#### MCCARTHY KENT C

Form 4

December 19, 2006

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB** Number:

3235-0287

**OMB APPROVAL** 

Expires:

January 31, 2005

Estimated average

0.5

burden hours per

response...

Form 4 or Form 5 obligations may continue.

See Instruction

Check this box

if no longer

subject to

Section 16.

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \* MCCARTHY KENT C

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

LSB INDUSTRIES INC [LXU]

(Check all applicable)

(Last)

(First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year)

Director Officer (give title 10% Owner Other (specify

8201 MISSION ROAD, SUITE 110

(Street)

(State)

12/15/2006

below) 6. Individual or Joint/Group Filing(Check

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

Applicable Line)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

(I)

(Instr. 4)

Person

PRAIRIE VILLAGE, KS 66208

(Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

5. Amount of Securities

6. Ownership 7. Nature of Form: Direct Indirect

(D) or Indirect Beneficial

Ownership

(Instr. 4)

SEC 1474

(9-02)

1.Title of Security (Instr. 3)

(City)

2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if

(Month/Day/Year)

4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

Owned Following Reported

Beneficially

Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

(A)

or

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

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 control number.

#### Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5. Number	6. Date Exercisable and	7. Title and Amount of
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction	onof Derivative	Expiration Date	Underlying Securities
Security	or Exercise		any	Code	Securities	(Month/Day/Year)	(Instr. 3 and 4)
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Acquired		

8.1 De Sec (In

### Edgar Filing: MCCARTHY KENT C - Form 4

	Derivative Security			(A) or Disposed o (D) (Instr. 3, 4, and 5)				
			Code V	(A) (I	D) Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Class C Preferred Series 2	<u>(1)</u>	12/15/2006	P	800	<u>(1)</u>	<u>(1)</u>	Common Stock	3,463.2
Class C Preferred Series 2	<u>(1)</u>	12/15/2006	P	2,500	<u>(1)</u>	<u>(1)</u>	Common Stock	10,822.5
Class C Preferred Series 2	<u>(1)</u>	12/18/2006	P	500	<u>(1)</u>	<u>(1)</u>	Common Stock	2,164.5
Class C Preferred Series 2	<u>(1)</u>				<u>(1)</u>	<u>(1)</u>	Common Stock	<u>(1)</u>
Class C Preferred Series 2	(1)				<u>(1)</u>	<u>(1)</u>	Common Stock	(1)

# **Reporting Owners**

Reporting Owner Name / Address	Relationships				
<b>F-</b>	Director 10%	10% Owner	Officer	Other	
MCCARTHY KENT C					
8201 MISSION ROAD		X			
SUITE 110		Λ			
PRAIRIE VILLAGE, KS 66208					

# **Signatures**

Kent C.
McCarthy

\*\*Signature of Reporting Person

Light 12/19/2006

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) Each share of Class C Preferred Series 2 Stock is convertible into 4.329 shares of Common Stock at any time, and has no expiration date.
- (2) This Form 4 is filed by Kent C. McCarthy. A Form 4 reporting the transactions reported herein was also filed by Jayhawk Capital Management, L.L.C. ("Jayhawk"). Mr. McCarthy is the manager of Jayhawk which is the general partner and manager of Jayhawk Investments, L.P. ("Jayhawk Investments") and Jayhawk Institutional, L.P. ("Jayhawk Institutional"). As of the reporting date, Mr. McCarthy is the indirect benefical owner of 149,510 shares of Class C Preferred Stock Series 2 owned by Jayhawk Investments and

Reporting Owners 2

### Edgar Filing: MCCARTHY KENT C - Form 4

171,390 shares of Class C Preferred Stock Series 2 owned by Jayhawk Institutional. Mr. McCarthy 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.

(3) The shares listed are owned by the Kent C. McCarthy Revokable Trust.

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.