

LSB INDUSTRIES INC  
Form SC 13D  
November 24, 2014

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

SCHEDULE 13D  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
§ 240.13d-2(a)

(Amendment No. )1

LSB Industries, Inc.

(Name of Issuer)

Common Stock, par value \$0.10 per share  
(Title of Class of Securities)

502160104

(CUSIP Number)

JEFFREY C. SMITH  
STARBOARD VALUE LP  
777 Third Avenue, 18th Floor  
New York, New York 10017  
(212) 845-7977

STEVE WOLOSKY, ESQ.  
OLSHAN FROME WOLOSKY LLP  
Park Avenue Tower  
65 East 55th Street  
New York, New York 10022  
(212) 451-2300

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

November 12, 2014  
(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 that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box " .

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

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1 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. 502160104

1 NAME OF REPORTING PERSON

STARBOARD VALUE LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		1,625,000
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		1,625,000
	10	SHARED DISPOSITIVE POWER
		- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,625,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.2%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 502160104

1 NAME OF REPORTING PERSON

STARBOARD VALUE AND OPPORTUNITY MASTER FUND LTD

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a)   
GROUP (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

CAYMAN ISLANDS

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		953,919
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		953,919
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

953,919

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)   
EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.2%

14 TYPE OF REPORTING PERSON

CO

CUSIP NO. 502160104

1 NAME OF REPORTING PERSON

STARBOARD VALUE AND OPPORTUNITY S LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)  (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		220,141
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		220,141
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

220,141

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Less than 1%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 502160104

1 NAME OF REPORTING PERSON

STARBOARD VALUE AND OPPORTUNITY C LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)  (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		123,616
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		123,616
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

123,616

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Less than 1%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 502160104

1 NAME OF REPORTING PERSON

STARBOARD VALUE R LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		123,616
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		123,616
	10	SHARED DISPOSITIVE POWER
		- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

123,616

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Less than 1%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 502160104

1 NAME OF REPORTING PERSON

STARBOARD VALUE R GP LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		123,616
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		123,616
	10	SHARED DISPOSITIVE POWER
		- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

123,616

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Less than 1%

14 TYPE OF REPORTING PERSON

OO



CUSIP NO. 502160104

1 NAME OF REPORTING PERSON

STARBOARD VALUE GP LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		1,625,000
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		1,625,000
	10	SHARED DISPOSITIVE POWER
		- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,625,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.2%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 502160104

1 NAME OF REPORTING PERSON

STARBOARD PRINCIPAL CO LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		1,625,000
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		1,625,000
	10	SHARED DISPOSITIVE POWER
		- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,625,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.2%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 502160104

1 NAME OF REPORTING PERSON

STARBOARD PRINCIPAL CO GP LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		1,625,000
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		1,625,000
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,625,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.2%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 502160104

1 NAME OF REPORTING PERSON

JEFFREY C. SMITH

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		1,625,000
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		1,625,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,625,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.2%

14 TYPE OF REPORTING PERSON

IN

CUSIP NO. 502160104

1 NAME OF REPORTING PERSON

MARK R. MITCHELL

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		1,625,000
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		1,625,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,625,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.2%

14 TYPE OF REPORTING PERSON

IN

CUSIP NO. 502160104

1 NAME OF REPORTING PERSON

PETER A. FELD

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		1,625,000
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		1,625,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,625,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.2%

14 TYPE OF REPORTING PERSON

IN

CUSIP NO. 502160104

The following constitutes the Schedule 13D filed by the undersigned (the "Schedule 13D").

Item 1. Security and Issuer.

This statement relates to the common stock, par value \$0.10 per share (the "Shares"), of LSB Industries, Inc., a Delaware corporation (the "Issuer"). The address of the principal executive offices of the Issuer is 16 South Pennsylvania Avenue, Oklahoma City, Oklahoma 73107.

Item 2. Identity and Background.

