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**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) May 14, 2012

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**Capital Southwest Corporation**

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(Exact name of registrant as specified in its charter)

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Texas

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(State or other jurisdiction of incorporation)

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814-61

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(Commission File Number)

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75-1072796

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(IRS Employer Identification No.)

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12900 Preston Road, Suite 700, Dallas, Texas  
(Address of principal executive offices)

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75230  
(Zip Code)

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972-233-8242

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Registrant's telephone number, including area code

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(Former Name or Former Address, if Changed Since Last Report)

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))
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**Item 1.01 Entry into a Material Definitive Agreement**

**Item 2.01 Completion of Acquisition or Disposition of Assets**

On May 14, 2012, Capital Southwest Venture Corporation, a wholly owned subsidiary of Capital Southwest Corporation, entered into a Share Repurchase Agreement with Encore Wire Corporation dated May 14, 2012 pursuant to which Encore Wire repurchased 2,774,250 shares of Encore Wire's common stock held by Capital Southwest Venture Corporation. Pursuant to terms of the Share Repurchase Agreement, the aggregate sale price was \$66,637,485, based on a price of \$24.02 per share. Capital Southwest Corporation continues to hold its 1,312,500 shares of common stock in Encore Wire Corporation. Additionally, the Board of Directors of Capital Southwest Corporation declared a cash dividend in the amount of \$17.59 per share of common stock. The dividend represents a distribution of the entire capital gain proceeds to its shareholders. A copy of the press release announcing the sale of shares is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits**

**(d) Exhibits**

| <u>Exhibit No.</u> | <u>Description</u>  |
|--------------------|---|
| 10.1               | Share Repurchase Agreement by and among Encore Wire Corporation and Capital Southwest Venture Corporation |
| 99.1               | Press Release, dated May 14, 2012.  |

**SIGNATURE**

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.

Date: May 14, 2012

CAPITAL SOUTHWEST CORPORATION

By: /s/ Gary L. Martin  
Gary L. Martin  
Chairman and Chief Executive Officer





## SHARE REPURCHASE AGREEMENT

THIS SHARE REPURCHASE AGREEMENT (this "Agreement") is made and entered into as of this 14th day of May, 2012 (the "Effective Date"), by and between Capital Southwest Venture Corporation, a Nevada corporation ("Seller"), and Encore Wire Corporation, a Delaware corporation ("Purchaser").

### RECITALS

WHEREAS, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, 2,774,250 shares of Common Stock of the Purchaser, representing all of the shares of Common Stock of the Company held by Seller, on the terms and conditions set forth in this Agreement (the "Repurchase Transaction").

WHEREAS, the board of directors of Purchaser (the "Board") has approved an ongoing stock repurchase program to purchase up to an aggregate of 4,000,000 shares of the Company's outstanding Common Stock from time to time on the open market or through privately negotiated transactions (the "Authorized Repurchase Program").

WHEREAS, the Board formed a special committee of the Board (the "Special Committee") comprised solely of independent directors to determine whether or not to authorize and to negotiate the terms of repurchase transactions with Seller within the parameters of the Authorized Repurchase Program.

WHEREAS, the Special Committee has approved the Repurchase Transaction and related transactions that may be required in connection with the Repurchase Transaction.

NOW, THEREFORE, in consideration of the premises and the agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### ARTICLE I SALE AND PURCHASE OF SHARES

Section 1.1 Purchase. Subject to the terms and conditions of this Agreement, Seller hereby sells, assigns, transfers, conveys and delivers to Purchaser, and Purchaser hereby purchases, acquires and accepts from Seller, 2,774,250 shares of Common Stock of Purchaser (the "Shares"). The purchase price for each Share shall be equal to twenty-four dollars and two cents (\$24.02) (the "Purchase Price").

