

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 38)

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)

November 9, 2008

(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 initial 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

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|-----|--|--------------------|
| (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 | 467,726 |

Number of Shares	(8)	Shared Voting Power	3,698,696
Beneficially			
Owned by Each	(9)	Sole Dispositive Power	467,726
Reporting Person			
With:	(10)	Shared Dispositive Power	3,698,696
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person		4,166,422
(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)		18.79%
(14)	Type of Reporting Person (See Instructions)		IN

(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) [] (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	-
Number of Shares Beneficially Owned by Each Reporting Person With:	(8) Shared Voting Power	2,084,282
	(9) Sole Dispositive Power	-
	(10) Shared Dispositive Power	2,084,282
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	2,084,282
(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)	9.62%
(14)	Type of Reporting Person (See Instructions)	IN

(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) [] (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	307,889
Number of Shares	(8) Shared Voting Power	2,868,145
Beneficially	(9) Sole Dispositive Power	307,889
Owned by Each	(10) Shared Dispositive Power	2,868,145
Reporting Person		
With:		
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	3,176,034
(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)	14.40%
(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) [] (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	275,165
Number of Shares	(8) Shared Voting Power	544,954
Beneficially	(9) Sole Dispositive Power	275,165
Owned by Each	(10) Shared Dispositive Power	544,954
Reporting Person		
With:		
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	820,119
(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)	3.85%
(14)	Type of Reporting Person (See Instructions)	IN

(1)	Names of Reporting Persons, I.R.S. Identification No. of above Persons (entities only)	Linda F. 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)	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	66,400
Number of Shares Beneficially Owned by Each Reporting Person	(8) Shared Voting Power	698,987
	(9) Sole Dispositive Power	0
With:	(10) Shared Dispositive Power	735,387
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	765,387
(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)	3.59%
(14)	Type of Reporting Person (See Instructions)	IN

(1)	Names of Reporting Persons, I.R.S. Identification No. of above Persons (entities only)	Golsen Family, L.L.C. 20-8234753
(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	0
Number of Shares Beneficially Owned by Each Reporting Person	(8) Shared Voting Power	2,084,282
	(9) Sole Dispositive Power	0
With:	(10) Shared Dispositive Power	2,084,282
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	2,084,282
(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)	9.62%
(14)	Type of Reporting Person (See Instructions)	00

(1)	Names of Reporting Persons, I.R.S. Identification No. of above Persons (entities only)	SBL, L.L.C.
(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)	WC, BK
(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	(8) Shared Voting Power	2,884,987
Beneficially	(9) Sole Dispositive Power	-
Owned by Each	(10) Shared Dispositive Power	2,884,987
Reporting Person		
With:		
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	2,884,987
(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)	12.91%
(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) [] (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	Oklahoma
	(7)	Sole Voting Power -
Number of Shares Beneficially Owned by Each Reporting Person	(8)	Shared Voting Power 417,288
	(9)	Sole Dispositive Power -
With:	(10)	Shared Dispositive Power 417,288
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	417,288
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	[]
(13)	Percent of Class Represented by Amount in Row (11)	1.96%
(14)	Type of Reporting Person (See Instructions)	CO

Introduction

This statement constitutes Amendment No.38 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 Schedule 13D is reporting matters with respect to the following reporting persons:

- Jack E. Golsen (Chief Executive Officer and Chairman of the Board of the Company);
- Sylvia H. Golsen;
- Barry H. Golsen (President and member of the Board of Directors of the Company);
- Steven J. Golsen (President of certain subsidiaries of the Company);
- Linda F. Rappaport, an individual;
- Golsen Family, L.L.C., an Oklahoma limited liability company ("GFLLC").
- SBL, L.L.C. ("SBL"); and
- Golsen Petroleum Corporation ("GPC"), an Oklahoma corporation and wholly-owned subsidiary of SBL.

Jack and Sylvia Golsen are husband and wife. Barry Golsen, Steven Golsen, and Linda Rappaport are the children of Jack and Sylvia Golsen. All of the outstanding stock of SBL and all membership interests in GFLLC are beneficially owned, directly or indirectly, by Jack and Sylvia Golsen and their children. Jack and Barry Golsen are the sole managers of SBL and the sole members of the Board of Directors and the officers of GPC. Jack and Sylvia Golsen are the sole managers of GFLLC.

