

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\*

Martin Gary L.  
-----  
(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)

Vice President

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

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

Table I -- Non-Derivative Securities Acquired, Disposed of,  
or Beneficially Owned

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	Various	A	41	A	\$61.13 - \$77.20	4,034	I	Held by ESOP
Common Stock						4	I	Held by Custodian for Minor Child
Common Stock						165	I	Held in Spouse's IRA
Common Stock						92,100		



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) ----- Code V	5. Number of Derivative Securities Acquired (A) or Disposed of(D) (Instr. 3, 4 and 5) ----- (A) (D)	6. Exercisable and Expiration Date (Month/Day/Year) ----- Date Expira- tion Date	7. Title and Amount of Underlying Securities (Instr. 3 and 4) ----- Amount or Number of Shares	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 direct Bene- ficial Owner- ship (Instr. 4)
1) Incentive Stock Option	\$35.625				7/19/94 7/19/03	Common Stock 14,000		14,000	D	

Explanation of Responses: 1) Exercisable in six (6) annual cumulative installments of 1,585 shares on the first anniversary, 2,800 shares on the second, third, fourth and fifth anniversaries and 1,215 shares on the sixth anniversary of the date the Option was first issued.

/s/ Gary L. Martin 10/14/02  
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\*\*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.