LSB INDUSTRIES INC

Form 4

December 27, 2005

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

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if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

Check this box

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

1(b).

(Last)

(City)

Security

(Instr. 3)

(Print or Type Responses)

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) 12/22/2005

(Street)

(Zip)

4. If Amendment, Date Original

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

Director 10% Owner Other (specify Officer (give title 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

PRAIRIE VILLAGE, KS 66208

(State) 1.Title of 2. Transaction Date 2A. Deemed

(Month/Day/Year) Execution Date, if (Month/Day/Year)

4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following Reported

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial (I) Ownership (Instr. 4) (Instr. 4)

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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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 3. Transaction Date 3A. Deemed 5. Number of 6. Date Exercisable and 7. Title and Amount of 4. Derivative Conversion (Month/Day/Year) Execution Date, if **TransactionDerivative Expiration Date Underlying Securities** Security or Exercise Code Securities (Month/Day/Year) (Instr. 3 and 4) (Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired (A)

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	Derivative Security			or Disposed of (D) (Instr. 3, 4, and 5)				
			Code '	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
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	<u>(2)</u>	Common Stock	2,164.5
Class C Preferred Series 2	\$ 0 (1)	12/22/2005	P	1,000	12/22/2005	<u>(2)</u>	Common Stock	4,329
Class C Preferred Series 2	\$ 0 <u>(1)</u>	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

Director 10% Owner Officer Other

Reporting Owners 2

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.
 - As of December 23, 2005, the reporting person is the indirect beneficial owner of 168,250 shares of Class C Preferred Series 2 Stock
- (3) 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.

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