This Amendment No.38 is being filed as a result of a change in the facts contained in the Schedule 13D, as described below.

1. Linda F. Rappaport is included as a reporting person under this Schedule 13D and is filing as a reporting person with respect to this Schedule 13D.
2. As of December 31, 2008, the Golsen Group's aggregate percentage ownership of all outstanding Common Stock of

the Company is approximately 23.7%, an increase of approximately 1.4% since the filing of Amendment No. 37 to this Schedule 13D as a result of (a) the addition of Linda F. Rappaport as a member of the Golsen Group, (b) the purchase by members of the Golsen Group of an aggregate of 150,000 shares of Common Stock, and (c) the purchase of \$5 million principal amount of the Company's 5.5% Convertible Senior Subordinated Debentures Due 2012, which are convertible into 182,000 shares of common stock.

3. Reference is made to Item 5(c) of this Amendment No.38 for a disclosure of transactions in the Common Stock that were effected by certain reporting persons in the 60 days prior to the filing of this Amendment 38.
4. The membership percentages in GFLLC have been adjusted to correctly reflect the ownership in GFLLC held by Jack and Sylvia Golsen and their children. The membership percentages reported previously misstated the correct percentages by approximately 0.23% to 0.35%.

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, except Linda Rappaport joined the reporting group on November 9, 2008. The following is Ms. Rappaport's background information:

- (a) The principal business office of Ms. Rappaport is Designer Rugs & Import Group, 333 W. Wilshire Blvd., Oklahoma City, Oklahoma 73116.
- (b) Ms. Rappaport's principal occupation is owner and executive of Designer Rugs & Import Group, 333 W. Wilshire Blvd., Oklahoma City, Oklahoma 73116
- (c) During the last five years, Ms. Rappaport has not been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).
- (d) During the last five years, Ms. Rappaport has not been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree, or final order enjoining future

violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(e) Ms. Rappaport is a citizen of the United States of America.

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

This Item 3 is not applicable to the agreements and transactions described in Items 5 and 6 of this Amendment 38, except as follows:

- (a) In the 60 days prior to the filing of this Amendment No. 38, (a) SBL purchased an aggregate of 120,000 shares of Common Stock for the aggregate purchase price of \$858,297, which was funded using working capital and (b) Linda Rappaport purchased 30,000 shares of Common Stock for an aggregate purchase price of \$213,263, which was funded using personal funds.
- (b) On November 10, 2008, SBL purchased \$4 million principal amount of the Company's 5.5% Convertible Senior Subordinated Debentures Due 2012 for the purchase price of \$2,880,000, plus accrued interest of \$80,666. Of the total amount paid, \$460,666 was funded using SBL's working capital and \$2,500,000 funded by a loan from The Bank of The West, the collateral for which is 827,936 shares of Common Stock owned by SBL. See Item 6 for a description of the pledge agreement.
- (c) On November 10, 2008, Linda Rappaport purchased \$1 million principal amount of the Company's 5.5% Convertible Senior Subordinated Debentures Due 2012 for the purchase price of \$720,000, plus accrued interest of \$20,167. The amount paid was funded using personal funds.

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 set forth below:

Pledge Agreement.

See Item 6 of this Amendment No. 38 for a discussion of the security agreement covering 827,397 shares of Common Stock owned by SBL, which discussion 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 No. 38 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> (10) (11)	<u>Percent</u> (12)
Jack E. Golsen	4,166,422 (2)	18.79%
Sylvia H. Golsen	2,084,282 (3)	9.62%
Barry H. Golsen	3,176,034 (4)	14.40%
Steven J. Golsen	820,119 (5)	3.85%
Linda F. Rappaport	765,387 (6)	3.59%
Golsen Family, L.L.C. (1)	2,084,282 (7)	9.62%
SBL (1)	2,884,987 (8)	12.91%
GPC (1)	417,288 (9)	1.96%

- (1) The membership interests in GFLLC are owned by Jack Golsen through his revocable trust (45.588%), Sylvia Golsen through her revocable trust (45.588%), Barry Golsen (2.9413%), Steven Golsen (2.9413%), and Linda Rappaport (2.9413%). Jack and Sylvia Golsen are the managers of GFLLC, and as a result share voting and dispositive power over the Company's securities owned by GFLLC. SBL is wholly-owned by GFLLC (49% owner), Barry Golsen (17% owner), Steven Golsen (17% owner) and Linda Rappaport (17% owner). GPC is a wholly owned subsidiary of SBL. Jack Golsen and Barry Golsen are the managers of SBL and the directors and executive officers of GPC. Barry Golsen, Steven Golsen and Linda Rappaport are the children of Jack and Sylvia Golsen, husband and wife.
- (2) The amount shown is comprised of the following:

