

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) April 18, 2007

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 5.02 DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS;
APPOINTMENT OF PRINCIPAL OFFICERS

On April 18, 2007, William R. Thomas, president, chief executive officer and chairman, announced his planned retirement on July 16, 2007 as president and chief executive officer of Capital Southwest Corporation. Mr. Thomas, 78, joined Capital Southwest in 1962 and has been president since 1980. He will continue to serve as chairman of the board in a non-executive capacity. Gary L. Martin, currently president of The Whitmore Manufacturing Company of Rockwall, Texas, a 100% owned portfolio company of Capital Southwest, was named by the board of directors to succeed Mr. Thomas as president and chief executive officer.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits. The following exhibits are filed or furnished as part of this report:

Exhibit No.	Description
99.1	Press Release dated April 18, 2007 - "CAPITAL SOUTHWEST NAMES NEW CEO"
99.2	Letter dated April 18, 2007 - "To Our Shareholders"

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: April 18, 2007

By: /s/ William R. Thomas

Name: William R. Thomas

Title: President and Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated April 18, 2007 - "CAPITAL SOUTHWEST NAMES NEW CEO"
99.2	Letter dated April 18, 2007 - "To Our Shareholders"

CAPITAL SOUTHWEST NAMES NEW CEO

Dallas, April 18, 2007 - William R. Thomas, president, chief executive officer and chairman, today announced his planned retirement on July 16th as president and chief executive officer of Capital Southwest Corporation (Nasdaq: CSWC). Founded in 1961, Capital Southwest is a publicly-owned Dallas-based venture capital/business development investment company with assets of \$730 million. Recently, it was included in Forbes.com's List of America's 100 Most Trustworthy Companies. Mr. Thomas, 78, joined Capital Southwest in 1962 and has been president since 1980. After his retirement as president, Mr. Thomas will continue to serve as chairman of the board in a non-executive capacity and will remain the company's largest shareholder, owning 16% including family interests.

Gary L. Martin, currently president of The Whitmore Manufacturing Company of Rockwall, Texas, a 100% owned portfolio company of Capital Southwest, was named by the board of directors to succeed Mr. Thomas as president and chief executive officer. Mr. Martin, 60, joined Capital Southwest Corporation in 1972 as chief financial officer, subsequently serving as vice president and secretary-treasurer before becoming president of Whitmore, an industrial lubricants manufacturer acquired by Capital Southwest in 1979. Mr. Martin has been a director of Capital Southwest since 1988 and has been involved in overseeing, evaluating and monitoring its investments. He earned a BBA degree in finance and accounting from the University of Oklahoma, is a Certified Public Accountant and a graduate of Harvard Business School's Advanced Management Program.

During the 45 years since William R. Thomas joined Capital Southwest on April 1, 1962, the company's split-adjusted net asset value has increased over 105-fold from \$1.25 per share to approximately \$132.36 per share on March 31, 2007. If all distributions and tax credits had been reinvested over the past 45 years, the resulting net asset value would have been 358 times the original amount. This corresponds to a 14.0% compounded annual growth in net asset value and 14.8% annual growth if Capital Southwest, like most investment companies, included deferred taxes in its net asset value. Based on split-adjusted market prices of \$0.95 and \$153.67 per share at the beginning and end of this 45 year period, and assuming reinvestment of all distributions and tax credits, \$10,000 invested in Capital Southwest would have a market value of \$5,472,000 - a 15.0% annual return. A corresponding investment in the S&P 500 would be worth \$880,000 - - a 10.5% annual return.

After the management transition in July, as chairman of the board, Mr. Thomas will still be involved in Capital Southwest's investment activities. He will maintain an office at the company's Dallas headquarters, but will devote substantially less time to the company's business. Before joining Capital Southwest, his experience included positions in the chemical industry and in a consulting firm. His education includes an MBA with distinction from Harvard Business School and a BS in chemical engineering from Texas A&M. He served as a U.S. Army officer for more than five years and was awarded the Bronze Star, Purple Heart and Korean Service Medal with five campaign stars.

Contact: William R. Thomas or Susan K. Hodgson, 972-233-8242

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To Our Shareholders

On July 16th, I will retire as president and chief executive officer of Capital Southwest Corporation. Thereafter, I will serve as chairman of the board in a non-executive capacity. I will still have an office at Capital Southwest and will still be involved in our investment activities, but will devote less time to the company's business.

My successor is Gary L. Martin, who joined Capital Southwest in 1972, is a vice president of our company and has been a director since 1988. Since 1979, he has been president of The Whitmore Manufacturing Company in Rockwall, Texas (near Dallas), a very profitable industrial lubricants company wholly-owned by Capital Southwest. Gary Martin's combination of investment and operating experience equips him to be an effective leader of Capital Southwest. I am confident he will be instrumental in sustaining our growth and maintaining an appropriate balance between our long-term holdings and our continuing new investments.

Over 45 years have passed since I joined Capital Southwest Corporation as an investment analyst on April 1, 1962, and 27 years have passed since I was named president in 1980. I am indeed fortunate to have devoted most of my career to this fascinating business. I have made many mistakes, but I have always managed this company for the benefit of our long-term shareholders. The extent to which our shareholders (including me) have been rewarded is detailed in the attached press release.

As I approach retirement, I commend all of the officers, directors and staff members of Capital Southwest Corporation and its portfolio companies, whose dedicated service during the past half century has built our company's excellent record and well-deserved reputation. It is a fitting tribute that Capital Southwest was recently included in Forbes.com's List of America's 100 Most Trustworthy Companies.

Sincerely,

/s/ William R. Thomas

Name: William R. Thomas

Title: President and Chief Executive Officer