(a) This statement is filed by:

- (i) Starboard Value and Opportunity Master Fund Ltd, a Cayman Islands exempted company ("Starboard V&O Fund"), with respect to the Shares directly and beneficially owned by it;
- (ii) Starboard Value and Opportunity S LLC, a Delaware limited liability company ("Starboard S LLC"), with respect to the Shares directly and beneficially owned by it;
- (iii) Starboard Value and Opportunity C LP, a Delaware limited partnership ("Starboard C LP"), with respect to the Shares directly and beneficially owned by it;
  - (iv) Starboard Value R LP ("Starboard R LP"), as the general partner of Starboard C LP;
  - (v) Starboard Value R GP LLC ("Starboard R GP"), as the general partner of Starboard R LP;
- (vi) Starboard Value LP ("Starboard Value LP"), as the investment manager of Starboard V&O Fund, Starboard C LP and of a certain managed account (the "Starboard Value LP Account") and the manager of Starboard S LLC;
- (vii) Starboard Value GP LLC ("Starboard Value GP"), as the general partner of Starboard Value LP;
- (viii) Starboard Principal Co LP ("Principal Co"), as a member of Starboard Value GP;
- (ix) Starboard Principal Co GP LLC ("Principal GP"), as the general partner of Principal Co;
- (x) Jeffrey C. Smith, as a member of Principal GP and as a member of each of the Management Committee of Starboard Value GP and the Management Committee of Principal GP;
- (xi) Mark R. Mitchell, as a member of Principal GP and as a member of each of the Management Committee of Starboard Value GP and the Management Committee of Principal GP; and
- (xii) Peter A. Feld, as a member of Principal GP and as a member of each of the Management Committee of Starboard Value GP and the Management Committee of Principal GP.

CUSIP NO. 502160104

Each of the foregoing is referred to as a “Reporting Person” and collectively as the “Reporting Persons.” Each of the Reporting Persons is party to that certain Joint Filing Agreement, as further described in Item 6. Accordingly, the Reporting Persons are hereby filing a joint Schedule 13D.

(b) The address of the principal office of each of Starboard S LLC, Starboard C LP, Starboard R LP, Starboard R GP, Starboard Value LP, Starboard Value GP, Principal Co, Principal GP, and Messrs. Smith, Mitchell and Feld is 777 Third Avenue, 18th Floor, New York, New York 10017. The address of the principal office of Starboard V&O Fund is 89 Nexus Way, Camana Bay, PO Box 31106, Grand Cayman KY1-1205, Cayman Islands. The officers and directors of Starboard V&O Fund and their principal occupations and business addresses are set forth on Schedule A and are incorporated by reference in this Item 2.

(c) The principal business of Starboard V&O Fund is serving as a private investment fund. Starboard V&O Fund has been formed for the purpose of making equity investments and, on occasion, taking an active role in the management of portfolio companies in order to enhance shareholder value. Starboard S LLC and Starboard C LP have been formed for the purpose of investing in securities and engaging in all related activities and transactions. Starboard Value LP provides investment advisory and management services and acts as the investment manager of Starboard V&O Fund, Starboard C LP and the Starboard Value LP Account and the manager of Starboard S LLC. The principal business of Starboard Value GP is providing a full range of investment advisory, pension advisory and management services and serving as the general partner of Starboard Value LP. The principal business of Principal Co is providing investment advisory and management services. Principal Co is a member of Starboard Value GP. Principal GP serves as the general partner of Principal Co. Starboard R LP serves as the general partner of Starboard C LP. Starboard R GP serves as the general partner of Starboard R LP. Messrs. Smith, Mitchell and Feld serve as members of Principal GP and the members of each of the Management Committee of Starboard Value GP and the Management Committee of Principal GP.

(d) No Reporting Person, nor any person listed on Schedule A, annexed hereto, has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) No Reporting Person, nor any person listed on Schedule A, annexed hereto, has, during the last five years, been 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.

(f) Messrs. Smith, Mitchell and Feld are citizens of the United States of America. The citizenship of the persons listed on Schedule A is set forth therein.

