

LSB INDUSTRIES INC  
Form 4  
October 22, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

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

(Print or Type Responses)

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

2. Issuer Name and Ticker or Trading Symbol  
LSB INDUSTRIES INC [LXU]

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)

(Last) (First) (Middle)  
5410 WEST 61ST PLACE, SUITE 100  
(Street)  
MISSION, KS 66205  
(City) (State) (Zip)

3. Date of Earliest Transaction (Month/Day/Year)  
10/18/2007  
4. If Amendment, Date Original Filed(Month/Day/Year)

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below)  
 10% Owner  
\_\_\_\_ Other (specify below)  
6. Individual or Joint/Group Filing(Check Applicable Line)  
 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)		
				(A) or (D)	Price				
				Code	V	Amount			
Common Stock	10/18/2007		S	5,000	D	\$ 23.77	720,125	I	Jayhawk Investments, L.P. <sup>(1)</sup>
Common Stock	10/18/2007		S	5,000	D	\$ 24.01	715,125	I	Jayhawk Investments, L.P. <sup>(1)</sup>
Common Stock	10/19/2007		S	3,400	D	\$ 23.65	711,725	I	Jayhawk Investments, L.P. <sup>(1)</sup>
Common Stock	10/19/2007		S	2,431	D	\$ 23.72	709,294	I	Jayhawk Investments,

Common Stock	10/18/2007	S	20,000	D	\$ 23.77	1,056,839	I		L.P. <sup>(1)</sup> Jayhawk Institutional Partners, L.P. <sup>(2)</sup>
Common Stock	10/18/2007	S	20,000	D	\$ 24.01	1,036,839	I		Jayhawk Institutional Partners, L.P. <sup>(2)</sup>
Common Stock	10/19/2007	S	13,600	D	\$ 23.65	1,023,239	I		Jayhawk Institutional Partners, L.P. <sup>(2)</sup>
Common Stock	10/19/2007	S	9,724	D	\$ 23.72	1,013,515	I		Jayhawk Institutional Partners, L.P. <sup>(2)</sup>

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.**

SEC 1474  
(9-02)

**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 Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
				X

MCCARTHY KENT C  
5410 WEST 61ST PLACE  
SUITE 100  
MISSION, KS 66205

## Signatures

/s/ Kent C.  
McCarthy

10/22/2007

\*\*Signature of  
Reporting Person

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) As of the reporting date, Kent C. McCarthy is deemed the indirect beneficial owner of 709,294 shares of common stock held by Jayhawk Investments, L.P. 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 of the Securities Exchange Act of 1934, as amended, or any other purpose.

(2) As of the reporting date, Kent C. McCarthy is deemed the indirect beneficial owner of 1,013,515 shares of common stock held by Jayhawk Institutional Partners, L.P. 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 of the Securities Exchange Act of 1934, as amended, or any other purpose.

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.