

MCCARTHY KENT C

Form 5

January 31, 2006

FORM 5**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**Check this box if
no longer subject
to Section 16.Form 4 or Form
5 obligations
may continue.See Instruction
1(b).Form 3 Holdings
Reported

Form 4

Transactions

Reported

**ANNUAL 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

OMB APPROVAL

OMB
Number: 3235-0362Expires: January 31,
2005Estimated average
burden hours per
response... 1.01. Name and Address of Reporting Person *
MCCARTHY KENT C

(Last) (First) (Middle)

8201 MISSION ROAD,Â SUITE
110

(Street)

2. Issuer Name and Ticker or Trading
Symbol
LSB INDUSTRIES INC [LXU]3. Statement for Issuer's Fiscal Year Ended
(Month/Day/Year)
12/31/20055. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☐ Director ☒ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

PRAIRIE VILLAGE,Â KSÂ 66208

(City) (State) (Zip)

☒ 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) (A) or Amount (D) Price	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
---------------------------------------	---	---	--------------------------------------	---	--	--	---

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 2270
(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	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)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
---	--	---	---	--------------------------------------	--	--	---

Edgar Filing: MCCARTHY KENT C - Form 5

Derivative Security						or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						(A)	(D)				
Class C Preferred Series 2	\$ 0 ⁽¹⁾	04/01/2005	Â	J4 ⁽²⁾	20,000	Â		04/01/2005	Â ⁽³⁾	Common Stock	86,580

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCCARTHY KENT C 8201 MISSION ROAD SUITE 110 PRAIRIE VILLAGE,Â KSÂ 66208	Â	Â X	Â	Â

Signatures

Kent C.
McCarthy

01/31/2006

 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) Each share of Class C Preferred Series 2 stock is convertible into 4.329 shares of Common Stock.
- (2) On April 1, 2005, Jayhawk Investments, L.P. acquired 20,000 shares of Class C Preferred Stock in a distribution from Primarius Focus, LP, a fund in which Jayhawk Investments L.P., invests.
- (3) Does not expire.
- (4) Market price of the security on the date of distribution.
- (5) As of December 31, 2005, the reporting person is the indirect beneficial owner of 168,250 shares of Class C Preferred Series 2 Stock directly owned by Jayhawk Institutional Partners, L.P. and 132,200 shares of Class C Preferred Series 2 Stock directly owned by Jayhawk Investments, L.P. The reporting person is the manager of Jayhawk Capital Management, L.L.C., which is the general partner of Jayhawk Institutional Partners, L.P. and Jayhawk Investments, L.P.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.