

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

OMB APPROVAL	
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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>TEPPER MICHAEL DAWE</u>  (Last) (First) (Middle) <u>16 SOUTH PENNSYLVANIA AVENUE</u>  (Street) <u>OKLAHOMA OK 73107</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>LSB INDUSTRIES INC [ LXU ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Sr. VP - Int'l Operations</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>07/17/2008</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	07/17/2008		M		50,000	A	\$1.25	52,000	D	
Common Stock	07/17/2008		M		10,000	A	\$2.73	62,000	D	
Common Stock	07/17/2008		G <sup>(1)</sup>	V	60,000	D	\$0	2,000	D	
Common Stock	07/17/2008		G <sup>(1)</sup>	V	60,000	A	\$0	89,455	I	By Trust <sup>(2)</sup>

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Nonqualified Stock Option <sup>(3)</sup>	\$1.25							07/08/1999	07/08/2009	Common Stock	50,000	50,000 <sup>(3)</sup>	D	
Incentive Stock Option <sup>(3)</sup>	\$1.25	07/17/2008		M		50,000		07/08/1999	07/08/2009	Common Stock	50,000	(3)	0	D
Incentive Stock Option <sup>(3)</sup>	\$2.73	07/17/2008		M		10,000		11/29/2001	11/29/2011	Common Stock	10,000	(3)	0	D

**Explanation of Responses:**

- These shares were contributed by the reporting person to the reporting person's revocable trust on July 17, 2008. Please see footnote (2) for a description of the reporting person's revocable trust.
- These shares are held by the reporting person's revocable trust, of which the reporting person is the trustee and exercises investment and dispositive control over the trust's portfolio securities.
- Incentive Stock Options ("ISO") and Nonqualified Stock Options ("NQSO") granted by the Issuer to the reporting person. All ISOs and NQSOs held by the reporting person are currently exercisable. As of the date of this report, there are no ISOs held by the reporting person and the total number of shares underlying the NQSOs held by the reporting person is 50,000.

Michael Dawe Tepper 07/21/2008  
 \*\* Signature of Reporting Person Date

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

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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