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LSB INDUSTRIES INC  
Form SC 13D/A  
November 28, 2007

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

SCHEDULE 13D/A

Under the Securities Exchange Act of 1934  
(Amendment No. 10)\*

LBS Industries, Inc.

-----  
(Name of Issuer)

Common Stock, Par Value \$0.010 per share

-----  
(Title of Class of Securities)

502160104

-----  
(CUSIP Number)

Jayhawk Capital Management, L.L.C.  
Attention: Kent C. McCarthy  
5410 West 61st Place, Suite 100  
Mission, Kansas 66205  
(913) 642-2611

-----  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

Copy to:

Kirstin P. Salzman  
Blackwell Sanders Peper Martin LLP  
4801 Main Street, Suite 1000  
Kansas City, Missouri 64112  
(816) 983-8000

November 16, 2007

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(Date of Event which Requires Filing  
of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box [ ].

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss.240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 502160104

1 NAME OF REPORTING PERSON:  
Kent C. McCarthy

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (Entities Only):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) [ ]  
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions):  
Not Applicable.

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION:  
United States

7 SOLE VOTING POWER:  
204,240 (1)

NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
WITH

8 SHARED VOTING POWER:  
736,500 (2)

9 SOLE DISPOSITIVE POWER:  
204,240 (1)

10 SHARED DISPOSITIVE POWER:  
736,500 (2)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
940,740

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12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions):

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
4.5%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):  
IN

(1) These shares are held of record by the Kent C. McCarthy Revocable Trust ("Trust") of which Mr. McCarthy is the trustee and sole beneficiary.

(2) Of the shares listed, 527,400 are beneficially owned by Jayhawk Institutional and 209,100 are beneficially owned directly by Jayhawk Investments. The shares beneficially owned by Jayhawk Institutional include 527,400 shares of Common Stock, 112,500 shares of which were acquired upon the exercise of previously reported Warrants on November 9, 2007. The shares beneficially owned by Jayhawk Investments include 209,100 shares of Common Stock. The relationship of the parties filing this Schedule 13D is described in Item 2.

CUSIP No. 502160104

1 NAME OF REPORTING PERSON:  
Jayhawk Capital Management, L.L.C.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (Entities Only): 48-1172612

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) [ ]  
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions):  
Not Applicable

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION:  
Delaware, United States

7 SOLE VOTING POWER:

NUMBER OF SHARES  
BENEFICIALLY OWNED BY

8 SHARED VOTING POWER:

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EACH REPORTING PERSON 736,500 (1)  
WITH -----

9 SOLE DISPOSITIVE POWER:  
-----

10 SHARED DISPOSITIVE POWER:  
736,500 (1)  
-----

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
736,500  
-----

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions):  
 (2)  
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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
3.5%  
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14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):  
OO  
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(1) Of the shares listed, 527,400 are beneficially owned by Jayhawk Institutional and 209,100 are beneficially owned directly by Jayhawk Investments. The shares beneficially owned by Jayhawk Institutional include 527,400 shares of Common Stock, 112,500 shares of which were acquired upon the exercise of previously reported Warrants on November 9, 2007. The shares beneficially owned by Jayhawk Investments include 209,100 shares of Common Stock. The relationship of the parties filing this Schedule 13D is described in Item 2.

(2) Excludes 204,240 shares of Common Stock reported herein as held by Mr. Kent C. McCarthy, beneficial ownership of which securities is disclaimed pursuant to Rule 13d-4 under the Act.

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CUSIP No. 502160104  
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1 NAME OF REPORTING PERSON:  
Jayhawk Institutional Partners, L.P.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (Entities Only): 48-1172611  
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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) [ ]  
(b)

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3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions):  
Not Applicable

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION:  
Delaware, United States

7 SOLE VOTING POWER:

NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
WITH

8 SHARED VOTING POWER:  
527,400 (1)

9 SOLE DISPOSITIVE POWER:

10 SHARED DISPOSITIVE POWER:  
527,400 (1)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
527,400

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions):  
 (2)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
2.5%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):  
PN

(1) The shares listed consist of 527,400 shares of Common Stock including 112,500 shares from the exercise of 112,500 Warrants on November 9, 2007.

(2) Excludes (i) 204,240 shares of Common Stock reported herein as held by Mr. Kent C. McCarthy, and (ii) 209,100 shares of Common Stock reported herein as held by Jayhawk Investments. Beneficial ownership of the securities described in the foregoing clauses (i) and (ii) is disclaimed pursuant to Rule 13d-4 under the Act.

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CUSIP No. 502160104  
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1 NAME OF REPORTING PERSON:  
Jayhawk Investments, L.P.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (Entities Only): 48-1172620

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) [ ]  
(b) [X]  
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3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions):  
Not Applicable

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION:  
Delaware, United States

7 SOLE VOTING POWER:

NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
WITH

8 SHARED VOTING POWER:  
209,100

9 SOLE DISPOSITIVE POWER:

10 SHARED DISPOSITIVE POWER:  
209,100

-----  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
209,100  
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12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions):  
[X] (2)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
1.0%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):  
PN

(1) The shares listed include 209,100 shares of Common Stock.  
(2) Excludes (i) 204,240 shares of Common Stock reported herein as held by Mr. Kent C. McCarthy, and (ii) 527,400 shares of Common Stock reported herein as held by Jayhawk Institutional. Beneficial ownership of the securities described in the foregoing clauses (i) and (ii) is disclaimed pursuant to Rule 13d-4 under the Act.

