

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

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

1. Name and Address of Reporting Person* <u>CAPITAL SOUTHWEST CORP</u>  (Last) (First) (Middle) 12900 PRESTON ROAD SUITE 700  (Street) DALLAS TX 75230  (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 12/07/2006	3. Issuer Name and Ticker or Trading Symbol <u>Heelys, Inc. [ HLYS ]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director <input checked="" type="checkbox"/> 10% Owner  Officer (give title below) Other (specify below)	5. If Amendment, Date of Original Filed (Month/Day/Year)  6. Individual or Joint/Group Filing (Check Applicable Line)  <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	10,909,100	I	See Footnote <sup>(1)</sup>

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			

1. Name and Address of Reporting Person\*  
CAPITAL SOUTHWEST CORP  
 (Last) (First) (Middle)  
 12900 PRESTON ROAD  
 SUITE 700  
 (Street)  
 DALLAS TX 75230  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
CAPITAL SOUTHWEST VENTURE CORP  
 (Last) (First) (Middle)  
 12900 PRESTON ROAD  
 SUITE 700  
 (Street)  
 DALLAS TX 75230  
 (City) (State) (Zip)

**Explanation of Responses:**

1. These shares are owned directly by Capital Southwest Venture Corporation, which is a wholly owned subsidiary of Capital Southwest Corporation. Capital Southwest Corporation is an indirect beneficial owner of the reported shares.

/s/ William R. Thomas By: 12/07/2006  
William R. Thomas, President

\*\* 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 5 (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.

