LSB INDUSTRIES INC

Form 4

January 06, 2006

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

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obligations

Check this box

SECURITIES Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue.

30(h) of the Investment Company Act of 1940

1(b).

(Last)

(City)

1.Title of

Security

(Instr. 3)

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person *

8201 MISSION ROAD, SUITE 110

JAYHAWK CAPITAL MANAGEMENT LLC

> (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol

LSB INDUSTRIES INC [LXU]

3. Date of Earliest Transaction

(Month/Day/Year)

01/04/2006

6. Individual or Joint/Group Filing(Check

Officer (give title

Applicable Line)

Director

X Form filed by One Reporting Person Form filed by More than One Reporting

(I)

(Instr. 4)

6. Ownership

Form: Direct

(D) or Indirect Beneficial

5. Relationship of Reporting Person(s) to

(Check all applicable)

10% Owner _ Other (specify

7. Nature of

Ownership

(Instr. 4)

(9-02)

Indirect

Person

5. Amount of

Securities

Beneficially

Issuer

below)

(Street)

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

PRAIRIE VILLAGE, KS 66208

(State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

2. Transaction Date 2A. Deemed 4. Securities (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Code

Disposed of (D) (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5)

Owned Following Reported Transaction(s)

or (Instr. 3 and 4) Code V Amount (D) Price

(A)

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

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

Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	
Security (Instr. 3)	or Exercise Price of	(any (Month/Day/Year)

4.	5. Number	6. Date Exercisable and
Transactionof		Expiration Date
Code	Derivative	(Month/Day/Year)
(Instr. 8)	Securities	

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Derivative Acquired Security (A) or Disposed of (D)

(Instr. 3, 4, and 5)

Code V (A) (D) Date **Expiration Title** Amount

Exercisable Date

> Number of Shares

Class C

(2) $$0^{(1)}$ P 100 01/04/2006 Preferred 01/04/2006

432.9

\$ 5

Common

Stock

Series 2

Reporting Owners

Relationships Reporting Owner Name / Address

> Director 10% Owner Officer Other

JAYHAWK CAPITAL MANAGEMENT LLC 8201 MISSION ROAD SUITE 110 PRAIRIE VILLAGE, KS 66208

X

Signatures

Kent C. 01/06/2006 **McCarthy**

**Signature of Date Reporting Person

Explanation of Responses:

- If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each share of Class C Preferred Series 2 Stock is convertible into 4.329 shares of Common Stock.
- (2) Does not expire.

As of January 4, 2006, the reporting person is the indirect beneficial owner of 168,250 shares of Class C Preferred Series 2 Stock directly (3) owned by Jayhawk Institutional Partners, L.P. and 132,300 shares of Class C Preferred Series 2 Stock directly owned by Jayhawk

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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