SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report May 26, 1994
(Date of earliest event reported)

LSB INDUSTRIES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	1-7677	73-1015226
(State of Incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)

16 South Pennsylvania, Oklahoma City, Oklahoma	73107
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (405) 235-4546

Item 2. Acquisition or Disposition of Assets.

On May 26, 1994, LSB Industries, Inc. ("LSB"), Prime Financial Corporation ("Prime"), a wholly-owned subsidiary of LSB (LSB and Prime are collectively called the "Company"), and Fourth Financial Corporation ("Fourth") consummated the sale by the Company, and the purchase by Fourth, of all of the issued and outstanding shares of capital stock of Equity Bank for Savings, F.A. ("Equity Bank"), pursuant to the terms of a Stock Purchase Agreement, dated as of February 9, 1994 (the "Stock Purchase Agreement"). Equity Bank was a wholly-owned subsidiary of Prime, and Prime is a wholly-owned subsidiary of LSB.

Equity Bank comprised LSB's Financial Services Business, which offered retail banking services, mortgage, consumer and commercial lending, and other related financial products and services through fifteen (15) branch offices located in the Oklahoma City metropolitan area and western Oklahoma. In addition, the Financial Services Business operated an Oklahoma-based credit card division in order to complement its consumer lending activities.

The purchase price ("Purchase Price") paid by Fourth for Equity Bank under the Stock Purchase Agreement at the closing was $92,055,850. The exact amount of the Purchase price was determined at the closing based on the following formula: (i) $44,646,387, representing the tangible book value of Equity Bank (defined as the aggregate consolidated stockholder's equity of Equity Bank, less the amounts in the accounts relating to purchased mortgage servicing rights, goodwill, and United BankCard goodwill) at the closing, plus (ii) $9.3 million for Equity Bank's credit card business, (iii) $509,925, representing as of the closing (a) 1% of the aggregate of the unpaid principal balance at Closing of Equity Bank's loans secured by fixed rate mortgages having fully amortizing original terms of fifteen (15) years or less, excluding loans originated after October 31, 1993, (b) 6% of the aggregate unpaid principal balance at closing of Equity Bank's loans secured by fixed rate mortgages having fully amortizing original terms in excess of fifteen (15) years but not more than thirty (30) years, excluding loans originated after October 31, 1993, and (c) 2% of the aggregate unpaid principal balance at closing of Equity Bank's loans secured by variable rate mortages, excluding loans originated after October 31, 1993; (iv) $9,657,336, representing the unamortized discount on Equity Bank's mortgages included in (iii) (a), (b), and (c) above; (v) $1,691,422, representing as of the closing (a) 0.65% of the aggregate unpaid principal balance of loans serviced by Equity Bank prior to March 1, 1993, on which Equity Bank performs mortgage servicing (other than loans serviced for the account of Equity Bank), (b) 1% of such balance on such loans serviced by Equity Bank that were originated after March 1, 1993, secured by fixed or adjustable rate mortgages of fully amortizing original terms of at least ten (10) but not more than fifteen (15) years, and (c) 1.25% of such balance on such loans originated on or after March 1, 1993, secured by fixed or adjustable rate mortgages having original fully amortized terms of more than fifteen (15) but not more than thirty (30) years; (vi) $2,954,091, representing an amount obtained by subtracting the "required reserve" (as defined below) from Equity Bank's actual loan loss reserve account at the Closing, with the "required reserve" meaning $2.6 million as adjusted by the amount by which Equity Bank's loan loss account would have been adjusted at the Closing under normal and prudent banking practice to reflect aggregate changes of at least $500,000 occurring subsequent to October 31, 1993, or originating since October 31, 1993, and not reviewed in advance by Fourth; provided, that no such change in the quality of a loan was included in the calculation to the extent such change was reflected in the tangible book value of Equity Bank at the closing or if such change was less than $25,000; (vii) $2,259,359, representing the difference between the carrying value of Equity Bank's time deposits and the aggregate value of such deposits after repricing them to the Treasury yield curve at the Closing; (viii) $10.5 million for Equity Bank's net operating loss carryforward; (ix) $11.0 million for Equity Bank's deposit balances; and, (x) $1.4 million for certain of Equity Bank's branches; less (xi) $1,862,670, representing the amount by which the aggregate fair market value of Equity Bank's securities portfolio at the closing differed from Equity Bank's book value of such portfolio at the Closing to the extent not otherwise reflected in the calculations of the tangible book value of Equity Bank.

