

RYDLUND PAUL  
Form 4  
March 26, 2010

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
RYDLUND PAUL

(Last) (First) (Middle)  
16 SOUTH PENNSYLVANIA AVENUE  
(Street)

OKLAHOMA CITY, OK 73107

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
LSB INDUSTRIES INC [LXU]

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/24/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Senior Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

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

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount (A) or (D) Price   |  |                                   |
| Common Stock                    | 03/24/2010                           |  | S                              |   | 3,630 (3) \$ 15.54 2,870 (3)  | D  |                                   |

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

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SEC 1474 (9-02)

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

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| Incentive Stock Option <sup>(1)</sup>      | \$ 2.73  |                                      |  |                                |   | <u>(1)</u> 09/29/2011                                    | Common Stock  | 3,500  |
| Incentive Stock Option <sup>(2)</sup>      | \$ 5.1   |                                      |  |                                |   | <u>(2)</u> 11/17/2015                                    | Common Stock  | 8,000  |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                       |       |
|---|---------------|-----------|-----------------------|-------|
|   | Director      | 10% Owner | Officer               | Other |
| RYDLUND PAUL<br>16 SOUTH PENNSYLVANIA AVENUE<br>OKLAHOMA CITY, OK 73107 |               |           | Senior Vice President |       |

## Signatures

Paul Rydlund 03/25/2010  
 \*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Incentive Stock Options ("ISO") granted by the Issuer to the reporting person under the Issuer's incentive stock option plan. Each ISO allows the purchase of shares of the Issuer's common stock upon the exercise thereof. Each ISO is for a period of ten years from the date of grant, and each ISO became fully vested on or prior to December 31, 2005. As of the date of this report, the total number of shares underlying this ISO is 3,500.
- (2) ISO granted on November 17, 2005, by the Issuer to the reporting person under the Issuer's incentive stock option plan. The ISO is for a term of ten years and vests at the end of years one through four in the following amounts: 20%, 20%, 30%, and 30%. The ISO will be fully vested at the end of year four. As of the date of this report, the total number of shares underlying the ISO is 8,000.
- (3) The price reported is a weighted average price. The shares were sold in multiple transactions at prices per share ranging from \$15.50 to \$15.59, inclusive. The reporting person undertakes to provide the staff of the Securities and Exchange Commission, LSB Industries, Inc., or any security holder of LSB Industries, Inc., upon request, full information regarding the number of shares sold at each separate price within the range set forth above.

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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