Section 1.2 Closing. The closing of the Repurchase Transaction (the "Closing") will take place at Purchaser's offices in Dallas, Texas (or such other place as the parties shall agree) at 10:00 a.m., Dallas, Texas time, on the Effective Date (the "Closing Date"). At the Closing, (a) Seller shall deliver or cause to be delivered to Purchaser the stock certificates representing the Shares, and stock powers and assignments evidencing the sale, assignment and transfer to the Purchaser by Seller of the shares in accordance with the terms hereof, together with all documentation reasonably necessary to transfer to Purchaser right, title and interest in and to the Shares and (b) Purchaser shall pay to Seller the aggregate Purchase Price in respect of the Shares

in cash by wire transfer of immediately available funds in accordance with the wire transfer instructions provided by Seller to Purchaser.

**ARTICLE II**  
**REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller hereby makes the following representations and warranties to Purchaser, each of which is true and correct on the date hereof and shall survive the Closing Date.

Section 2.1 Power, Authorization and Enforceability.

(a) Seller is a corporation duly formed, validly existing and in good standing under the laws of the State of Nevada and has the power, authority and capacity to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. All consents, orders, approvals and other authorizations, whether governmental, corporate or otherwise, necessary for such execution, delivery and performance by Seller of this Agreement and the transactions contemplated hereby have been obtained and are in full force and effect.

(b) This Agreement has been duly executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

Section 2.2 No Conflicts. The execution and delivery of this Agreement by Seller and the consummation by Seller of the transactions contemplated hereby does not and will not constitute or result in a breach, violation or default under (i) any agreement or instrument, whether written or oral, express or implied, to which Seller is a party, (ii) Seller's certificate of incorporation or bylaws or (iii) any statute, law, ordinance, decree, order, injunction, rule, directive, judgment or regulation of any court, administrative or regulatory body, governmental authority, arbitrator, mediator or similar body on the part of Seller, except, in each case, as would not reasonably be expected to have a material adverse effect upon the ability of Seller to consummate the Repurchase Transaction and perform its obligations under this Agreement.

Section 2.3 Title to Shares. Seller is the sole legal and beneficial owner of and has good and valid title to the Shares. Upon delivery to Purchaser of the Shares to be sold by Seller to Purchaser, against payment made pursuant to this Agreement, good and valid title to such Shares, free and clear of any lien, pledge, charge, security interest, mortgage, or other encumbrance or adverse claim, will pass to Purchaser.

Section 2.4 Sophistication of Seller. Seller (either alone or together with its advisors) has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the Repurchase Transaction. Seller has had the opportunity to ask questions and receive answers concerning the terms and conditions of the Repurchase Transaction and the Shares and has had full access to such other information concerning the Shares and Purchaser as it has requested. Seller has received all information that it believes is necessary or appropriate in connection the Repurchase Transaction. Seller is an informed and

sophisticated party and has engaged, to the extent it deems appropriate, expert advisors experienced in the evaluation of transactions of the type contemplated hereby. Seller acknowledges that Seller has not relied upon any express or implied representations or warranties of any nature made by or on behalf of Purchaser, whether or not any such representations, warranties or statements were made in writing or orally, except as expressly set forth for the benefit of Seller in this Agreement.

Section 2.5 Material Nonpublic Information; Good Faith. As of the date hereof, Seller is not aware of any material nonpublic information concerning Purchaser or its securities. Seller is entering into this Agreement in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES OF PURCHASER**

Purchaser hereby makes the following representations and warranties to Seller, each of which is true and correct on the date hereof and shall survive the Closing Date.

Section 3.1 Power; Authorization and Enforceability.

(a) Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the power, authority and capacity to execute and deliver this Agreement, to perform Purchaser's obligations hereunder, and to consummate the transactions contemplated hereby. All consents, orders, approvals and other authorizations, whether governmental, corporate or otherwise, necessary for such execution, delivery and performance by Purchaser of this Agreement and the transactions contemplated hereby have been obtained and are in full force and effect.