- (a) 787,309 shares owned by GFLLC as described in footnote (7), over which the reporting person shares investment and dispositive power with Sylvia Golsen;
 - (b) 2,844,987 shares beneficially owned by SBL and GPC as described in footnotes (8) and (9), respectively, over which the reporting person shares investment and dispositive power with Barry Golsen;
 - (c) 4,000 shares issuable upon conversion of a promissory note, over which the reporting person has sole voting and dispositive power;
 - (d) 200,406 shares owned of record by eight trusts for the benefit of the grandchildren and great grandchildren of Jack Golsen, over which Jack Golsen serves as the sole trustee with voting and dispositive power over the Company's securities held in the trusts;
 - (e) 263,320 shares owned of record by the Barry H. Golsen 2007 Irrevocable Trust, the Steve J. Golsen 2007 Irrevocable Trust, and the Linda F. Rappaport 2007 Irrevocable Trust, over which Jack Golsen serves as the sole trustee with voting and dispositive power over the Company's securities held in the trusts; and
 - (f) 30,000 shares owned by Linda Rappaport and 36,400 shares that Linda Rappaport may acquire upon the conversion of \$1 million principal amount of the Company's 5.5% Convertible Senior Subordinated Debentures Due 2012 owned by her, the dispositive power and voting power of which is shared with Jack Golsen. Jack Golsen has no pecuniary interest in the shares beneficially owned by Linda Rappaport.
- (3) The amount shown is comprised of (a) 787,309 shares beneficially owned by GFLLC as described in footnote (7), over which the reporting person shares dispositive and investment power with Jack Golsen, and (b) 1,296,973 shares representing the reporting person's percentage ownership of the shares beneficially owned by SBL and GPC as described in footnotes (8) and (9), respectively, as a result of the reporting person's ownership in GFLLC. The amount shown does not include, and the reporting person disclaims beneficial ownership of the shares listed in

footnote (2) above as beneficially owned by Jack Golsen (except the shares noted in the preceding sentence).

(4) The amount shown is comprised of the following:

- (a) 296,639 shares held directly;
- (b) 11,250 shares issuable upon exercise of stock options;
- (c) 23,157 shares representing the reporting person's percentage ownership of the shares owned directly by GFLLC and that GFLLC has the right to acquire as described in footnote (7) as a result of the reporting person's ownership in GFLLC; and
- (d) 2,844,987 shares beneficially owned by SBL and GPC as described in footnotes (8) and (9), respectively, over which the reporting person shares investment and dispositive control with Jack Golsen.

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 2007 Irrevocable Trust, of which Barry Golsen is the primary beneficiary, but of which Barry Golsen has no voting or dispositive control.

(5) The amount shown is comprised of the following:

- (a) 263,915 shares held directly;
- (b) 11,250 shares issuable upon exercise of stock options;
- (c) 61,306 shares representing the reporting person's percentage ownership of the shares owned directly by GFLLC and that GFLLC has the right to acquire as described in footnote (7) and the reporting person's percentage ownership in the shares held by SBL and GPC as a result of the reporting person's ownership in GFLLC; and
- (d) 483,648 shares representing the reporting person's percentage ownership of the shares beneficially owned by SBL and GPC as described in footnotes (8) and (9), respectively, as a result of the reporting person's ownership in SBL.

The amount shown does not include 84,440 shares owned of record by the Steven J. Golsen 2007 Irrevocable Trust, of which Steven Golsen is the primary beneficiary, but of which Steven Golsen has no voting or dispositive control.

(6) The amount shown is comprised of the following:

- (a) 36,400 shares issuable upon the conversion of \$1 million principal amount of the Company's 5.5% Convertible Senior Subordinated Debentures Due 2012, the dispositive and voting power of which is shared with Jack Golsen;
- (b) 30,000 shares owned directly, the dispositive and voting power of which is shared with Jack Golsen;
- (c) 61,306 shares representing the reporting person's percentage ownership of the shares owned directly by GFLLC and that GFLLC has the right to acquire as described in footnote (7) and the reporting person's percentage ownership in the shares held by SBL and GPC as a result of the reporting person's ownership in GFLLC;
- (d) 483,648 shares representing the reporting person's percentage ownership of the shares beneficially owned by SBL and GPC as described in footnotes (8) and (9), respectively, as a result of the reporting person's ownership in SBL; and
- (e) 154,033 shares that the reporting person's spouse owns, for which the reporting person 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.

