any public sale.

Sell Securities. Sell any securities included in the Collateral in a manner consistent with applicable federal and state securities laws. If, because of restrictions under such laws, Lender is unable, or believes Lender is unable, to sell the securities in an open market transaction, Grantor agrees that Lender will have no obligation to delay sale until the securities can be registered. Then Lender may make a private sale to one or more persons or to a restricted group of persons, even though such sale may result in a price that is less favorable than might be obtained in an open market transaction. Such a sale will be considered commercially reasonable. If any securities held as Collateral are "restricted securities" as defined in the Rules of the Securities and Exchange Commission (such as Regulation D or Rule 144) or the rules of state securities departments under state "Blue Sky" laws, or if Grantor or any other owner of the Collateral is an affiliate of the issuer of the securities. Grantor agrees that neither Grantor, nor any member of Grantor's family, nor any other person signing this Agreement will sell or dispose of any securities of such issuer without obtaining Lender's prior written consent.

Rights and Remedies with Respect to Investment Property, Financial Assets and Related Collateral. In addition to other rights and remedies granted under this Agreement and under applicable law, Lender may exercise any or all of the following rights and remedies: (1) register with any issuer or broker or other securities intermediary any of the Collateral consisting of investment property or financial assets (collectively herein, "investment property") in Lender's sole name or in the name of Lender's broker, agent or nominee; (2) cause any issuer, broker or other securities intermediary to deliver to Lender any of the Collateral consisting of securities, or investment property capable of being delivered; (3) enter into a control agreement or power of attorney with any issuer or securities intermediary with respect to any Collateral consisting of investment property, on such terms as Lender may deem appropriate, in its sole discretion, including without limitation, an agreement granting to Lender any of the rights provided hereunder without further notice to or consent by Grantor; (4) execute any such control agreement on Grantor's behalf and in Grantor's name, and hereby irrevocably appoints Lender as agent and attorney-in-fact, coupled with an interest, for the purpose of executing such control agreement on Grantor's behalf; (5) exercise any and all rights of Lender under any such control agreement or power of attorney; (6) exercise any voting, conversion, registration, purchase, option, or other rights with respect to any Collateral; (7) collect, with or without legal action, and issue receipts concerning any notes, checks, drafts, remittances or distributions that are paid or payable with respect to any Collateral consisting of investment property. Any control agreement entered with respect to any investment property shall contain the following provisions, at Lender's discretion. Lender shall be authorized to instruct the issuer, broker or other securities intermediary to take or to refrain from taking such actions with respect to the investment property as Lender may instruct, without further notice to or consent by Grantor. Such actions may include without limitation the issuance of entitlement orders, account instructions, general trading or buy or sell orders, transfer and redemption orders, and stop loss orders. Lender shall be further entitled to instruct the issuer, broker or securities intermediary to sell or to liquidate any investment property, or to pay the cash surrender or account termination value with respect to any and all investment property, and to deliver all such payments and liquidation proceeds to Lender. Any such control agreement shall contain such authorizations as are necessary to place Lender in "control" of such investment collateral, as contemplated under the provisions of the Uniform Commercial Code, and shall fully authorize Lender to issue "entitlement orders" concerning the transfer, redemption, liquidation or disposition of investment collateral, in conformance with the provisions of the Uniform Commercial Code.

Foreclosure. Maintain a judicial suit for foreclosure and sale of the Collateral.

Transfer Title. Effect transfer of title upon sale of all or part of the Collateral. For this purpose, Grantor irrevocably appoints Lender as Grantor's attorney-in-fact to execute endorsements, assignments and instruments in the name of Grantor and each of them (if more than one) as shall be necessary or reasonable.

Other Rights and Remedies. Have and exercise any or all of the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, at law, in equity, or otherwise.

Application of Proceeds. Apply any cash which is part of the Collateral, or which is received from the collection or sale of the Collateral, to reimbursement of any expenses, including any costs for registration of securities, commissions incurred in connection with a sale, attorneys' fees and court costs, whether or not there is a lawsuit and including any fees on appeal, incurred by Lender in connection with the collection and sale of such Collateral and to the payment of the Indebtedness of Borrower to Lender, with any excess funds to be paid to Grantor as the interests of Grantor may appear. Borrower agrees, to the extent permitted by law, to pay any deficiency after application of the proceeds of the Collateral to the Indebtedness.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement.

