

LSB INDUSTRIES INC  
Form 4  
October 22, 2007

**FORM 4**

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

OMB APPROVAL

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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)

5410 WEST 61ST PLACE, SUITE  
100

(Street)

MISSION, KS 66205

(City) (State) (Zip)

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

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director  10% Owner  
\_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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 Indirect Beneficial Ownership (Instr. 4) |         |   |                               |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|---------|---|-------------------------------|
|                                 |                                      |  | Code                           | V   | Amount (A) or Price (D)   |  |   |         |   |                               |
| Common Stock                    | 10/18/2007                           |  | S                              |   | 5,000   | D  | \$ 23.77  | 720,125 | I | Jayhawk Investments, L.P. (1) |
| Common Stock                    | 10/18/2007                           |  | S                              |   | 5,000   | D  | \$ 24.01  | 715,125 | I | Jayhawk Investments, L.P. (1) |
| Common Stock                    | 10/19/2007                           |  | S                              |   | 3,400   | D  | \$ 23.65  | 711,725 | I | Jayhawk Investments, L.P. (1) |
| Common Stock                    | 10/19/2007                           |  | S                              |   | 2,431   | D  | \$ 23.72  | 709,294 | I | Jayhawk Investments,          |

| Common Stock | 10/18/2007 | S | 20,000 | D | \$ 23.77 | 1,056,839 | I |  | L.P. <sup>(1)</sup><br>Jayhawk Institutional Partners, L.P. <sup>(2)</sup> |
|--------------|------------|---|--------|---|----------|-----------|---|--|--|
| Common Stock | 10/18/2007 | S | 20,000 | D | \$ 24.01 | 1,036,839 | I |  | Jayhawk Institutional Partners, L.P. <sup>(2)</sup>                        |
| Common Stock | 10/19/2007 | S | 13,600 | D | \$ 23.65 | 1,023,239 | I |  | Jayhawk Institutional Partners, L.P. <sup>(2)</sup>                        |
| Common Stock | 10/19/2007 | S | 9,724  | D | \$ 23.72 | 1,013,515 | I |  | Jayhawk Institutional Partners, L.P. <sup>(2)</sup>                        |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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(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 Derivative Security | 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) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares   |

## Reporting Owners

Reporting Owner Name / Address

### Relationships

Director 10% Owner Officer Other

X

JAYHAWK CAPITAL MANAGEMENT LLC  
5410 WEST 61ST PLACE  
SUITE 100  
MISSION, KS 66205

## Signatures

/s/ Kent C. McCarthy,  
Manager

10/22/2007

\_\_Signature of Reporting Person

Date

## 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).

As of the reporting date, Jayhawk Capital Management, L.L.C. ("Jayhawk Capital") is deemed the indirect beneficial owner of 709,294 shares of common stock held by Jayhawk Investments, L.P. Jayhawk Capital disclaims beneficial ownership of all securities covered by

(1) this statement (except to the extent of any pecuniary interest therein) and this report shall not be deemed an admission that such reporting person is the beneficial owner of such securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or any other purpose.

As of the reporting date, Jayhawk Capital Management, L.L.C. ("Jayhawk Capital") is deemed the indirect beneficial owner of 1,013,515 shares of common stock held by Jayhawk Institutional Partners, L.P. Jayhawk Capital disclaims beneficial ownership of all securities

(2) covered by this statement (except to the extent of any pecuniary interest therein) and this report shall not be deemed an admission that such reporting person is the beneficial owner of such securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or any other purpose.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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