(7) The amount shown is comprised of the following:

- (a) 653,976 shares owned directly;
- (b) 133,333 shares issuable upon the conversion of 4,000 shares of the Company's Series 2 Preferred; and
- (c) 1,296,973 shares representing GFLLC's beneficial ownership in the shares held by SBL and GPC as a result of the GFLLC's ownership in SBL.

The amount of such shares shown as beneficially owned by each reporting person is based on the reporting person's proportionate ownership in GFLLC, as described in footnote (1) to this table, except Jack and Sylvia Golsen, as managers of GFLLC possessing voting and dispositive power over such shares, report beneficial ownership of all shares beneficially owned by GFLLC.

(8) The amount shown is comprised of the following:

- (a) 1,632,099 shares owned directly;
- (b) 250,000 shares issuable upon the conversion of 1,000,000 shares of the Company's Series D Preferred;
- (c) 400,000 shares issuable upon the conversion of 12,000 shares of the Company's Series B Preferred;
- (d) 145,600 issuable shares upon the conversion of \$4 million principal amount of the Company's 5.5% Convertible Senior Subordinated Debentures Due 2012; and
- (e) 417,288 shares beneficially owned by SBL's wholly owned subsidiary, GPC, as described in footnote (9).

The amount of such shares shown as beneficially owned by each reporting person is based on the reporting person's proportionate ownership in SBL (whether direct ownership in SBL or indirect ownership in SBL through ownership in GFLLC), as described in footnote (1) to this table, except Jack and Barry Golsen, as the managers SBL possessing voting and dispositive power over such shares, report beneficial ownership of all such shares.

- (9) The amount shown is comprised of (a) 283,955 shares owned directly, and (b) 133,333 shares that may be acquired upon conversion of 4,000 shares of the Company's Series B Preferred Stock.
- (10) 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 amounts and percentages set forth in the table reflect only the voting power of Common Stock into which the Series B Preferred and the Series D Preferred are convertible.

- (11) Jack Golsen, Sylvia Golsen, Barry Golsen, Steven Golsen, and Linda Rappaport each disclaims beneficial ownership of the shares of Common Stock beneficially owned by the other, as described in footnotes (2), (3), (4), (5), and (6), respectively, except as stated in such footnotes.
- (12) The percentage ownership of each reporting person is based on 21,109,812 shares of Common Stock outstanding, as of December 31, 2008. 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 No. 38 for each person and entity identified under paragraph (a), above, the number of shares of Common Stock as to which the person and entity has (i) the sole power to vote or direct the voting, (ii) shared power to vote or direct the voting, (iii) the sole power to dispose or to direct the disposition, or (iv) 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	467,726 (2)	3,698,696 (2)
Sylvia H. Golsen	None	2,084,282 (3)
Barry H. Golsen	307,889 (4)	2,868,145 (4)
Steven J. Golsen	275,165 (5)	544,954 (5)
Linda F. Rappaport	66,400 (6)	698,987 (6)
Golsen Family, L.L.C. (1)	None	2,084,282 (7)
SBL (1)	None	2,884,987 (8)
GPC (1)	None	417,288 (9)

- (1) See footnote (1) under paragraph (a) of this Item 5.
- (2) See footnote (2), (10), and (11) under paragraph (a) of this Item 5.
- (3) See footnotes (3), (10), and (11) under paragraph (a) of this Item 5
- (4) See footnotes (4), (10), and (11) under paragraph (a) of this Item 5.
- (5) See footnotes (5), (10), and (11) under paragraph (a) of this Item 5.
- (6) See footnotes (6), (10), and (11) under paragraph (a) of this Item 5.
- (7) See footnote (7) and (10) under paragraph (a) of this Item 5.
- (8) See footnote (8) and (10) under paragraph (a) of this Item 5.
- (9) See footnote (9) and (10) under paragraph (a) of this Item 5.
- (c) During the 60 days prior to the filing of this Amendment No. 38 to this Schedule 13D, the following reporting persons effected transactions in the Common Stock:
- (i) SBL purchased 120,000 shares of Common Stock on the New York Stock Exchange, for a total purchase price of \$858,297, as follows:

Security	Purchase Date	Number of Shares	Price
Common Stock	11/13/2008	100	\$7.07
Common Stock	11/13/2008	5,000	\$7.08
Common Stock	11/13/2008	1,500	\$7.10
Common Stock	11/13/2008	3,400	\$7.46
Common Stock	11/13/2008	10,000	\$7.47
Common Stock	11/13/2008	3,500	\$7.50
Common Stock	11/13/2008	717	\$7.57
Common Stock	11/13/2008	1,200	\$7.79

Security	Purchase Date	Number of Shares	Price
Common Stock	11/13/2008	4,200	\$7.80
Common Stock	11/17/2008	100	\$7.43
Common Stock	11/17/2008	500	\$7.44
Common Stock	11/17/2008	100	\$7.46
Common Stock	11/17/2008	900	\$7.47
Common Stock	11/17/2008	900	\$7.48
Common Stock	11/17/2008	200	\$7.49
Common Stock	11/17/2008	2,655	\$7.50
Common Stock	11/20/2008	2,500	\$7.34
Common Stock	11/20/2008	10,028	\$7.38
Common Stock	11/20/2008	1,500	\$7.39
Common Stock	11/20/2008	1,000	\$7.40
Common Stock	11/21/2008	200	\$6.67
Common Stock	11/21/2008	9,800	\$6.70
Common Stock	12/02/2008	36,700	\$7.00
Common Stock	12/04/2008	300	\$6.88
Common Stock	12/04/2008	300	\$6.89
Common Stock	12/04/2008	200	\$6.90
Common Stock	12/04/2008	100	\$6.91
Common Stock	12/04/2008	100	\$6.92
Common Stock	12/04/2008	500	\$6.93
Common Stock	12/04/2008	300	\$6.94
Common Stock	12/04/2008	100	\$6.95
Common Stock	12/04/2008	600	\$6.96
Common Stock	12/04/2008	743	\$6.97
Common Stock	12/04/2008	400	\$6.98
Common Stock	12/04/2008	100	\$6.99
Common Stock	12/04/2008	9,025	\$7.00
Common Stock	12/05/2008	10,532	\$7.00

(ii) On November 10, 2008, SBL purchased \$4 million principal amount of the Company's 5.5% Convertible Senior Subordinated Debentures Due 2012, which are convertible into 145,600 shares of Common Stock, in a privately

negotiated transaction at a purchase price of \$2,880,000, plus accrued interest of \$80,666.

(iii) On November 10, 2008, Linda Rappaport purchased \$1 million principal amount of the Company's 5.5% Convertible Senior Subordinated Debentures Due 2012, which are convertible into 36,400 shares of Common Stock, in a privately negotiated transaction at a purchase price of \$720,000, plus accrued interest of \$20,167.

(iv) On December 30, 2008, Linda Rappaport purchased 30,000 shares of Common Stock on the New York Stock Exchange for a total purchase price of \$213,263, as follows:

Security	Purchase Date	Number of Shares	Price
Common Stock	11/29/2008	600	\$7.06
Common Stock	11/29/2008	1,740	\$7.07
Common Stock	11/29/2008	900	\$7.08
Common Stock	11/29/2008	14,057	\$7.09
Common Stock	11/29/2008	100	\$7.10
Common Stock	11/29/2008	601	\$7.13
Common Stock	12/5/2008	12,002	\$7.14

(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.

Pledge Agreement.

On November 11, 2008, SBL pledged 827,397 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, executed by SBL in favor of The Bank of The West. The promissory note has an original principal amount of approximately \$2.5 million and a term of five years. In addition to standard default and similar provisions contained in the

Security Agreement, lender retains the right to all dividends paid in connection with the collateral.

Item 7. Materials to be Filed as Exhibits.