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

The Shares purchased by each of Starboard V&O Fund, Starboard S LLC and Starboard CLP and held in the Starboard Value LP Account were purchased with working capital (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market purchases, except as otherwise noted, as set forth in Schedule B, which is incorporated by reference herein. The aggregate purchase price of the 953,919 Shares beneficially owned by Starboard V&O Fund is approximately \$31,801,647, excluding brokerage commissions. The aggregate purchase price of the 220,141 Shares beneficially owned by Starboard S LLC is approximately \$7,680,399, excluding brokerage commissions. The aggregate purchase price of the 123,616 Shares beneficially owned by Starboard C LP is approximately \$4,109,146, excluding brokerage commissions. The aggregate purchase price of the 327,324 Shares held in the Starboard Value LP Account is approximately \$11,422,433, excluding brokerage commissions.





CUSIP NO. 502160104

Item 4. Purpose of Transaction.

The Reporting Persons purchased the Shares based on the Reporting Persons' belief that the Shares, when purchased, were undervalued and represented an attractive investment opportunity. Depending upon overall market conditions, other investment opportunities available to the Reporting Persons, and the availability of Shares at prices that would make the purchase or sale of Shares desirable, the Reporting Persons may endeavor to increase or decrease their position in the Issuer through, among other things, the purchase or sale of Shares on the open market or in private transactions or otherwise, on such terms and at such times as the Reporting Persons may deem advisable.

In connection with the Issuer's 2014 annual meeting of stockholders (the "2014 Annual Meeting"), on April 3, 2014, Starboard entered into a settlement agreement with the Issuer (the "Agreement"), pursuant to which, among other things, the Issuer and Starboard agreed to take, and refrain from taking, certain actions in connection with the 2014 Annual Meeting and the exploration of strategic opportunities to improve stockholder value at the Issuer. Pursuant to the Agreement, the Issuer (i) nominated each of Daniel D. Greenwell and William F. Murdy for election to the Board of Directors (the "Board") at the 2014 Annual Meeting and appointed each of Messrs. Greenwell and Murdy to the Audit and Compensation Committees, respectively and (ii) elected Mr. Richard S. Sanders, Jr. to the Board effective as of the 2014 Annual Meeting to fill a vacancy on the Board. Messrs. Greenwell and Murdy were elected by the Issuer's stockholders at the 2014 Annual Meeting to serve as directors until the 2017 annual meeting of stockholders. The Issuer also created a committee of the Board entitled the 'Strategic Committee' (the "Strategic Committee") to evaluate certain strategic proposals made to the Issuer by Starboard in its July 23, 2014 letter to Jack E. Golsen, the Issuer's Chairman and Chief Executive Officer, including opportunities to (i) improve the Issuer's operating performance, (ii) explore strategic separations of the Issuer's two disparate businesses, and (iii) evaluate alternative financial structures that, collectively, could result in substantial value creation for the Issuer. The Issuer also appointed Messrs. Greenwell and Murdy to the Strategic Committee pursuant to the terms of the Agreement.

Pursuant to the Agreement, Starboard withdrew its nomination letter and agreed, among other things, not to nominate or recommend any person for election to the Board at the 2014 Annual Meeting. Starboard also agreed to certain customary standstill provisions, effective as of the date of the Agreement through the earlier of fifteen (15) business days prior to the deadline for the submission of stockholder nominations for the 2015 annual meeting of stockholders or one hundred thirty-five (135) days prior to the anniversary of the 2014 Annual Meeting, which prohibits Starboard from taking specified actions with respect to the Issuer and its securities, including, among others: (i) soliciting or participating in the solicitation of proxies, (ii) joining any "Group" or becoming party to any voting arrangement or agreement, (iii) seeking or encouraging others to submit nominations for election or removal of directors, (iv) making stockholder proposals or offers with respect to mergers, acquisitions and other combinations or (v) seeking board representation other than as provided in the Agreement.

Since entering into the Agreement, Starboard has maintained a constructive dialogue with management and the Board regarding Starboard's expectations and goals for the Issuer and the strategic alternatives that Starboard believes should be seriously explored by the Board and the Strategic Committee to unlock stockholder value at the Issuer. Starboard continues to believe that the Issuer has several viable alternatives available to create substantial value for stockholders.

