

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): February 18, 2013

Capital Southwest Corporation

(Exact Name of Registrant as Specified in Charter)

Texas

(State or Other Jurisdiction of Incorporation)

814-61

(Commission File Number)

75-1072796

(IRS Employer Identification No.)

12900 Preston Road, Suite 700, Dallas, Texas

(Address of Principal Executive Offices)

75230

(Zip Code)

(972) 233-8242

(Registrant's Telephone Number, Including Area Code)

(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 (see General Instruction A.2. below):

- 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

On February 18, 2013, the Capital Southwest Corporation (NASDAQ: CSWC) board of directors declared a cash dividend of \$2.75 per share of common stock. The dividend is payable on March 28, 2013 to shareholders of record on March 15, 2013.

The cash dividend is to be paid out of the capital gains proceeds from the January 24, 2013 sale of Heelys, Inc., which generated \$20,963,948 in cash proceeds.

The Board of Directors of Capital Southwest Corporation declared a cash dividend in the amount of \$2.75 per share of common stock or approximately \$10,451,000. The dividend represents a partial distribution of the 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>
99.1	Press Release, dated February 19, 2013.

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: February 19, 2013

CAPITAL SOUTHWEST CORPORATION

By: /s/ Gary L. Martin
Gary L. Martin
Chairman and President



Strategic partners for long-term growth

12900 Preston Road, Suite 700
Dallas, Texas 75230
T 972.233.8242
F 972.233.7362

**CAPITAL SOUTHWEST CORPORATION
DECLARES CAPITAL GAIN DIVIDEND TO SHAREHOLDERS**

DALLAS – February 19, 2013 – The Capital Southwest Corporation (NASDAQ: CSWC) board of directors has declared a cash dividend in the amount of \$2.75 per share of common stock. The dividend is payable on March 28, 2013 to shareholders of record on March 15, 2013.

On January 30, 2013 Capital Southwest Corporation (“CSWC”) announced that Capital Southwest Venture Corporation, a wholly-owned subsidiary of CSWC (“CSVC”) sold its 9,317,310 shares of common stock of Heelys, Inc. (“Heelys”) to Sequential Brands Group, Inc. (“Sequential”) pursuant to the merger of Heelys into a wholly-owned subsidiary of Sequential (the “Merger”). The Merger closed on January 24, 2013.

The sale of CSVC’s 9,317,310 shares of Heelys’ common stock generated cash proceeds of \$20,963,948 and a capital gain of \$20,861,458 or \$5.49 per share, based on the 3,800,393 shares of issued and outstanding shares of CSWC. The CSWC Board has approved a partial distribution of the capital gain proceeds, in the amount of \$2.75 per share or approximately \$10,451,000.

As a regulated investment company CSWC has the option to retain capital gain proceeds, pay the related taxes and pass along a tax credit to its shareholders or distribute all or part of the capital gain proceeds to its shareholders, who will then pay the related taxes on the distribution. CSWC may make distributions anytime during the tax year ending December 31, 2013.

About Capital Southwest Corporation

Since Capital Southwest was formed in 1961, we have always sought to invest in companies with strong management teams and sound financial performance. As a public company, we are fortunate to have the flexibility to hold investments indefinitely. It is our dedication to this patient investment strategy that enables our portfolio companies to achieve their full potential. Visit our website www.capitalsouthwest.com to learn about our investment criteria and how our capital can accelerate your company’s growth.

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, 2012 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**

###