- 24.1 Powers of Attorney executed by Barry H. Golsen, Steven J. Golsen, and Sylvia H. Golsen are filed as Exhibit 24.1 to Amendment No. 33 to this Schedule 13D and are incorporated herein by reference.
- 24.2 Power of Attorney, dated December 29, 2008, executed by Linda F. Rappaport.
- 99.1 Joint Filing Statement, dated September 19, 2007, is filed as Exhibit 99.1 to Amendment No. 34 and is incorporated herein by reference.
- 99.2 Joint Filing Statement, dated December 29, 2008, executed by Linda F. Rappaport.
- 99.3 Convertible Note between the Company and Jack E. Golsen filed as Exhibit (a) to the original Schedule 13D and is incorporated herein by reference.
- 99.4 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.
- 99.5 Stacy L. Rappaport 2007 Irrevocable Trust Agreement, dated January 15, 2007, is filed as Exhibit No. 99.4 to Amendment No. 34 and is incorporated herein by reference. The Joshua B. Golsen 2007 Irrevocable Trust Agreement, Adam Z. Golsen 2007 Irrevocable Trust Agreement, Amy G. Rappaport 2007 Irrevocable Trust Agreement, Lori R. Rappaport 2007 Irrevocable Trust Agreement, Michelle L. Golsen 2007 Irrevocable Trust Agreement, and Preston Ayden Mattingly 2007 Irrevocable Trust Agreement, each dated January 15, 2007, are substantially similar to the Stacy L. Rappaport 2007 Irrevocable Trust Agreement, except each trust is named for primary beneficiary of such trust, and copies of the same will be supplied to the Commission upon request.
- 99.6 Barry H. Golsen 2007 Irrevocable Trust Agreement, dated January 15, 2007, is filed as Exhibit 99.5 to Amendment No. 34 and is incorporated herein by reference. The Steven J. Golsen 2007 Irrevocable Trust Agreement and Linda F. Rappaport 2007 Irrevocable Trust Agreement, each dated January 15, 2007, are substantially similar to the Barry H. Golsen 2007 Irrevocable Trust Agreement, except each trust

is named for primary beneficiary of such trust, and copies of the same will be supplied to the Commission upon request.

- 99.7 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.
- 99.8 Shareholder's Agreement, effective December 1, 1995, among Barry H. Golsen, Sylvia Golsen and SBL Corporation is filed as Exhibit 99.7 to Amendment No. 33 and is incorporated herein by reference.
- 99.9 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 99.7 hereto and a copy of the same will be supplied to the Commission upon request.
- 99.10 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 99.7 hereto and a copy of the same will be supplied to the Commission upon request.
- 99.11 Rule 10B5-1 Sales Plan, dated March 15, 2008, between SBL, L.L.C. and Capital West Securities, Inc. is filed as Exhibit 99.10 to Amendment No. 37 and is incorporated herein by reference.
- 99.12 Security Agreement, dated November 7, 2008, executed by SBL, L.L.C. in favor of The Bank Of The West.

SIGNATURE

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: January 12, 2009

/s/ Jack E. Golsen
Jack E. Golsen

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

/s/ Barry H. Golsen *
Barry H. Golsen

/s/ Steven J. Golsen *
Steven J. Golsen

/s/ Linda F. Rappaport *
Linda F. Rappaport
*Executed by Jack E. Golsen pursuant to Power of Attorney

GOLSEN FAMILY, L.L.C.

By: /s/ Jack E. Golsen
Jack E. Golsen, Manager

SBL LLC

By: /s/ Jack E. Golsen
Jack E. Golsen, Manager

GOLSEN PETROLEUM CORPORATION

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

POWER OF ATTORNEY

Know all by these presents, that the undersigned hereby constitutes and appoints JACK E. GOLSEN, signing singly, the undersigned's true and lawful attorney-in-fact to:

- (1) execute for and on behalf of the undersigned Forms 3, 4, and 5 and Schedule 13D and any and all amendments thereto, in accordance with Sections 16(a) and 13(d) of the Securities Exchange Act of 1934 and the rules thereunder, and any other forms or reports the undersigned may be required to file in connection with the undersigned's ownership, acquisition, or disposition of securities of the Company;
- (2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Forms 3, 4, or 5 or Schedule 13D and any and all amendments thereto, or other form or report, and timely file such form or report with the United States Securities and Exchange Commission and any stock exchange or similar authority; and
- (3) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorney-in-fact, in serving in such capacity at the request of the undersigned, is not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with Section 16 or Section 13 of the Securities Exchange Act of 1934.

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file such Forms 3, 4, and 5 or Schedule 13D with respect to the undersigned's holdings of and transactions in securities issued by the Company, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 29 day of December 2008.

