

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) November 4, 2008

Capital Southwest Corporation

(Exact name of registrant as specified in its charter)

Texas

811-1056

75-1072796

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

12900 Preston Road, Suite 700, Dallas, Texas

75230

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code

972-233-8242

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events

A press release was issued on November 4, 2008 announcing the engagement by the Company of Raymond James & Associates as its financial advisor to explore various strategic alternatives for its wholly-owned portfolio company, Lifemark Group, including a potential recapitalization or sale of Lifemark. The press release is attached to this Form 8-K as Exhibit 99.1 and is incorporated herein by reference in its entirety.

Item 9.01. Financial Statements and Exhibits.

- (a) None.
(b) None.
(c) None.
(d) Exhibits.

Exhibit Number

Description

99.1 Press Release dated November 4, 2008

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 4, 2008

By: /s/ Gary L. Martin

Name: Gary L. Martin

Title: President and Chairman

CAPITAL SOUTHWEST TO PURSUE STRATEGIC ALTERNATIVES FOR LIFEMARK GROUP

DALLAS - November 4, 2008 - Capital Southwest Corporation (Nasdaq: CSWC) announced today that it has retained Raymond James & Associates as its financial advisor to explore various strategic alternatives for its wholly-owned portfolio company, Lifemark Group, including a potential recapitalization or sale of Lifemark. Capital Southwest has owned Lifemark Group since 1969.

Lifemark Group, based in Hayward, California, owns and operates cemeteries, funeral homes, mausoleums and mortuaries. Its operations, all of which are in California, include properties in San Mateo, Oakland, Hayward and Sacramento. For the fiscal year ended March 31, 2008, Lifemark reported revenues of \$29.7 million. The company has recently completed a significant capital expenditure program at its Skylawn Memorial Park cemetery in San Mateo, including the addition of a significant new funeral home at that location.

Gary Martin, chairman and president of Capital Southwest, commented that "Lifemark operates some of the most distinctive and best-known properties in America. Its management team has operated and grown this business considerably over time with minimal oversight from Capital Southwest."

Capital Southwest's current investment criteria emphasize investments in rapidly growing private companies with outstanding management; \$0 to \$10 million of EBITDA; and the potential to grow revenues at 20% or more per year.

Capital Southwest does not intend to comment further on the possible recapitalization or sale of Lifemark Group unless and until a definitive agreement for a transaction has been reached, or a determination is made not to pursue such a transaction. There can be no assurance as to whether Capital Southwest will enter into or consummate a transaction as a result of this process.

About Capital Southwest Corporation

Capital Southwest is a Dallas-based business development company that provides patient equity capital to exceptional businesses. As a public company, Capital Southwest has the flexibility to hold investments indefinitely, which has provided its portfolio company managers a stable ownership platform since its founding in 1961. For more information about Capital Southwest, visit the company's website at www.capitalsouthwest.com.

Contact: Gary L. Martin or Tracy L. Morris
972-233-8242

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