

LSB INDUSTRIES INC  
Form 4/A  
August 23, 2007

**FORM 4**

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

OMB APPROVAL

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**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)  
08/21/2007

4. If Amendment, Date Original Filed(Month/Day/Year)  
08/16/2007

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) |   |                                                     |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|---|-----------------------------------------------------|
|                                 |                                      |                                                    | Code                           | V                                                                 | Amount                                                                                        | (A) or (D)                                               | Price                                                 |   |                                                     |
| Common Stock                    | 08/21/2007 <sup>(1)</sup>            |                                                    | C                              |                                                                   | 349,220                                                                                       | A                                                        | <u>(2)</u> 2,215,288 <sup>(3)</sup>                   | I | Jayhawk Institutional Partners, L.P. <sup>(4)</sup> |
| Common Stock                    | 08/21/2007 <sup>(1)</sup>            |                                                    | C                              |                                                                   | 321,826                                                                                       | A                                                        | <u>(5)</u> 892,588                                    | I | Jayhawk Investments, L.P. <sup>(4)</sup>            |

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

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(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 Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|-------------------------------|
| Class C Preferred Series 2                 | (6)                                                    | 08/21/2007 <sup>(1)</sup>            |                                                    | C                              | 80,670<br>(2) (6)                                                                       | (6) (6)                                                  | Common Stock                                                  | 349,220                       |
| Class C Preferred Series 2                 | (6)                                                    | 08/21/2007 <sup>(1)</sup>            |                                                    | C                              | 74,342<br>(5) (6)                                                                       | (6) (6)                                                  | Common Stock                                                  | 321,826                       |

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director 10% Owner Officer Other

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

X

## Signatures

/s/ Kent C. McCarthy,  
Manager

08/23/2007

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) The transaction date was reported as August 14, 2007 in the reporting person's previous Form 4 filed on August 16, 2007. However, the effective date of the transaction was actually August 21, 2007.

(2) The reporting person, through Jayhawk Institutional Partners, L.P. ("Jayhawk Institutional"), converted 80,670 shares of \$3.25 Convertible Exchangeable Class C Preferred Stock, Series 2 ("Class C Preferred Series 2 Stock") on August 21, 2007 into 349,220 shares of common stock in accordance with the terms of the Class C Preferred Series 2 Stock.

(3) The amount of securities beneficially owned by the reporting person, through Jayhawk Institutional, following the transaction was reported in the reporting person's previous Form 4 filed on August 16, 2007 as 2,074,248. However, the actual amount of securities beneficially owned by the reporting person, through Jayhawk Institutional, following the transaction was 2,215,288.

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- As of the reporting date, Jayhawk Capital Management, L.L.C. ("Jayhawk Capital") is deemed the indirect beneficial owner of (i) 2,215,288 shares of common stock held by Jayhawk Institutional and (ii) 892,588 shares of common stock held by Jayhawk Investments, L.P. ("Jayhawk Investments"). Jayhawk Capital disclaims beneficial 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.
- (4) The reporting person, through Jayhawk Investments, converted 74,342 shares of Class C Preferred Series 2 Stock on August 21, 2007 into 321,826 shares of common stock in accordance with the terms of the Class C Preferred Series 2 Stock.
  - (5) Each share of the Class C Preferred Series 2 Stock was convertible into 4.329 shares of common stock at any time, and had no expiration date.

### Remarks:

This Form 4 is filed by Jayhawk Capital. Form 4s reporting the transactions herein were also filed by Kent C. McCarthy, the partner of Jayhawk Capital, and by Jayhawk Institutional. Jayhawk Capital is the general partner and manager of Jayhawk Investments and 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. 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.