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. All prior and contemporaneous representations and discussions concerning such matters either are included in this document or do not constitute an aspect of the agreement of the parties. Except as may be specifically set forth in this Agreement, no conditions precedent or subsequent, of any kind whatsoever, exist with respect to Grantor's obligations under this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's cost and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Oklahoma.

Joint and Several Liability. All obligations of Borrower and Grantor under this Agreement shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Borrower and Grantor signing below is responsible for all obligations in this Agreement. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Agreement.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. To the extent permitted by applicable law, any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. To the extent permitted by applicable law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstances. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Commercial Pledge Agreement, as this Commercial Pledge Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Pledge Agreement from time to time.

Borrower. The word "Borrower" means First Industries Capital Corporation and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Default. The word "Default" means the Default set forth in this Agreement in the section titled "Default".

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means SBL Corporation.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Income and Proceeds. The words "Income and Proceeds" mean all present and future income, proceeds, earnings, increases, and substitutions from or for the Collateral of every kind and nature, including without limitation all payments, interest, profits, distributions, benefits, rights, options, warrants, dividends, stock dividends, stock splits, stock rights, regulatory dividends, subscriptions, monies, claims for money due and to become due, proceeds of any insurance on the Collateral, shares of stock of different par value or no par value issued in substitution or exchange for shares included in the Collateral, and all other property Grantor is entitled to receive on account of such Collateral, including accounts, documents, instruments, chattel paper, and general intangibles.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Agreement.

Lender. The word "Lender" means THE BANK OF UNION, its successors and assigns.

Note. The word "Note" means the Note executed by First Industries Capital Corporation in the principal amount of \$2,800,327.00 dated April 12, 2006, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Obligor. The word "Obligor" means without limitation any and all persons obligated to pay money or to perform some other act under the Collateral.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

BORROWER AND GRANTOR HAVE READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL PLEDGE AGREEMENT AND AGREE TO ITS TERMS. THIS AGREEMENT IS DATED APRIL 12, 2006.

GRANTOR:

SBL CORPORATION

By: /s/ Jack E. Golsen
JACK E. GOLSEN, President of SBL Corporation

BORROWER:

FIRST INDUSTRIES CAPITAL CORPORATION

By: /s/ Jack E. Golsen
JACK E. GOLSEN, President of First Industries
Capital Corporation

LENDER:

THE BANK OF UNION

By: /s/ Dustin Curtis
DUSTIN CURTIS, Asst. Vice President

AGREEMENT

This AGREEMENT (the "Agreement") is dated this November 10, 2006, by and among LSB INDUSTRIES, INC., a Delaware corporation (the "Company"), KENT C. MCCARTHY, an individual ("McCarthy"), JAYHAWK CAPITAL MANAGEMENT, L.L.C., a Delaware limited liability company ("Jayhawk"), JAYHAWK INSTITUTIONAL PARTNERS, L.P., a Delaware limited partnership ("Jayhawk Institutional"), and JAYHAWK INVESTMENTS, L.P., a Delaware limited partnership ("Jayhawk Investments"). McCarthy, Jayhawk, Jayhawk Institutional, and Jayhawk Investments are collectively referred to as the "Jayhawk Group."

WITNESSETH:

WHEREAS, the Company's outstanding \$3.25 Convertible Exchangeable Class C Preferred Stock, Series 2 (the "Series 2 Preferred"), is registered with the Securities and Exchange Commission under the Form S-2 Registration Statement No. 33-61640, effective May 19, 1993;

WHEREAS, Jayhawk Capital, as the investment advisor and manager of Jayhawk Institutional and the investment advisor and general partner of Jayhawk Investments, is deemed to beneficially own the securities held by Jayhawk Institutional and Jayhawk Investments;