Pursuant to the Stock Purchase Agreement, the Company purchased from Equity Bank on May 25, 1994, those subsidiaries of Equity Bank ("Retained Corporations") that hold any of the assets contributed by the Company and several of its subsidiaries to a wholly-owned subsidiary of Equity Bank at the time that the Company acquired Equity Bank in March, 1988 (the "Transferred Assets"). The Company purchased such Retained Corporations for $67,421,363, representing an amount equal to the Retained Corporations' carrying value of the Transferred Assets at Closing. Under the Stock Purchase Agreement, the Company further purchased from Equity Bank at the Closing (i) the loan and mortgage on and an option to purchase the twenty-two (22) story Equity Tower located in Oklahoma City, Oklahoma ("Equity Tower Loan"), for $13,967,500, which amount is equal to Equity Bank's carrying value of such Equity Tower Loan at the time of Closing; (ii) all other real estate owned by Equity Bank as a result of foreclosure ("OREO") for $3,597,836, which amount is equal to the carrying value thereof as shown on the books of Equity Bank at the Closing, and (iii) certain loans in the principal amount of $1,213,723 owned by Equity Bank that Equity has charged off or written down (the "Loans") for a purchase price of $370,084, representing the net book value of each loan that has been written down and $1.00 in the case of each loan that has been charged off. In addition, pursuant to the Stock Purchase Agreement, the Company further acquired from Equity Bank at the Closing all outstanding accounts receivable owned by Equity Bank at the Closing ("Receivables") previously sold by the Company and certain other subsidiaries of the Company to Equity Bank under various purchase agreements, dated March 8, 1988, which purchase agreements were approved by the appropriate regulatory authority at such time, for the aggregate carrying value of such Receivables on the books of Equity Bank as of the Closing equal to $6,966,174.

The Company also exercised its option to be released from its obligations to indemnify Fourth regarding Equity Bank's net operating loss carryovers by paying $600,000 to Fourth from the sale proceeds.

To assist the Company in the consummation of the transactions described in the preceding paragraph, the Company obtained from Fourth, for one day, financing in the amount of $67,421,363 to purchase the Retained Corporations from Equity Bank, which financing was repaid together with interest thereon on May 26, 1994. The Company paid $23,990,434 of the total $24,901,539 paid by the Company to purchase the Equity Tower Loan, OREO properties, the Loans, and the Receivables from the proceeds of the purchase price received from Fourth to the extent of the amount of such proceeds. The remaining amount paid by the Company for the Equity Loan, OREO properties, the Loans and the Receivables in excess of the proceeds of the purchase price received from Fourth was $911,105, which amount was paid from the Company's working capital funds.

In addition to the foregoing, the Company purchased at Closing from Bank IV Oklahoma, National Association, a subsidiary of Fourth ("Bank

IV"), loans in the orignal principal amount of approximately $4,600,000 for a purchase price of $2,660,000 which purchase price was paid from the Company's working capital funds. The Company is currently negotiating with Bank IV to obtain financing on a short term basis to restore the $2,660,000 of working capital which was utilized to purchase such loans.

Item 7. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired - Not applicable.

(b) Pro forma Financial Information. The following unaudited pro forma financial information has been included as required by the rules of the Securities and Exchange Commission and is provided for comparative purposes only. The unaudited pro forma information presented is based upon, and should be read in conjunction with, the historical financial statements of the Company. The pro forma information presented does not purport to represent the actual results which would have occurred if the transaction reported herein had been consummated on the dates before the period indicated, nor is it indicative of the operating results in any future period.

(c) Exhibits

(2) Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession.

