

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>JAYHAWK CAPITAL MANAGEMENT LLC</u> (Last) (First) (Middle) 8201 MISSION ROAD SUITE 110 (Street) PRAIRIE VILLAGE KS 66208 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>LSB INDUSTRIES INC [LXU]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 05/11/2006	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

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			

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Class C Preferred Series 2	\$0 ⁽¹⁾	05/11/2006		P		100		05/11/2006	(2)	Common Stock	432.9	\$64	306,490	I	By Jayhawk Institutional Partners, L.P. and Jayhawk Investments, L.P. ⁽³⁾
Class C Preferred Series 2	\$0 ⁽¹⁾	05/11/2006		P		400		05/11/2006	(2)	Common Stock	1,731.6	\$65	306,890	I	By Jayhawk Institutional Partners, L.P. and Jayhawk Investments, L.P. ⁽³⁾
Class C Preferred Series 2	\$0 ⁽¹⁾	05/12/2006		P		500		05/12/2006	(2)	Common Stock	2,164.5	\$65	307,390	I	By Jayhawk Institutional Partners, L.P. and Jayhawk Investments, L.P. ⁽³⁾

Explanation of Responses:

- Each share of Class C Preferred Series 2 Stock is convertible into 4.329 shares of Common Stock.
- Does not expire.
- As of May 12, 2006, the reporting person is the indirect beneficial owner of 170,890 shares of Class C Preferred Series 2 Stock directly owned by Jayhawk Institutional Partners, L.P. and 136,500 shares of Class C Preferred Series 2 Stock directly owned by Jayhawk Investments, L.P.

Kent C. McCarthy 05/12/2006

** Signature of Reporting Person Date

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

* 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).

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

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 Number.