CUSIP NO. 502160104

No Reporting Person has any present plan or proposal which would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D except as set forth herein or such as would occur upon or in connection with completion of, or following, any of the actions discussed herein. The Reporting Persons intend to review their investment in the Issuer on a continuing basis. Depending on various factors including, without limitation, the Issuer's financial position and investment strategy, the price levels of the Shares, conditions in the securities markets and general economic and industry conditions, the Reporting Persons may in the future take such actions with respect to their investment in the Issuer as they deem appropriate including, without limitation, engaging in communications with management, the Board and the Strategic Committee, engaging in discussions with stockholders of the Issuer and others about the Issuer and the Reporting Persons' investment, making proposals to the Issuer concerning changes to the capitalization, ownership structure, board structure (including board composition) or operations of the Issuer, purchasing additional Shares, selling some or all of their Shares, engaging in short selling of or any hedging or similar transaction with respect to the Shares, or changing their intention with respect to any and all matters referred to in Item 4.

Item 5. Interest in Securities of the Issuer.

The aggregate percentage of Shares reported owned by each person named herein is based upon 22,611,816 Shares outstanding, as of October 31, 2014, which is the total number of Shares outstanding as reported in the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 7, 2014.

A. Starboard V&O Fund

(a) As of the close of business on November 21, 2014, Starboard V&O Fund beneficially owned 953,919 Shares.

Percentage: Approximately 4.2%

- (b)
1. Sole power to vote or direct vote: 953,919
  2. Shared power to vote or direct vote: 0
  3. Sole power to dispose or direct the disposition: 953,919
  4. Shared power to dispose or direct the disposition: 0

(c) The transactions in the Shares by Starboard V&O Fund during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

B. Starboard S LLC

(a) As of the close of business on November 21, 2014, Starboard S LLC beneficially owned 220,141 Shares.

Percentage: Less than 1%

- (b)
1. Sole power to vote or direct vote: 220,141
  2. Shared power to vote or direct vote: 0
  3. Sole power to dispose or direct the disposition: 220,141
  4. Shared power to dispose or direct the disposition: 0

(c) The transactions in the Shares by Starboard S LLC during the past sixty days are set forth in Schedule B and are incorporated herein by reference.



CUSIP NO. 502160104

C. Starboard C LP

(a) As of the close of business on November 21, 2014, Starboard C LP beneficially owned 123,616 Shares.

Percentage: Less than 1%

- (b)
1. Sole power to vote or direct vote: 123,616
  2. Shared power to vote or direct vote: 0
  3. Sole power to dispose or direct the disposition: 123,616
  4. Shared power to dispose or direct the disposition: 0

(c) The transactions in the Shares by Starboard C LP during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

D. Starboard R LP

(a) Starboard R LP, as the general partner of Starboard C LP, may be deemed the beneficial owner of the 123,616 shares owned by Starboard C LP.

Percentage: Less than 1%

- (b)
1. Sole power to vote or direct vote: 123,616
  2. Shared power to vote or direct vote: 0
  3. Sole power to dispose or direct the disposition: 123,616
  4. Shared power to dispose or direct the disposition: 0

(c) Starboard R LP has not entered into any transactions in the Shares during the past sixty days. The transactions in the Shares on behalf of Starboard C LP during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

E. Starboard R GP

(a) Starboard R GP, as the general partner of Starboard R LP, may be deemed the beneficial owner of the 123,616 shares owned by Starboard C LP.

Percentage: Less than 1%

- (b)
1. Sole power to vote or direct vote: 123,616
  2. Shared power to vote or direct vote: 0
  3. Sole power to dispose or direct the disposition: 123,616
  4. Shared power to dispose or direct the disposition: 0

(c) Starboard R GP has not entered into any transactions in the Shares during the past sixty days. The transactions in the Shares on behalf of Starboard C LP during the past sixty days are set forth in Schedule B and are incorporated herein by reference.



