

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>HAMNER PATRICK F</u> (Last) (First) (Middle) 12900 PRESTON RD STE 700 (Street) DALLAS TX 75230 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>CAPITAL SOUTHWEST CORP [CSWC]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Senior Vice President*</u>
	3. Date of Earliest Transaction (Month/Day/Year) 06/09/2006	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	06/09/2006 ⁽⁴⁾		M		8,000	A	\$65	41,800	D	
Common Stock	06/09/2006 ⁽⁴⁾		S		8,000	D	\$96.89	33,800	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Non Qualified Stock Option ⁽¹⁾	\$65	06/09/2006 ⁽⁴⁾		M			8,000	07/16/2002	07/16/2011	Common Stock	10,000	\$65	2,000	D	
Non Qualified Stock Option ⁽²⁾	\$65	05/18/2006		J			2,000	07/16/2002	07/16/2011	Common Stock	10,000	\$0.00	0	D	
Incentive Stock Option ⁽³⁾	\$93.49	05/18/2006		J			9,000	05/15/2008	05/15/2016	Common Stock	9,000	\$0.00	0	D	
Non Qualified Stock Option ⁽³⁾	\$93.49	05/18/2006		J			11,000	05/15/2007	05/15/2016	Common Stock	11,000	\$0.00	0	D	

Explanation of Responses:

- Exercisable in five (5) annual cumulative installments of 2,000 shares.
- Options terminated 5/18/06 with 2,000 shares unvested.
- Options terminated 5/18/06 with no shares vested.
- Mr. Hamner entered into a binding obligation to exercise an option for 8,000 shares on June 9, 2006. Mr. Hamner did not acquire title to those shares until June 13, 2006.

Remarks:

*Resigned on 5/18/06

/s/ Patrick F. Hamner

06/13/2006

** Signature of Reporting Person

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.