WHEREAS, McCarthy, as the manager and sole member of Jayhawk Capital, has sole voting and dispositive power over the Series 2 Preferred owned by Jayhawk Capital, Jayhawk Institutional and Jayhawk Investments;

WHEREAS, the Jayhawk Group is the record and beneficial owner of 340,900 shares of Series 2 Preferred, which shares of Series 2 Preferred are owned of record by the members of the Jayhawk Group, as set forth in the table below:

<u>Record Owner</u>	<u>Shares of Series 2 Preferred</u>
Kent C. McCarthy	23,800
Jayhawk Institutional Partners, L.P.	171,390
Jayhawk Investments, L.P.	145,710
Total	340,900

WHEREAS, the Jayhawk Group is the record and beneficial owner of 2,837,956 shares of LSB common stock, which includes 1,124,700 shares of common stock, 1,475,756 shares of common stock receivable upon conversion of the 340,900 shares of Series 2 Preferred, 112,500 shares of common stock that may be acquired upon exercise of warrants, and 125,000 shares of common stock that may be acquired upon conversion of \$1 million principal amount of the 7% Convertible Senior Subordinated Debentures due 2011 shares of common stock;

WHEREAS, as of September 30, 2006, the amount of accrued and unpaid dividends on the 340,900 shares of Series 2 Preferred was \$23.2625 per share, resulting in accrued and unpaid dividends on the shares of Series 2 Preferred owned by the Jayhawk Group;

WHEREAS, McCarthy individually, and on behalf of the Jayhawk Group, contacted the Company and solicited the Company to exchange either directly or as a part of a tender offer by the Company of its Series 2 Preferred, a portion of the shares of the Series 2 Preferred owned by the Jayhawk Group for shares of the Company's common stock, par value \$.10 per share, based on an exchange rate of 7.4 shares of the common stock for each share of Series 2 Preferred surrendered to the Company, and to waive all right, title and interest that the Jayhawk Group may have in and to any and all accrued and unpaid dividends on the Series 2 Preferred so tendered or exchanged;

WHEREAS, the Company and the Jayhawk Group desire to amend the Certificate of Designations, filed with the Delaware Secretary of State of the State of Delaware on May 21, 1993 (the "Certificate of Designations") that is included in the Company's Amended and Restated Certificate of Incorporation, filed with the Delaware Secretary of State of the State of Delaware on September 2, 1987, as amended prior to the date hereof (including the Certificate of Designations, the "Charter"), which sets forth the rights, preferences and designations of the Series 2 Preferred to (a) allow the Company to purchase, redeem or otherwise acquire shares of its common stock without the approval of the holders of the Series 2 Preferred, notwithstanding that accrued and unpaid dividends may exist with respect to the Series 2 Preferred, and (b) provide that the existing right of the holders of Series 2 Preferred to elect two directors to the Company's Board of Directors when dividends on the Series 2 Preferred are unpaid may be exercised only if and so long as at least 140,000 shares of Series 2 Preferred remain issued and outstanding; and

WHEREAS, if the Company undertakes, within one (1) year from the date of this Agreement, a tender offer for all of the issued and outstanding Series 2 Preferred, with the consideration to be paid to the holders of Series 2 Preferred that the tender shares of Series 2 Preferred to be 7.4 shares of the common stock for each share of Series 2 Preferred tendered, and, in the event of such tender offer, the Jayhawk Group agrees to tender only 180,450 shares of Series 2 Preferred that it beneficially owns in connection with such tender offer (which constitutes 0.5293341 percent of the Series 2 Preferred beneficially owned by the Jayhawk Group); provided that the Jayhawk Group acknowledge and agree that the Company, as of the date of this Agreement, has not determined to undertake any tender offer for the Series 2 Preferred;

NOW, THEREFORE, in consideration of the terms and conditions contained herein, the Company and the Holder hereby agree as follows:

1. Amendment to Charter. Each member of the Jayhawk Group hereby agrees, whether by written consent or at a meeting of the Company's shareholders held by such purpose, to vote and issue its consent with respect to all of the shares of common stock and Series 2 Preferred beneficially owned by the Jayhawk Group "for" and in favor of the adoption and approval to amend the Certificate of Designations included in the Charter, substantially as follows (collectively, the "Amendments"):