(b) This Agreement has been duly executed and delivered by Purchaser and constitutes a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

Section 3.2 No Conflicts. The execution and delivery of this Agreement by Purchaser and the consummation by Purchaser of the transactions contemplated hereby does not and will not constitute or result in a breach, violation or default under (i) any agreement or instrument, whether written or oral, express or implied, to which Purchaser is a party, (ii) Purchaser's certificate of incorporation or bylaws or (iii) any statute, law, ordinance, decree, order, injunction, rule, directive, judgment or regulation of any court, administrative or regulatory body, governmental authority, arbitrator, mediator or similar body on the part of Purchaser, except, in each case, as would not reasonably be expected to have a material adverse effect upon the ability of Purchaser to consummate the Repurchase Transaction and perform its obligations under this Agreement.

Section 3.3 Sophistication of Purchaser. Purchaser has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the Repurchase Transaction. Purchaser is an informed and sophisticated party and has engaged,

to the extent Purchaser deems appropriate, expert advisors experienced in the evaluation of transactions of the type contemplated hereby. Purchaser acknowledges that Purchaser has not relied upon any express or implied representations or warranties of any nature made by or on behalf of Seller, whether or not any such representations, warranties or statements were made in writing or orally, except as expressly set forth for the benefit of Purchaser in this Agreement.

Section 3.4 Material Nonpublic Information; Good Faith. As of the date hereof, Purchaser is not aware of any material nonpublic information concerning Purchaser or its securities. Purchaser is entering into this Agreement in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws.

#### **ARTICLE IV MISCELLANEOUS PROVISIONS**

Section 4.1 Notice. All notices, requests, certificates and other communications to any party hereunder shall be in writing and given to each other party hereto and shall be deemed given or made (i) as of the date delivered, if delivered personally, (ii) on the date the delivering party receives confirmation, if delivered by facsimile or electronic mail (iii) three business days after being mailed by registered or certified mail (postage prepaid, return receipt requested); or (iv) one business day after being sent by overnight courier (providing proof of delivery), to the parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 4.1).

If delivered to Purchaser, to:

Encore Wire Corporation  
1329 Millwood Road  
McKinney, Texas 75069  
Attention: Daniel L. Jones, President  
Facsimile No.: (214) 733-5008

with a copy to:

Thompson & Knight LLP  
1722 Routh Street, Suite 1500  
Dallas, Texas 75201  
Attention: Ann Marie Cowdrey  
Facsimile No.: (214) 999-9001

if to Seller, to:

Capital Southwest Venture Corporation  
12900 Preston Road, Suite 700  
Dallas, Texas 75230  
Attention: Chief Executive Officer  
Facsimile No.: (972) 233-7362

with a copy to:

Locke Lord LLP  
2200 Ross Avenue, Suite 2200  
Dallas, Texas 75201  
Attention: Gina E. Betts  
Facsimile No.: (214) 740-8800

Section 4.2 Entire Agreement. This Agreement and the other documents and agreements executed in connection with the Repurchase Transaction shall constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter of this Agreement.

Section 4.3 Assignment; Binding Agreement. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by any of the parties without the prior written consent of the other party. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and permitted assigns. Any purported assignment not permitted under this Section 4.3 shall be null and void.

Section 4.4 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Copies of executed counterparts transmitted by telecopy, telefax or electronic transmission shall be considered original executed counterparts for purposes of this Section 4.4.

Section 4.5 Governing Law; Waiver of Jury Trial. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE STATE OF DELAWARE, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS. EACH OF THE PARTIES TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT.

Section 4.6 No Third Party Beneficiaries or Other Rights. This Agreement is for the sole benefit of the parties and their successors and permitted assigns and nothing herein express or implied shall give or shall be construed to confer any legal or equitable rights or remedies to any person other than the parties to this Agreement and such successors and permitted assigns.

Section 4.7 Amendments; Waivers. This Agreement and its terms may not be changed, amended, waived, terminated, augmented, rescinded or discharged (other than in accordance with its terms), in whole or in part, except by a writing executed by the parties hereto.



