

FORM 4

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or
Section 30(f) of the Investment Company Act of 1940

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

1. Name and Address of Reporting Person*

Hodgson Susan K.

(Last) (First) (Middle)

12900 Preston Road, Suite 700

(Street)

Dallas Texas 75230

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Capital Southwest Corporation (CSWC)

3. IRS Identification Number of Reporting Person, if an Entity (Voluntary)

4. Statement for Month/Year

October 2002

5. If Amendment, Date of Original (Month/Year)

6. Relationship of Reporting Person to Issuer
(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

Secretary-Treasurer

7. Individual or Joint/Group Filing (Check applicable line)

Form filed by one Reporting Person
 Form filed by more than one Reporting Person

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Table I -- Non-Derivative Securities Acquired, Disposed of,
or Beneficially Owned
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| 1. Title of Security (Instr. 3) | 2. Transaction Date (mm/dd/yy) | 3. Transaction Code (Instr. 8) ----- Code V | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4) | 6. Owner- ship Form: Direct (D) or Indirect (I) (Instr.4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------------|---|--|--|------------------------|--|---|--|
| | | | Amount | (A) or (D) Price | | | |
| Common Stock | | | | | 57 | D | |
| Common Stock | Various | A | 102 | A | \$61.50 - \$72.70 600 | I | Held in ESOP |

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* If the Form is filed by more than one Reporting Person, see Instruction 4(b)(v).

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

(Print or Type Response)

(Over)

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. Conver- sion or Exer- cise Price of Deriv- ative Secur- ity | 3. Trans- action Date (Month/ Day/ Year) | 4. Trans- action Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of(D) (Instr. 3, 4 and 5) | 6. Exercis- able and Expira- tion Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Deriv- ative Secur- ity (Instr. 5) | 9. Number of Deriv- ative Secur- ities Bene- ficially Owned at End Month (Instr. 4) | 10. Owner- ship Form of Deriv- ative Secur- ity: Direct (D) or In- direct (I) (Instr. 4) | 11. Nature of In- direct Bene- ficial Owner- ship (Instr. 4) |
|--|---|--|---|---|--|---|---|---|--|---|
| 1) Incentive Stock Option | 77.00 | | | | 7/19/00 7/19/09 | Common Stock | 2,000 | 2,000 | D | |
| 2) Incentive Stock Option | 65.00 | | | | 7/16/02 7/16/11 | Common Stock | 4,000 | 4,000 | D | |

Explanation of Responses:

- 1) Exercisable in five (5) annual cumulative installments of 400 shares.
- 2) Exercisable in five (5) annual cumulative installmetns of 800 shares.

/s/ Susan K. Hodgson 10/11/02

**Signature of Reporting Person Date

** 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 provided is insufficient, see Instruction 6 for procedure.