- (a) For a period of five (5) years from the date of completion of the exchange or tender, whichever is applicable, to allow LSB to purchase, redeem or otherwise acquire shares of its common stock (including without limitation, pursuant to the cashless exercise of Company options) without the approval of the holders of the Series 2 Preferred, notwithstanding that accrued and unpaid dividends may exist with respect to the Series 2 Preferred, and
- (b) to provide that the existing right of the Series 2 Preferred to elect two directors to the Company's Board of Directors when dividends are unpaid on the Series 2 Preferred will be effective only if and so long as at least 140,000 shares of Series 2 Preferred remain issued and outstanding.

Each member of the Jayhawk Group agrees to (y) execute a written consent as a holder of Series 2 Preferred and common stock in accordance with the Delaware General Corporation Law, approving the adoption of the Amendments and (z) to vote "for" and in favor of the adoption and approval of the Amendments if the Company determines to hold a meeting of the holders of the Series 2 Preferred and/or the common stock to vote upon the Amendments.

2. Exchange/Tender Offer. If the Company undertakes, in its sole discretion, within one (1) year from the date of this Agreement, (a) a tender offer for its issued and outstanding shares of Series 2 Preferred or (b) to issue shares of its common stock for a portion of the Series 2 Preferred owned by the Jayhawk Group pursuant to a private exchange, each member of the Jayhawk Group, jointly and severally, agrees to tender or exchange, as applicable, an aggregate total of only 180,450 shares of Series 2 Preferred beneficially owned by the Jayhawk Group pursuant to the terms of the tender offer or exchange, whichever is undertaken by the Company, and waive any and all of the Holders' right, title and interest in and to any and all accrued and unpaid dividends on the Series 2 Preferred so tendered or exchanged, subject to the satisfaction of the following:

- (a) the consideration paid by the Company for each share of Series 2 Preferred so tendered or exchanged to the Company will be 7.4 shares of common stock;
- (b) the Board of Directors of the Company shall have received an opinion, in form satisfactory to the Board of Directors, that the tender offer or exchange and the consideration therefore is fair to the shareholders of the Company;
- (c) the common stock to be issued to the holders of the Series 2 Preferred pursuant to the terms of the tender offer or exchange shall have been approved for listing, upon official notice of issuance, with the American Stock Exchange ("AMEX");
- (d) the holders of the issued and outstanding shares of common stock of the Company and the Series 2 Preferred shall have approved the Amendments and, if required by the rules and regulations of the AMEX, the holders of the issued and outstanding common stock shall have approved the issuance of the shares of common stock pursuant to the tender offer or exchange; and
- (e) the Golsen Group (defined as Jack E. Golsen, his spouse and children, and SBL Corporation and Golsen Petroleum Corporation, which are entities controlled by Jack E. Golsen, his wife and children) shall only exchange or tender in such exchange or tender undertaken by the Company within one (1) year from the date of this Agreement 26,467 shares of the Series 2 Preferred beneficially owned by the Golsen Group (which represents 0.5293341 percent of the Series 2 Preferred beneficially owned by the Golsen Group) and to waive any and all of the Golsen Group's right, title and interest in and to any and all accrued and unpaid dividends on the 26,467 shares of Series 2 Preferred so tendered or exchanged, subject to the conditions set forth in subparagraphs (a) through (d) of this paragraph 2.

3. Miscellaneous Provisions.

- 3.1 Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Delaware. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.
- 3.2 Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided that a facsimile signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile signature.
- 3.3 Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.
- 3.4 Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.
- 3.5 Entire Agreement; Amendments. This Agreement supersedes all other prior oral or written agreements between the Jayhawk Group, the Company, their affiliates and persons acting on their behalf with respect to the matters discussed herein, and this Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein. No provision of this Agreement may be amended other than by an instrument in writing signed by the party against whom the amendment may be enforced. No provision hereof may be waived other than by an instrument in writing signed by the party against whom enforcement is sought.
- 3.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

3.7 **No Third Party Beneficiaries.** This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