CUSIP NO. 502160104

F. Starboard Value LP

(a) As of the close of business on November 21, 2014, 327,324 Shares were held in the Starboard Value LP Account. Starboard Value LP, as the investment manager of Starboard V&O Fund, Starboard C LP and the Starboard Value LP Account and the manager of Starboard S LLC, may be deemed the beneficial owner of the (i) 953,919 Shares owned by Starboard V&O Fund, (ii) 220,141 Shares owned by Starboard S LLC, (iii) 123,616 Shares owned by Starboard C LP, and (iv) 327,324 Shares held in the Starboard Value LP Account.

Percentage: Approximately 7.2%

- (b)
1. Sole power to vote or direct vote: 1,625,000
  2. Shared power to vote or direct vote: 0
  3. Sole power to dispose or direct the disposition: 1,625,000
  4. Shared power to dispose or direct the disposition: 0

(c) The transactions in the Shares by Starboard Value LP through the Starboard Value LP Account and on behalf of each of Starboard V&O Fund, Starboard S LLC and Starboard C LP during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

G. Starboard Value GP

(a) Starboard Value GP, as the general partner of Starboard Value LP, may be deemed the beneficial owner of the (i) 953,919 Shares owned by Starboard V&O Fund, (ii) 220,141 Shares owned by Starboard S LLC, (iii) 123,616 Shares owned by Starboard C LP, and (iv) 327,324 Shares held in the Starboard Value LP Account.

Percentage: Approximately 7.2%

- (b)
1. Sole power to vote or direct vote: 1,625,000
  2. Shared power to vote or direct vote: 0
  3. Sole power to dispose or direct the disposition: 1,625,000
  4. Shared power to dispose or direct the disposition: 0

(c) Starboard Value GP has not entered into any transactions in the Shares during the past sixty days. The transactions in the Shares on behalf of each of Starboard V&O Fund, Starboard S LLC, Starboard C LP and through the Starboard Value LP Account during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

H. Principal Co

(a) Principal Co, as a member of Starboard Value GP, may be deemed the beneficial owner of the (i) 953,919 Shares owned by Starboard V&O Fund, (ii) 220,141 Shares owned by Starboard S LLC, (iii) 123,616 Shares owned by Starboard C LP, and (iv) 327,324 Shares held in the Starboard Value LP Account.

Percentage: Approximately 7.2%

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- (b)
  - 1. Sole power to vote or direct vote: 1,625,000
  - 2. Shared power to vote or direct vote: 0
  - 3. Sole power to dispose or direct the disposition: 1,625,000
  - 4. Shared power to dispose or direct the disposition: 0

(c) Principal Co has not entered into any transactions in the Shares during the past sixty days. The transactions in the Shares on behalf of each of Starboard V&O Fund, Starboard S LLC, Starboard C LP and through the Starboard Value LP Account during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

I. Principal GP

(a) Principal GP, as the general partner of Principal Co, may be deemed the beneficial owner of the (i) 953,919 Shares owned by Starboard V&O Fund, (ii) 220,141 Shares owned by Starboard S LLC, (iii) 123,616 Shares owned by Starboard C LP, and (iv) 327,324 Shares held in the Starboard Value LP Account.

Percentage: Approximately 7.2%

- (b)
  - 1. Sole power to vote or direct vote: 1,625,000
  - 2. Shared power to vote or direct vote: 0
  - 3. Sole power to dispose or direct the disposition: 1,625,000
  - 4. Shared power to dispose or direct the disposition: 0

(c) Principal GP has not entered into any transactions in the Shares during the past sixty days. The transactions in the Shares on behalf of each of Starboard V&O Fund, Starboard S LLC, Starboard C LP and through the Starboard Value LP Account during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

J. Messrs. Smith, Mitchell and Feld

(a) Each of Messrs. Smith, Mitchell and Feld, as a member of Principal GP and as a member of each of the Management Committee of Starboard Value GP and the Management Committee of Principal GP, may be deemed the beneficial owner of the (i) 953,919 Shares owned by Starboard V&O Fund, (ii) 220,141 Shares owned by Starboard S LLC, (iii) 123,616 Shares owned by Starboard C LP, and (iv) 327,324 Shares held in the Starboard Value LP Account.