2.1 Stock Purchase Agreement, dated as of February 9, 1994, between Fourth Financial Corporation, LSB Industries, Inc., and Prime Financial Corporation. The Stock Purchase Agreement is attached as Exhibit 2 to the Form 8-K, dated February 9, 1994, and is incorporated herein by reference.

2.2 Second Supplemental Agreement, dated as of May 25, 1994, among Fourth Financial Corporation, LSB Industries Inc., and Prime Financial Corporation.

SIGNATURES

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

Date: June 10, 1994

LSB INDUSTRIES, INC.
(Registrant)

By /s/ Tony M. Shelby
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Tony M. Shelby
Senior Vice President and
Chief Financial Officer

The following unaudited Pro Forma Condensed Consolidated Balance Sheet as of March 31, 1994, and the Pro Forma Condensed Consolidated Statements of Income for the periods ended December 31, 1993, March 31, 1994, and March 31, 1993, are presented to give effect to the sale of Equity Bank.

The pro forma adjustments reflected herein are based on available information and certain assumptions that the Company's management believes are reasonable. Pro forma adjustments made in the Pro Forma Condensed Consolidated Balance Sheet assume that the sale of Equity Bank was consummated on March 31, 1994, and do not reflect the impact of Equity Bank's historical operating results or changes in other balance sheet amounts subsequent to March 31, 1994. The pro forma adjustments related to the Pro Forma Condensed Consolidated Statements of Income assume that the sale of Equity Bank was consummated on January 1, 1994 for the period ended March 31, 1994 and January 1, 1993 for the periods ended March 31, 1993 and December 31, 1993.

The Pro Forma Condensed Consolidated Balance Sheet and Pro Forma Condensed Consolidated Statements of Income are based on assumptions and approximations and, therefore, do not reflect in precise numerical terms the impact of the transaction on the historical financial statements. In addition, such pro forma financial statements should not be used as a basis for forecasting the future operations of the Company.

Pro Forma Condensed Consolidated Balance Sheet

(Unaudited)

March 31, 1994

	Actual	Pro Forma Adjustments (Note A)	Pro Forma Adjustments (Note B)	As Adjusted
	(Amounts in thousands)			
Assets				
Cash and cash equivalents	$ 21,015	$67,421	$ (80,745)	$ 7,691
Trade accounts receivable	57,525			57,525
Loans	127,424		(127,424)	-
Mortgage-backed and investment securities	211,660		(211,660)	-
Inventories	47,948			47,948
Foreclosed real estate	18,618		(3,929)	14,689
Net property, plant and equipment	68,212		(7,854)	60,358
Excess of purchase price over net assets acquired	21,302		(16,257)	5,045
Other assets	12,099		(2,835)	9,264
	$585,803	$67,421	$(450,704)	$202,520
Liabilities, preferred and common stocks and other stockholders' equity				
Liabilities:				
Deposits	$326,052	$	$(326,052)	$ -
Notes payable	-	67,421	(67,421)	-
Securities sold under agreements to repurchase	24,233		(24,233)	-

Other liabilities	43,249		(1,468)	41,781
Federal Home Loan Bank advances	62,650		(62,650)	-
Long-term debt	53,511		6,120	59,631
	509,695	67,421	(475,704)	101,412
Redeemable, noncumulative, convertible preferred stock	154			154
Total non-redeemable preferred stock, common stock and other stockholders' equity	75,954		25,000	100,954
	585,803	$67,421	$(450,704)	$202,520

Pro Forma Condensed Consolidated Statement of Income
(Unaudited)

