

LSB INDUSTRIES INC

Form 4

April 18, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(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)

04/16/2007

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	04/16/2007		C/K ⁽¹⁾	141,040 A <u>(2)</u>	1,866,068	I	Jayhawk Institutional Partners, L.P. ⁽³⁾
Common Stock					570,762	I	Jayhawk Investments, L.P. ⁽³⁾

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

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information contained in this form are not
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SEC 1474
(9-02)

number.

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 An Underlying Se (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
7% Convertible Senior Debentures due 2011	(2)	04/16/2007		C/K(2)	\$ 1,000,000	03/14/2006	03/01/2011	Common Stock

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. McCarthy,
Manager 04/18/2007

__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).
- (1) Issued upon conversion of 7% Convertible Senior Debentures due 2011 referred to in Note 2 below.
- (2) Each \$1,000 principle amount of the 7% Convertible Senior Debentures due 2011 is convertible into 141.04 shares of Common Stock of the issuer.
- As of the reporting date, the Jayhawk Capital is deemed the indirect beneficial owner of 1,866,068 shares of Common Stock held by Jayhawk Institutional and 570,762 shares of Common Stock held by Jayhawk Investments. Jayhawk Capital disclaims beneficial
- (3) ownership of all securities 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 or any other purpose.

Remarks:

This Form 4 is filed by Jayhawk Capital Management, L.L.C. ("Jayhawk Capital"). Form 4s reporting the transactions reported

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herein were also filed by Kent C. McCarthy, the manager of Jayhawk Capital, and by Jayhawk Institutional Parnters L.P. ("Jay Insitutional"). Jayhawk Capital is the general partner and manager of Jayhawk Investments, L.P. ("Jayhawk Investments") and of Jayhawk Institutional.

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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