

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 | |
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| 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] | 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) 10/15/2007 | |
| | 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 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 | 10/15/2007 | | S | | 5,000 | D | \$24.04 | 750,413 | I | Jayhawk Investments, L.P. ⁽¹⁾ |
| Common Stock | 10/15/2007 | | S | | 6,460 | D | \$24.12 | 743,953 | I | Jayhawk Investments, L.P. ⁽¹⁾ |
| Common Stock | 10/16/2007 | | S | | 5,000 | D | \$23.82 | 738,953 | I | Jayhawk Investments, L.P. ⁽¹⁾ |
| Common Stock | 10/16/2007 | | S | | 4,159 | D | \$24.01 | 734,794 | I | Jayhawk Investments, L.P. ⁽¹⁾ |
| Common Stock | 10/17/2007 | | S | | 5,000 | D | \$24.04 | 729,794 | I | Jayhawk Investments, L.P. ⁽¹⁾ |
| Common Stock | 10/17/2007 | | S | | 4,669 | D | \$24.1 | 725,125 | I | Jayhawk Investments, L.P. ⁽¹⁾ |
| Common Stock | 10/15/2007 | | S | | 20,000 | D | \$24.04 | 1,177,991 | I | Jayhawk Institutional Partners, L.P. ⁽²⁾ |
| Common Stock | 10/15/2007 | | S | | 25,840 | D | \$24.12 | 1,152,151 | I | Jayhawk Institutional Partners, L.P. ⁽²⁾ |
| Common Stock | 10/16/2007 | | S | | 20,000 | D | \$23.82 | 1,132,151 | I | Jayhawk Institutional Partners, L.P. ⁽²⁾ |
| Common Stock | 10/16/2007 | | S | | 16,636 | D | \$24.01 | 1,115,515 | I | Jayhawk Institutional Partners, L.P. ⁽²⁾ |
| Common Stock | 10/17/2007 | | S | | 20,000 | D | \$24.04 | 1,095,515 | I | Jayhawk Institutional Partners, L.P. ⁽²⁾ |

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 | 10/17/2007 | | S | | 18,676 | D | \$24.1 | 1,076,839 | I | Jayhawk Institutional Partners, 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 | | | | | |

Explanation of Responses:

1. As of the reporting date, Jayhawk Capital Management, L.L.C. ("Jayhawk Capital") is deemed the indirect beneficial owner of 725,125 shares of common stock held by Jayhawk Investments, L.P. 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 of the Securities Exchange Act of 1934, as amended, or any other purpose.

2. As of the reporting date, Jayhawk Capital Management, L.L.C. ("Jayhawk Capital") is deemed the indirect beneficial owner of 1,076,839 shares of common stock held by Jayhawk Institutional Partners, L.P. 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 of the Securities Exchange Act of 1934, as amended, or any other purpose.

/s/ Kent C. McCarthy, Manager 10/17/2007

** 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.

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.