	Year ended December 31, 1993		
	Actual	Pro Forma Adjustments	As Adjusted
	(Amounts in thousands, except per share amounts)		
Revenues:			
Net sales	$232,616		$232,616
Interest income on loans and investments	27,761	$(27,521)(C)	240
Credit card and other	16,217	(14,315)(C)	
		213 (D)	2,115
Total revenues	276,594	(41,623)	234,971
Costs and expenses:			
Cost of sales	174,504	-	174,504
Selling, general and administrative:			
Financial services	21,549	(21,549)(C)	-
Nonfinancial services	43,864	(750)(C)	
		133 (D)	43,247
Interest:			
Deposits	12,505	(12,505)(C)	-
Long-term debt and other	9,517	(2,010)(C)	
		(781)(D)	6,726
Provision for loan losses	1,382	(1,382)(C)	-
	263,321	(38,844)	224,477
Income from continuing operations before provision for income taxes	13,273	(2,779)	10,494
Provision for income taxes	874	(460)(C)	
		557 (D)	971
Income from continuing operations	$ 12,399	$ (2,876)	$ 9,523
Income from continuing operations applicable to common stock	$ 10,357		$ 7,481
Earnings from continuing operations per common share:			
Primary	$.77		$.59
Fully diluted	$.71		$.55

Pro Forma Condensed Consolidated Statement of Income
(Unaudited)

Three months ended March 31, 1994

	Actual	Pro Forma Adjustments	As Adjusted
	(Amounts in thousands, except per share amounts)		
Revenues:			
Net sales	$63,851	$	$63,851
Interest income on loans and investments	6,881	(6,830)(C)	51
Credit card and other	2,725	(2,679)(C)	
		403 (D)	449
Total revenues	73,457	(9,106)	64,351
Costs and expenses:			
Cost of sales	49,493	-	49,493
Selling, general and administrative:			
Financial services	5,514	(5,514)(C)	-
Nonfinancial services	11,219	(75)(C)	
		24 (D)	11,168
Interest:			
Deposits	3,195	(3,195)(C)	-
Long-term debt and other	1,681	(124)(D)	1,557
	71,102	(8,884)	62,218
Income from continuing operations before provision for income taxes	2,355	(222)	2,133
Provision for income taxes	152		152
Income from continuing operations	$ 2,203	$ (222)	$ 1,981
Income from continuing operations applicable to common stock	$ 1,380		$ 1,158
Earnings from continuing operations per common share:			
Primary	$.10		$.08
Fully diluted	$.10		$.08

Pro Forma Condensed Consolidated Statement of Income
(Unaudited)

	Three Months ended March 31, 1993		
	Actual	Pro Forma Adjustments	As Adjusted
	(Amounts in thousands, except per share amounts)		
Revenues:			
Net sales	$52,596	$	$52,596
Interest income on loans and investments	6,874	(6,855)(C)	19
Credit card and other	3,612	(3,269)(C)	
		434 (D)	777
Total revenues	63,082	(9,690)	53,392
Costs and expenses:			
Cost of sales	39,311	-	39,311
Selling, general and administrative:			
Financial services	5,328	(5,328)(C)	-
Nonfinancial services	9,631	(38)(C)	
		24 (D)	9,617
Interest:			
Deposits	3,846	(3,846)(C)	-
Long-term debt and other	2,183	(162)(D)	2,021
	60,299	(9,350)	50,949

Income from continuing operations before provision for income taxes	2,783	(340)	2,443
Provision for income taxes	125		125
Income from continuing operations	$ 2,658	$ (340)	$ 2,318
Income from continuing operations applicable to common stock	$ 2,580		$ 2,240
Earnings from continuing operations per common share:			
Primary	$.25		$.22
Fully diluted	$.18		$.15

Note A

Pro forma adjustment to recognize the cash required by the Company to purchase the Retained Corporations from Equity Bank prior to the sale of Equity Bank to the Purchaser. The borrowed funds plus interest were repaid from the proceeds of the sale of Equity Bank. As the carrying value of the Retained Assets and Retained Corporations on a consolidated basis did not change as a result of the purchase, no adjustment to such carrying value is necessary.

Note B

Pro forma adjustment to recognize the sale of Equity Bank as though consummated on March 31, 1994. The adjustment is based on the selling price of $92 million resulting in an estimated financial gain of $25 million after consideration of costs of the transaction.

Note C

Reclassification of revenues and expenses of Equity Bank as a discontinued operation of the Company for the period presented.

Note D

Pro forma adjustments to reflect the estimated effect on earnings of acquiring the Retained Assets. These include reduced interest expense on financing of the Company's accounts receivable with a new lender and the earnings on real estate assets acquired as Retained Assets.

