

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) May 2, 2003  
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Capital Southwest Corporation  
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(Exact name of registrant as specified in its charter)

Texas

811-1056

75-1072796  
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(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(IRS Employer  
Identification No.)

12900 Preston Road, Suite 700, Dallas, Texas

75230  
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(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (972) 233-8242  
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Item 4. Changes in Registrant's Certifying Accountant  
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- (a) On May 2, 2003, KPMG LLP was dismissed as the Registrant's independent accountant. On April 24, 2003, the Audit Committee of the Board of Directors of the Registrant unanimously voted in favor of the appointment of Ernst & Young LLP to serve as the Registrant's independent accountant for the fiscal year ending March 31, 2004.
- (b) In connection with its audits of the two most recent fiscal years ended March 31, 2003 and during the subsequent interim period ended May 9, 2003, there have been no disagreements with KPMG LLP on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures which disagreements if not resolved to their satisfaction would have caused them to make reference in connection with their opinion to the subject matter of the disagreement. Also, during the two most recent fiscal years and through May 9, 2003, the Registrant did not consult Ernst & Young LLP regarding any of the events described in Item 304 (a) (2) (i)- (ii) of Regulation S-K.
- (c) The report of KPMG LLP on the financial statement for the prior fiscal year ended March 31, 2002 contained no adverse opinion or disclaimer of opinion and the report to be issued for March 31, 2003 will most likely contain no adverse opinion or disclaimer of opinion.
- (d) The Registrant has requested that KPMG LLP furnish it with a letter addressed to the Securities and Exchange Commission stating whether or not it agrees with the above statements. A copy of such letter from KPMG LLP addressed to the Securities and Exchange Commission is filed as Exhibit 16.1 to this Form 8-K.

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.

Capital Southwest Corporation

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(Registrant)

Date: May 9, 2003

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By: /s/ Susan K. Hodgson

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Susan K. Hodgson  
Secretary - Treasurer

May 9, 2003

Securities and Exchange Commission  
Washington, D.C. 20549

Ladies and Gentlemen:

We are currently principal accountants for Capital Southwest Corporation and, under the date of April 19, 2002, we reported on the consolidated financial statements of Capital Southwest Corporation as of and for the years ended March 31, 2002 and 2001. On May 2, 2003, we were notified that Capital Southwest Corporation engaged Ernst & Young LLP as its principal accountant for the year ending March 31, 2004 and that the auditor-client relationship with KPMG LLP will cease upon completion of the audit of Capital Southwest Corporation's consolidated financial statements as of and for the year ended March 31, 2003, and the issuance of our report thereon. We have read Capital Southwest Corporation's statements included under Item 4 of its Form 8-K dated May 9, 2003, and we agree with such statements, except that we are not in a position to agree or disagree with Capital Southwest Corporation's statement that on April 24, 2003, the Audit Committee of the Board of Directors of the Registrant unanimously voted in favor of the appointment of Ernst & Young LLP to serve as the Registrant's independent accountant for the fiscal year ending March 31, 2004 and we are not in a position to agree or disagree with Capital Southwest Corporation's statement that during the two most recent fiscal years and through May 9, 2003, Ernst & Young LLP was not consulted regarding any of the events described in Item 304(a)(2)(i)-(ii) of Regulation S-K. We are also not in a position to agree or disagree with Capital Southwest Corporation's statement that the report to be issued for March 31, 2003 will most likely contain no adverse opinion or disclaimer of opinion.

Very truly yours,

KPMG LLP