SCHEDULE 13D

This Amendment No. 10 to Schedule 13D (the "Amendment") is being filed jointly by Kent C. McCarthy, Jayhawk Capital Management, L.L.C., a Delaware limited liability company ("Jayhawk"), Jayhawk Institutional Partners, L.P., a Delaware limited partnership ("Jayhawk Institutional"), and Jayhawk Investments, L.P., a Delaware limited partnership ("Jayhawk Investments" and, together with Mr. McCarthy, Jayhawk and Jayhawk Institutional, "Filing Parties") to amend the cover page of each of the Filing Parties and Items 5 and 7 of the initial statement on Schedule 13D relating to shares of Common Stock ("Common Stock") of LSB Industries, Inc., a Delaware corporation (the "Issuer"), as filed with the Securities and Exchange Commission (the "Commission") on January 18, 2001, as amended by Amendment No. 1 filed with the Commission on March 22, 2002, Amendment No. 2 filed with the Commission on March 28, 2003, Amendment No. 3 filed with the Commission on November 12, 2003, Amendment No. 4 filed with the Commission on January 9, 2004, Amendment No. 5 filed with the Commission on January 30, 2006, Amendment No. 6 filed with the Commission on December 22, 2006, Amendment No. 7 filed with the Commission on April 4, 2007, Amendment No. 8 filed with the Commission on August 21, 2007, and Amendment No. 9 filed with the Commission on November 9, 2007 (the "Original Schedule 13D"). Items 1, 2, 3, 4 and 6 are not amended hereby.

Unless otherwise indicated, capitalized terms used but not defined herein which are defined in the Original Schedule 13D shall have the meaning assigned to such terms in the Original Schedule 13D.

The beneficial ownership reported in this Amendment No. 10 assumes that at November 28, 2007, there were 20,827,088 shares of the Issuer's Common Stock outstanding. This figure is based on the shares of Common Stock outstanding as reported in Form 10-Q for the period ending September 30, 2007 filed with the Commission on November 5, 2007.

**Item 5. Interest in Securities of the Issuer.**

(a) and (b)

Jayhawk Institutional beneficially owns 527,400 shares of Common Stock (which includes 527,400 shares of Common Stock held of record by Jayhawk Institutional, including 112,500 shares of Common Stock which were acquired upon

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the exercise of previously reported Warrants on November 9, 2007 by Jayhawk Institutional), which represents 2.5% of the Common Stock.

Jayhawk Investments beneficially owns 209,100 shares of Common Stock, which represents 1.0% of the Common Stock.

As a result of the relationship of Jayhawk to Jayhawk Institutional and Jayhawk Investments, Jayhawk may be deemed to have shared power to vote, or direct the vote of, and to dispose, or direct the disposition of, the 736,500 shares of Common Stock beneficially owned by Jayhawk Institutional and Jayhawk Investments, which, in the aggregate represents 3.5% of the Common Stock.

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As a result of (i) Mr. McCarthy being the trustee and sole beneficiary of the Trust, Mr. McCarthy is deemed to beneficially own the 204,240 shares of Common Stock held of record by the Trust and (ii) the relationship of Mr. McCarthy to Jayhawk and Jayhawk to each of Jayhawk Institutional and Jayhawk Investments, Mr. McCarthy may be deemed to have shared power to vote, or direct the vote of, and to dispose, or direct the disposition of, the Common Stock beneficially owned by Jayhawk Institutional and Jayhawk Investments. The aggregate shares represented by the foregoing clauses (i) and (ii) is 940,740, which represents 4.5% of the Common Stock.

(c) The following transactions were effected on the open market through brokers since November 8, 2007:

\* Jayhawk Institutional acquired 112,500 shares of Common Stock upon the exercise of previously reported Warrants that were exercised directly with the Issuer.

(d) Not Applicable.

(e) Kent C. McCarthy's beneficial ownership in the Issuer dropped below 5% on November 16, 2007 when shares of the Issuer were sold in an open market transaction.

### **Item 7. Material to be Filed as Exhibits.**

1. Joint Filing Agreement dated as of January 9, 2001 (previously filed as Exhibit 99.1 to Original Schedule 13D filed with the Commission on January 18, 2001).

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### SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: November 28, 2007

JAYHAWK INSTITUTIONAL PARTNERS, L.P.

By: Jayhawk Capital Management, L.L.C.,  
Its general partner



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By: /s/ Kent C. McCarthy

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Kent C. McCarthy, Manager

JAYHAWK INVESTMENTS, L.P.

By: Jayhawk Capital Management, L.L.C.,  
Its general partner

By: /s/ Kent C. McCarthy

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Kent C. McCarthy, Manager

JAYHAWK CAPITAL MANAGEMENT, L.L.C.

By: /s/ Kent C. McCarthy

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Kent C. McCarthy, Manager

KENT C. MCCARTHY

/s/ Kent C. McCarthy

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Kent C. McCarthy