

LSB INDUSTRIES INC
Form 4
December 27, 2005

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
JAYHAWK CAPITAL
MANAGEMENT LLC

(Last) (First) (Middle)

8201 MISSION ROAD, SUITE 110

(Street)

PRAIRIE VILLAGE, KS 66208

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
12/22/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

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

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

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

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

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SEC 1474
(9-02)

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. D S (I) |
|--|------------------------------------|--------------------------------------|--|--------------------------------|---|--|---|------------|
|--|------------------------------------|--------------------------------------|--|--------------------------------|---|--|---|------------|

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| Derivative Security | | | or Disposed of | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
|----------------------------|---------------------|------------|----------------|-----|------------------|-----------------|----------------|----------------------------|---------|
| | | | (D) | (D) | | | | | |
| | | | Code | V | (A) | (D) | | | |
| Class C Preferred Series 2 | \$ 0 ⁽¹⁾ | 12/22/2005 | P | | 15,000 | 12/22/2005 | ⁽²⁾ | Common Stock | 64,935 |
| Class C Preferred Series 2 | \$ 0 ⁽¹⁾ | 12/22/2005 | P | | 500 | 12/22/2005 | ⁽²⁾ | Common Stock | 2,164.5 |
| Class C Preferred Series 2 | \$ 0 ⁽¹⁾ | 12/22/2005 | P | | 1,000 | 12/22/2005 | ⁽²⁾ | Common Stock | 4,329 |
| Class C Preferred Series 2 | \$ 0 ⁽¹⁾ | 12/23/2005 | P | | 800 | 12/23/2005 | ⁽²⁾ | Common Stock | 4,363.2 |
| Class C Preferred Series 2 | \$ 0 ⁽¹⁾ | 12/23/2005 | P | | 200 | 12/23/2005 | ⁽²⁾ | Common Stock | 865.8 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

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

X

Signatures

Kent C. 12/27/2005
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.

- (3) As of December 23, 2005, the reporting person is the indirect beneficial owner of 168,250 shares of Class C Preferred Series 2 Stock directly owned by Jayhawk Institutional Partners, L.P. and 123,100 shares of Class C Preferred Series 2 Stock directly owned by Jayhawk Investments, L.P.

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.