Section 4.8 Further Assurances. Each party hereto shall use its reasonable best efforts to do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments, and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

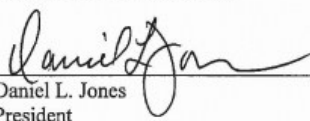
Section 4.9 Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

*(Signatures appear on the next page.)*

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the date first above written.

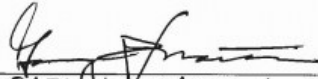
PURCHASER:

ENCORE WIRE CORPORATION

By:   
Name: Daniel L. Jones  
Title: President

SELLER:

CAPITAL SOUTHWEST VENTURE CORPORATION

By:   
Name: GARYL MARTIN  
Title: PRESIDENT



**CAPITAL SOUTHWEST CORPORATION APPROVES THE SALE OF ENCORE WIRE SHARES HELD BY SUBSIDIARY AND DECLARES CAPITAL GAIN DIVIDEND TO SHAREHOLDERS**

DALLAS – May 14, 2012 – The Board of Directors (the “Board”) of Capital Southwest Corporation (NASDAQ: CSWC) today announced the sale of 2,774,250 shares of common stock in Encore Wire Corporation (NASDAQ: WIRE) held by its subsidiary, Capital Southwest Venture Corporation to Encore. The aggregate sale price was \$66,637,485, based on a price of \$24.02 per share. Capital Southwest Corporation (the “Company”) continues to hold its 1,312,500 shares of common stock in Encore Wire Corporation.

The sale will generate a capital gain of \$66,037,485, after deducting the cost basis of \$600,000, or \$17.59 per share, based on the 3,754,538 currently issued and outstanding shares of Capital Southwest Corporation.

The Board has approved the distribution of the entire capital gain proceeds directly to its shareholders. Therefore, the Board has declared a cash dividend in the amount of \$17.59 per share of common stock. The dividend is payable on June 8, 2012 to shareholders of record on May 24, 2012. This distribution represents the largest single distribution the Company has made to shareholders in its 51 year history.

As a regulated investment company, the Company has the option to retain the capital gain proceeds, pay the related taxes and pass along a tax credit to its shareholders or distribute the capital gain proceeds to its shareholders, who will then pay the related taxes. It is anticipated that the dividend will be taxable as a long-term capital gain dividend to Capital Southwest shareholders.

**About Capital Southwest Corporation**

Capital Southwest is a publicly owned business development company investing in exceptional businesses and providing services to help them grow and prosper. Founded in 1961, we operate with a refreshingly different mindset: we have no exit deadlines; instead, we have the patience and flexibility to hold investments indefinitely enabling companies to achieve their potential. Visit our website at [www.CapitalSouthwest.com](http://www.CapitalSouthwest.com) to learn about our investment criteria and how our capital can accelerate your company’s growth.

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*This press release may contain historical information and forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 with respect to the business, financial condition and results of operations of the Company. The words "believe," "expect," "intend," "plan," "should" and similar expressions are intended to identify forward-looking statements. Such statements reflect the current views, assumptions and expectations of the Company with respect to future events and are subject to risks and uncertainties. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in the markets in which the Company operates and in general economic and business conditions, competitive pressures, changes in business strategy and various other factors, both referenced and not referenced in this press release. Certain factors that may affect the Company and its results of operations, are included in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2011 and the Company's subsequent periodic filings with the Securities and Exchange Commission. The Company does not assume any obligation to update these forward-looking statements. This release may also contain non-GAAP financial measures. These measures are included to facilitate meaningful comparisons of our results to those in prior periods and future periods and to allow a better evaluation of our operating performance, in management's opinion. Our reference to any non-GAAP measures should not be considered as a substitute for results that are presented in a manner consistent with GAAP. These non-GAAP measures are provided only to enhance investors overall understanding of our financial performance.*

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

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