SECOND SUPPLEMENTAL AGREEMENT Exhibit 2.2

SECOND SUPPLEMENTAL AGREEMENT, dated as of May 25, 1994, among FOURTH FINANCIAL CORPORATION, a Kansas corporation ("Fourth"); LSB INDUSTRIES, INC., a Delaware corporation ("LSB"); and PRIME FINANCIAL CORPORATION, an Oklahoma corporation ("Prime").

W I T N E S S E T H : That;

WHEREAS, Fourth, LSB, and Prime are parties to a Stock Purchase Agreement, dated as of February 9, 1994, as supplemented by a Supplemental Agreement (the "Supplemental Agreement"), dated as of May 20, 1994 (collectively the "Agreement"); and

WHEREAS, the parties desire to enter into this Second Supplemental Agreement for the other purposes set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms. All capitalized terms used herein shall have the same meaning as in the Stock Purchase Agreement unless otherwise defined herein.

2. Amendment to Schedule 1 to Supplemental Agreement. The parties hereby agree that Schedule 1 to the Supplemental Agreement is hereby amended to reduce the "Guarantied Amount" of the Loan loss premium for $2,600,000 by the aggregate amount of the loan charge-offs being taken to reflect the amount being paid by Prime Financial Corporation to BANK IV Oklahoma to purchase certain loans currently owned by the Bank pursuant to a letter agreement of even date between Prime and BANK IV and related Assignment of Loans. Although the effect of such amendment would be to increase the purchase price payable at the Closing, a decrease in the Bank's loan loss reserve in the same amount is also required because of such charge-offs, resulting in no net change in the final purchase price being effected by the amendment being made hereby.

3. 401(k) Plan. The parties hereby agree that Prime will assume sponsorship of the United BankCard "frozen" 401(k) plan described in Section 4.1(m) of the Agreement (the "BankCard Loan") on May 25, 1994. As soon as practicable following the Effective Time, Prime and LSB shall correct all plan qualification defects, obtain the necessary or desirable Internal Revenue Service ("IRS") approvals concerning said corrections (including, without limitation, utilization of the IRS's CAP and VCR programs), and prepare a request for a favorable determination letter from the IRS to the effect that the BankCard Plan is a "qualified plan". Prior to filing any VCR, CAP, and/or determination letter request with the IRS, Prime and LSB shall provide copies of drafts of the proposed requests and other documents relating to the BankCard Plan to Fourth and its representatives and allow Fourth and its representatives a reasonable opportunity to review and approve such draft documents. If (i) LSB and Prime receive favorable IRS approvals, and (ii) Prime or LSB is unable to effect a payout of the assets of the BankCard Plan to the plan participants, Fourth agrees to assume (or cause BANK IV to assume) sponsorship of the BankCard Plan.

4. Purchase Price for Retained Assets. The parties hereby agree that for purposes of Closing, the purchase price to be paid by Prime to the Bank for the Retained Assets is as set forth on Schedule A hereto. The parties further agree that appropriate post closing equitable adjustments will be made to the purchase price for the Retained Assets to reflect any payments received by the Bank prior to the Effective Time with respect to any of the Retained Assets.

5. Ratification of Agreement. Except as expressly amended or supplemented hereby, the Stock Purchase Agreement continues in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Supplemental Agreement as of the 25th day of May, 1994.

FOURTH FINANCIAL CORPORATION

By /s/ Ronald Baldwin
President

LSB INDUSTRIES, INC.

By /s/ Tony M. Shelby
Vice President

PRIME FINANCIAL CORPORATION

By /s/ Tony M. Shelby
Vice President

SCHEDULE A

Purchase Price for Retained Assets:

1.	Assignment of Equity Tower loan	$13,967,499.57
2.	Assignment of Receivables	$ 6,966,173.58
3.	Assignment of OREO	$ 3,597,835.65
4.	Assignment of loans, judgements and other Charged Off Assets	$ 370,084.27
	TOTAL	$24,901,539.07