Percentage: Approximately 7.2%

- (b)
  - 1. Sole power to vote or direct vote: 0
  - 2. Shared power to vote or direct vote: 1,625,000
  - 3. Sole power to dispose or direct the disposition: 0
  - 4. Shared power to dispose or direct the disposition: 1,625,000

(c) None of Messrs. Smith, Mitchell or Feld has entered into any transactions in the Shares during the past sixty days. The transactions in the Shares on behalf of each of Starboard V&O Fund, Starboard S LLC, Starboard C LP and through the Starboard Value LP Account during the past sixty days are set forth in Schedule B and are incorporated herein by reference.





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Each Reporting Person, as a member of a “group” with the other Reporting Persons for the purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, may be deemed the beneficial owner of the Shares directly owned by the other Reporting Persons. Each Reporting Person disclaims beneficial ownership of such Shares except to the extent of his or its pecuniary interest therein.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Shares.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

On November 24, 2014, the Reporting Persons entered into a Joint Filing Agreement in which the Reporting Persons agreed to the joint filing on behalf of each of them of statements on Schedule 13D with respect to the securities of the Issuer to the extent required by applicable law. The Joint Filing Agreement is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 7. Material to be Filed as Exhibits.

99.1 Joint Filing Agreement by and among Starboard Value and Opportunity Master Fund Ltd, Starboard Value and Opportunity S LLC, Starboard Value and Opportunity C LP, Starboard Value R LP, Starboard Value R GP LLC, Starboard Value LP, Starboard Value GP LLC, Starboard Principal Co LP, Starboard Principal Co GP LLC, Jeffrey C. Smith, Mark R. Mitchell and Peter A. Feld, dated November 24, 2014.

99.2 Power of Attorney for Jeffrey C. Smith, Mark R. Mitchell and Peter A. Feld, dated September 15, 2011.

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SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: November 24, 2014

STARBOARD VALUE AND  
OPPORTUNITY MASTER FUND LTD  
By: Starboard Value LP,  
its investment manager

STARBOARD VALUE GP LLC  
By: Starboard Principal Co LP,  
its member

STARBOARD VALUE AND  
OPPORTUNITY S LLC  
By: Starboard Value LP,  
its manager

STARBOARD PRINCIPAL CO LP  
By: Starboard Principal Co GP LLC,  
its general partner

STARBOARD PRINCIPAL CO GP LLC

STARBOARD VALUE AND  
OPPORTUNITY C LP  
By: Starboard Value R LP  
its general partner

STARBOARD VALUE R GP LLC

STARBOARD VALUE R LP  
By: Starboard Value R GP LLC,  
its general partner

STARBOARD VALUE LP  
By: Starboard Value GP LLC,  
its general partner

By: /s/ Jeffrey C.  
Smith  
Name: Jeffrey C.  
Smith  
Title: Authorized  
Signatory

/s/ Jeffrey C.  
Smith  
JEFFREY C.  
SMITH  
Individually and  
as  
attorney-in-fact

for Mark R.  
Mitchell and  
Peter A. Feld

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SCHEDULE A

Directors and Officers of Starboard Value and Opportunity Master Fund Ltd

Name and Position	Principal Occupation	Principal Business Address	Citizenship
Patrick Agemian Director	Director of Global Funds Management, Ltd.	PO Box 10034, Harbour Place 2nd Floor 103 South Church Street Grand Cayman Cayman Islands, KY1-1001	Canada
Mark R. Mitchell Director*			
Don Seymour Director	Managing Director of dms Management Ltd.	dms Management Ltd. dms House, 20 Genesis Close P.O. Box 31910 Grand Cayman Cayman Islands, KY1-1208	Cayman Islands

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\* Mr. Mitchell is a Reporting Person and, as such, the information with respect to Mr. Mitchell called for by Item 2 of Schedule 13D is set forth therein.