3.8 **Further Assurances.** Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

LSB INDUSTRIES, INC., a Delaware corporation

By: _____ /s/ _____ Jack _____ E.
Golsen
Jack E. Golsen, Chief Executive Officer
(the "Company")

/s/ Kent C. McCarthy
KENT C. McCARTHY, an individual
("McCarthy")

JAYHAWK CAPITAL MANAGEMENT, L.L.C.,
a Delaware limited liability company

By: /s/ Kent C. McCarthy _____
Name: _____
Title: President _____

("Jayhawk")

JAYHAWK INSTITUTIONAL PARTNERS, L.P.,
a Delaware limited partnership

By: /s/ Kent C. McCarthy _____
Name: _____
Title: President _____

("Jayhawk Institutional")

JAYHAWK INVESTMENTS, L.P.,
a Delaware limited partnership.

By: /s/ Kent C. McCarthy _____
Name: _____
Title: President _____

("Jayhawk Investments")

10B5-1 SALES PLAN

This 10B5-1 SALES PLAN (the "Sales Plan") is dated this 5th day of December 2006, between Jack E. Golsen, an individual ("Seller"), and Capital West Securities, Inc. ("Broker"). For good and valuable consideration, the receipt of which is acknowledged, Seller and Broker hereby agree as follows:

1. **Background.** This Sales Plan is entered into between Seller and Broker for the purpose of establishing a trading plan that complies with the requirements of Rule 10b5-1(c)(1) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Seller is establishing this Sales Plan in order to permit the disposition of a portion of Seller's holdings of the common stock, par value \$0.10 per share (the "Stock"), of LSB Industries, Inc. (the "Issuer"). Seller desires to engage Broker to effect sales of shares of stock in accordance with this Sales Plan.

2. **Appointment of Broker; Sales.** Seller hereby appoints Broker to sell shares of Stock pursuant to the terms and conditions set forth below. Subject to such terms and conditions, Broker accepts such appointment.

2.1 **Authorized Selling.** Commencing, December 6, 2006 (the "Effective Date") and continuing for a period of twelve (12) calendar months after the Effective Date (the "Effective Period"), Broker is authorized and directed, from time to time during the Effective Period, to sell up to a maximum of 25,000 shares of Stock, at Broker's discretion, on the American Stock Exchange ("AMEX") at a price per share at or above \$0.15 below market price or \$15.00, whichever is higher, such prices being before deducting any commission, commission equivalent, mark-up or differential, or other expenses of sale.

2.2 **Market Disruptions.** Seller understands that Broker may not be able to effect a sale due to a market disruption. If any sale cannot be executed due to a market disruption, Broker shall effect such sale as promptly as practical after the cessation or termination of such market disruption pursuant to this Sales Plan.

3. **Term.** This Sales Plan is effective on the Effective Date. Broker will cease selling Stock and the Sales Plan will terminate on the earlier of:

- (a) December 6, 2007;
- (b) the completion of the sale of 25,000 shares of Stock pursuant to this Sales Plan;
- (c) notice to Seller or Broker that Seller or Broker is not able to effect the sale of Stock under this Sales Plan due to a legal, regulatory or contractual restriction applicable to Seller or Broker;
- (d) death of Seller;
- (e) Seller or Broker's reasonable determination that the Sales Plan does not comply with Rule 10b5-1 or other applicable securities laws;
- (f) written notice by Seller or Seller's counsel to Broker informing Broker of Seller's suspension or termination of the Sales Plan; or
- (g) written notice by Broker or Broker's counsel to Seller informing Seller of Broker's suspension or termination of the Sales Plan.

4. **Seller's Representations, Warranties and Covenants.**

4.1 As of the date of this Sales Plan, Seller (a) is not aware of material, nonpublic information with respect to the Issuer or any securities of the Issuer (including the Stock), (b) is not subject to any legal, regulatory or contractual restriction or undertaking that would prevent Broker from conducting sales in accordance with this Sales Plan and (c) is entering into this Sales Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 or compliance with the federal securities laws.

4.2 Seller shall immediately notify Broker if Seller becomes subject to a legal, regulatory or contractual restriction or undertaking that would prevent Broker from making sales pursuant to this Sales Plan.