By: /s/ Linda G. Rappaport
LINDA G. RAPPAPORT

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA) ss:

This instrument was acknowledged, signed and sworn to before me this 29 day of December 2008, by LINDA G. RAPPAPORT.

(SEAL)

/s/ Sharon McCullough
Notary Public

My Commission Expires 1/28/12

JOINT FILING STATEMENT
(pursuant to rule 13d-1(f)(1)(iii))

The undersigned acknowledges and agrees that the foregoing Statement on Schedule 13D with respect to the ownership of certain equity securities of LSB Industries, Inc. is filed on behalf of the undersigned. The undersigned acknowledges that the undersigned is responsible for the completeness and accuracy of the information concerning the undersigned contained therein, but is not responsible for the completeness and accuracy of the information concerning the other reporting persons, except to the extent that the undersigned knows or has reason to believe that such information is inaccurate.

Dated: December 29, 2008

By: /s/ Linda G. Rappaport
LINDA G. RAPPAPORT

SECURITY AGREEMENT Stocks, Bonds and Possessory Collateral**DEBTOR NAME AND ADDRESS****PLEDGOR NAME AND ADDRESS****LENDER NAME AND ADDRESS**

SBL, L.L.C.

SBL, L.L.C.

The Bank Of The West

Oklahoma City Branch

16 South Pennsylvania
Oklahoma City, OK 7310716 South Pennsylvania
Oklahoma City, OK 73107

4801 Gaillardia Parkway, Suite 190

Oklahoma City, OK 73142

I. GRANT OF SECURITY INTEREST. For value received, Pledgor (hereinafter the "Debtor") 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 and assignment is given to secure all the obligations of the Borrower and of the Debtor 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

share(s) of LSB Corporation common/preferred stock evidenced by certificate number 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, cash dividends, dividends paid in stock, 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 Borrower or Debtor to Lender including: (a) The performance of all of the agreements, covenants and warranties of the Borrower or Debtor as set forth in any agreement between Borrower or Debtor and Lender; (b) All liabilities of Borrower or Debtor 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 Borrower or Debtor to Lender for any term or terms to which Undersigned hereby consents; (d) All interest due or to become due on the liabilities of Borrower or Debtor 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 Borrower or Debtor 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 Borrower and Debtor secured by this Agreement include all future advances by Lender to Borrower 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/CharlieSmith

Charlie Smith, Loan Operator

By: /s/ Jack E. Golsen

Jack E. Golsen, Manager of SBL, L.L.C.

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

Borrower to Lender or apply it on or against any such liability. Lender may also demand, collect, receipt for, settle, compromise, adjust, sue for,

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:

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

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 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"

SBL, L.L.C.
 COLLATERAL AT THE BANK OF THE WEST

<u>Tax ID Number</u>	<u>Owner</u>	<u>Certificate Number</u>	<u>Certificate Date</u>	<u># of Shares</u>
73-1477865	SBL, L.L.C.	OKS12546	11/10/2008	25,000
		OKS12547	11/10/2008	25,000
		OKS12548	11/10/2008	25,000
		OKS12549	11/10/2008	25,000
		OKS12550	11/10/2008	25,000
		OKS12551	11/10/2008	25,000
		OKS12552	11/10/2008	25,000
		OKS12553	11/10/2008	25,000
		OKS12554	11/10/2008	25,000
		OKS12555	11/10/2008	25,000
		OKS12556	11/10/2008	25,000
		OKS12557	11/10/2008	25,000
		OKS12558	11/10/2008	25,000
		OKS12559	11/10/2008	25,000
		OKS12560	11/10/2008	25,000
		OKS12561	11/10/2008	25,000
		OKS12562	11/10/2008	25,000
		OKS12563	11/10/2008	25,000
		OKS12564	11/10/2008	25,000
		OKS12565	11/10/2008	25,000
		OKS12566	11/10/2008	25,397
		OKS12567	11/10/2008	25,000
		OKS12568	11/10/2008	25,000
		OKS12569	11/10/2008	25,000
		OKS12570	11/10/2008	25,000
		OKS12571	11/10/2008	25,000
		OKS12572	11/10/2008	25,000
		OKS12573	11/10/2008	25,000
		OKS12574	11/10/2008	25,000
		OKS12576	11/10/2008	25,000
		OKS12576	11/10/2008	25,000
		OKS12577	11/10/2008	25,000
		OKS12578	11/10/2008	25,000
	Total Number of Shares			<u>825,397</u>

