

OMB APPROVAL	
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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

1. Name and Address of Reporting Person* <u>JAYHAWK CAPITAL MANAGEMENT LLC</u>			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) _____		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>03/14/2006</u>			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		
8201 MISSION ROAD SUITE 110			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(Street) <u>PRAIRIE VILLAGE</u> <u>KS</u> <u>66208</u>								
(City) (State) (Zip)								

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	03/14/2006		P		5,000	A	\$6.35	945,000	I	By Jayhawk Institutional Partners, L.P.
Common Stock	03/15/2006		P		8,700	A	\$6.4267	953,700	I	By Jayhawk Institutional Partners, L.P.

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	Amount or Number of Shares				
7% Convertible Senior Subordinated Debentures	\$0 ⁽¹⁾	03/14/2006		P		1,000,000 ⁽²⁾		03/14/2006	03/01/2011	Common Stock	125,000 ⁽³⁾	\$1,000,000	\$1,000,000	I	By Jayhawk Institutional Partners, L.P.
Class C Preferred Series 2	\$0 ⁽⁴⁾	03/14/2006		P		200		03/14/2006	⁽⁵⁾	Common Stock	865.8	\$57	304,950	I	By Jayhawk Investments, L.P. and Jayhawk Institutional Partners, L.P. ⁽⁶⁾
Class C Preferred Series 2	\$0 ⁽⁴⁾	03/15/2006		P		100		03/15/2006	⁽⁵⁾	Common Stock	432.9	\$58	305,050	I	By Jayhawk Investments, L.P. and Jayhawk Institutional Partners, L.P. ⁽⁶⁾

Explanation of Responses:

- The conversion price for the 7% Convertible Senior Subordinated Debentures shall be: (i) for the period beginning March 14, 2006 and ending August 31, 2006, \$8.00 per share; (ii) for the period beginning September 1, 2006 and ending February 28, 2007, \$7.08 per share; (iii) for the period beginning March 1, 2007 and ending August 31, 2007, \$7.09 per share; (iv) for the period beginning September 1, 2007 and ending February 29, 2008, \$7.28 per share; (v) for the period beginning March 1, 2008 and ending August 31, 2008, \$7.50 per share; (vi) for the period beginning September 1, 2008 and ending February 28, 2009, \$7.74 per share; and (vii) for the period beginning March 1, 2009 and ending February 28, 2011, \$8.00 per share.
- On March 14, 2006, Jayhawk Institutional Partners, L.P. purchased 7% Convertible Senior Subordinated Debentures in the principal amount of \$1,000,000.
- The number of shares of Common Stock is equal to the principal amount stated in footnote 2 divided by the conversion price then in effect.
- Each share of Class C Preferred Series 2 Stock is convertible into 4.329 shares of Common Stock.
- Does not expire.
- As of March 15, 2006, the reporting person is the indirect beneficial owner of 168,550 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

03/16/2006

** 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.

