

OMB APPROVAL	
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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

1. Name and Address of Reporting Person* <u>JAYHAWK CAPITAL MANAGEMENT LLC</u> (Last) (First) (Middle) 5410 WEST 61ST PLACE SUITE 100 (Street) MISSION KS 66205 (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) 08/14/2007					
			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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	08/14/2007		C		349,220	A	(1)	2,074,248	I	Jayhawk Institutional Partners, L.P. ⁽²⁾
Common Stock	08/14/2007		C		321,826	A	(3)	892,588	I	Jayhawk Investments, L.P. ⁽²⁾

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	(4)	08/14/2007		C		80,670 ⁽¹⁾⁽⁴⁾		(4)	(4)	Common Stock	349,220	\$0	0	I	Jayhawk Institutional Partners, L.P. ⁽²⁾
Class C Preferred Series 2	(4)	08/14/2007		C		74,342 ⁽³⁾⁽⁴⁾		(4)	(4)	Common Stock	321,826	\$0	0	I	Jayhawk Investments, L.P. ⁽²⁾

Explanation of Responses:

- 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 14, 2007 into 349,220 shares of common stock in accordance with the terms of the Class C Preferred Series 2 Stock.
- As of the reporting date, Jayhawk Capital Management, L.L.C. ("Jayhawk Capital") is deemed the indirect beneficial owner of (i) 2,074,248 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.
- The reporting person, through Jayhawk Investments, converted 74,342 shares of Class C Preferred Series 2 Stock on August 14, 2007 into 321,826 shares of common stock in accordance with the terms of the Class C Preferred Series 2 Stock.
- 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 manager of Jayhawk Capital, and by Jayhawk Institutional. Jayhawk Capital is the general partner and manager of Jayhawk Investments and of Jayhawk Institutional.

/s/ Kent C. McCarthy, Manager 08/16/2007

** 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.

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