4.3 Seller is currently able to sell shares of Stock in accordance with the Issuer's insider trading policies and Seller has obtained the approval of the Issuer's counsel to enter into this Sales Plan.

4.4 The shares of Stock subject to the Sales Plan are free and clear of liens and encumbrances of any kind.

4.5 While the Sales Plan is in effect, Seller will not, directly or indirectly, (a) disclose to Broker or any persons affiliated with Broker who is effecting sales under this Sales Plan any information concerning the Stock or the Issuer that might influence the execution of this Sales Plan; or (b) engage in offsetting or hedging transactions in violation of Rule 10b5-1.

4.6 Seller agrees to make all filings, if any, required under Sections 13(d) and 16 of the Exchange Act.

4.7 Seller acknowledges and agrees that Seller does not have, and shall not attempt to exercise, any influence over how, when, or whether to effect sales of Stock pursuant to this Sales Plan.

5. **Rule 144.**

5.1 Broker agrees to conduct all sales under this Sales Plan in accordance with the manner of sale requirement of Rule 144, if applicable, under the Securities Act of 1933, as amended (the "Act"), if applicable. If Rule 144 is applicable, Broker will not effect any sale which would exceed the then applicable volume limitation under Rule 144, assuming Broker's sales under this Sales Plan are the only sales subject to that limitation. Seller agrees not to take, and agrees to cause any person or entity with which Seller would be required to aggregate sales of Stock pursuant to paragraph (a)(2) or (e) of Rule 144 not to take, any action that would cause the sales under this Sales Plan not to comply with Rule 144.

5.2 Broker will be responsible for completing and filing on behalf of Seller each required Form 144. Seller hereby grants Broker a power of attorney to complete and file on behalf of Seller Forms 144. Seller understands and agrees that Broker will make one Form 144 filing at the beginning of each three-month period commencing on the Effective Date. Each Form 144 filed by Broker on behalf of Seller shall (a) state that the sales are being effected in accordance with an existing Sales Plan intended to comply with Rule 10b5-1, (b) indicate the date the Sales Plan was adopted, and (c) state that the representations are made as of such date.

6. **Certain Events.**

6.1 In the event of a stock split or reverse stock split of the Stock, the maximum number of shares of Stock to be sold and the minimum price established above in paragraph 2 will be automatically adjusted proportionately.

6.2 In the event of a reincorporation or other corporate reorganization resulting in an automatic share-for-share exchange of new shares for the type of Stock subject to the Sales Plan, then the new shares will automatically replace the type of Stock originally specified in the Sales Plan.

7. **General.**

7.1 This Sales Plan is intended to comply with the requirements of Rule 10b5-1(c)(1)(i)(B) under the Exchange Act, and this Sales Plan shall be interpreted to comply with the requirements of Rule 10b5-1(c).

7.2 Broker shall immediately notify Seller if Broker becomes subject to a legal, regulatory or contractual restriction or undertaking that would prevent Broker from making sales pursuant to this Sales Plan.

7.3 This Sales Plan may be modified or amended only upon the written agreement of Seller and Broker.

7.4 This Sales Plan shall be governed by and construed in accordance with the laws of the State of Oklahoma and may be modified or amended only by a writing signed by the parties hereto.

7.5 Proceeds from each sale of Stock effective under this Sales Plan will be delivered to Seller's Brokerage account, or such other account as directed in writing by Seller to Broker.

7.6 This Sales Plan may be signed in any number of counterparts, each shall be an original with the same effect as if all of the signatures were upon the same instrument.

7.7 If any provision of this Sales Plan is or becomes inconsistent with any applicable present or future law, rule or regulation, that provision will be deemed modified or, if necessary, rescinded in order to comply with the relevant law, rule or regulation. All of the provisions of this Sales Plan will continue and remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have signed this Sales Plan as of the date first written above.

/s/ Jack E. Golsen
JACK E. GOLSEN

("Seller")

CAPITAL WEST SECURITIES, INC.

By: /s/ Ann T. Garrett

Name: _____

Title: _____

("Broker")