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## SCHEDULE B

## Transactions in the Shares During the Past Sixty Days

Shares of Common Stock Purchased/(Sold)	Price Per Share(\$)	Date of Purchase / Sale
STARBOARD VALUE AND OPPORTUNITY MASTER FUND LTD		
41,860	36.3566	09/25/2014
16,744	36.4305	09/26/2014
23,920	36.3994	09/29/2014
34,086	36.0013	09/30/2014
38,935	34.9644	10/01/2014
20,965	34.6093	10/02/2014
29,950	34.6517	10/03/2014
14,975	34.6219	10/06/2014
27,554	33.9524	10/07/2014
8,386	34.0915	10/08/2014
8,985	33.6214	10/09/2014
5,990	32.8322	10/10/2014
11,940	33.2826	11/07/2014
47,760	32.6503	11/07/2014
8,955	30.9904	11/11/2014
95,777	31.7030	11/12/2014
14,925	33.3067	11/13/2014
23,623	33.1214	11/13/2014
29,850	32.9476	11/14/2014
29,850	33.2281	11/17/2014
29,850	33.8667	11/18/2014
29,850	33.8111	11/19/2014
26,032	34.2145	11/20/2014
3,818	35.3372	11/21/2014
14,925	34.5490	11/21/2014

## STARBOARD VALUE AND OPPORTUNITY S LLC

9,380	36.3566	09/25/2014
3,752	36.4305	09/26/2014
5,360	36.3994	09/29/2014
7,638	36.0013	09/30/2014
8,710	34.9644	10/01/2014
4,690	34.6093	10/02/2014
6,700	34.6517	10/03/2014
3,350	34.6219	10/06/2014
6,164	33.9524	10/07/2014
1,876	34.0915	10/08/2014
2,010	33.6214	10/09/2014

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1,340	32.8322	10/10/2014
2,680	33.2826	11/07/2014
10,720	32.6503	11/07/2014

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2,010	30.9904	11/11/2014
21,498	31.7030	11/12/2014
3,350	33.3067	11/13/2014
5,302	33.1214	11/13/2014
6,700	32.9476	11/14/2014
6,700	33.2281	11/17/2014
6,700	33.8667	11/18/2014
6,700	33.8111	11/19/2014
5,843	34.2145	11/20/2014
857	35.3372	11/21/2014
3,350	34.5490	11/21/2014

## STARBOARD VALUE AND OPPORTUNITY C LP

5,110	36.3566	09/25/2014
2,044	36.4305	09/26/2014
2,920	36.3994	09/29/2014
4,161	36.0013	09/30/2014
4,745	34.9644	10/01/2014
2,555	34.6093	10/02/2014
3,650	34.6517	10/03/2014
1,825	34.6219	10/06/2014
3,358	33.9524	10/07/2014
1,022	34.0915	10/08/2014
1,095	33.6214	10/09/2014
730	32.8322	10/10/2014
1,460	33.2826	11/07/2014
5,840	32.6503	11/07/2014
1,095	30.9904	11/11/2014
11,711	31.7030	11/12/2014
1,825	33.3067	11/13/2014
2,889	33.1214	11/13/2014
3,650	32.9476	11/14/2014
3,650	33.2281	11/17/2014
3,650	33.8667	11/18/2014
3,650	33.8111	11/19/2014
3,183	34.2145	11/20/2014
467	35.3372	11/21/2014
1,825	34.5490	11/21/2014

STARBOARD VALUE LP  
(Through the Starboard Value LP Account)

13,650	36.3566	09/25/2014
5,460	36.4305	09/26/2014
7,800	36.3994	09/29/2014
11,115	36.0013	09/30/2014
12,610	34.9644	10/01/2014



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6,790	34.6093	10/02/2014
9,700	34.6517	10/03/2014

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4,850	34.6219	10/06/2014
8,924	33.9524	10/07/2014
2,716	34.0915	10/08/2014
2,910	33.6214	10/09/2014
1,940	32.8322	10/10/2014
3,920	33.2826	11/07/2014
15,680	32.6503	11/07/2014
2,940	30.9904	11/11/2014
31,445	31.7030	11/12/2014
4,900	33.3067	11/13/2014
7,755	33.1214	11/13/2014
9,800	32.9476	11/14/2014
9,800	33.2281	11/17/2014
9,800	33.8667	11/18/2014
9,800	33.8111	11/19/2014
8,546	34.2145	11/20/2014
1,254	35.3372	11/21/2014
4,900	34.5490	11/21/2014