
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 13D
Under the Securities Exchange Act of 1934**

CAPITAL SOUTHWEST CORPORATION
(Name of Issuer)

Common Stock
(Title of Class of Securities)

140501107
(CUSIP Number)

Daniel R. Zuckerman
155 N. Wacker Drive, Suite 1700
Chicago, IL 60606
312-948-8000

(Name, Address, and Telephone Number of Person Authorized to
Receive Notices and Communications)

May 25, 2012
(Date of Event which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Zuckerman Investment Group LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS: OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Illinois	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 252,509
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 252,509
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY THE REPORTING PERSON 252,509	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 6.7 % as of May 30, 2012 (based on 3,754,538 shares of Common Stock outstanding, per Form 10-Q dated February 8, 2012).	
14	TYPE OF REPORTING PERSON IA/OO	

(1)	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Sherwin A. Zuckerman	
(2)	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC USE ONLY	
(4)	SOURCE OF FUNDS: 00	
(5)	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)	
(6)	CITIZENSHIP OR PLACE OF ORGANIZATION U.S. Citizen	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 252,509
	9	SOLE DISPOSITIVE POWER 0
	10	Shared Dispositive Power 252,509
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY THE REPORTING PERSON 252,509	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 6.7 % as of May 30, 2012 (based on 3,754,538 shares of Common Stock outstanding, per Form 10-Q dated February 8, 2012).	
14	TYPE OF REPORTING PERSON IN/HC	

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Daniel R. Zuckerman	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS: 00	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION U.S. Citizen	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(7)	SOLE VOTING POWER 0
	(8)	SHARED VOTING POWER 252,509
	(9)	SOLE DISPOSITIVE POWER 0
	(10)	SHARED DISPOSITIVE POWER 252,509
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY THE REPORTING PERSON 252,509	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 6.7% as of May 30, 2012 (based on 3,754,538 shares of Common Stock outstanding, per Form 10-Q dated February 8, 2012).	
14	TYPE OF REPORTING PERSON IN/HC	

Item 1. Security and Issuer.

This statement relates to shares of the common stock, par value \$1.00 per share (the “Common Stock”), of Capital Southwest Corporation, (the “Issuer”) whose principal executive offices are located at 12900 Preston Road, Dallas, TX 75230

Item 2. Identity and Background.

- (a) Name of Person Filing
- (b) Address of Principal Business Office or, if none, Residence
- (f) Citizenship

Zuckerman Investment Group LLC
155 N. Wacker Drive,
Suite 1700,
Chicago, Il 60606
Illinois

Sherwin A. Zuckerman
155 N. Wacker Drive,
Suite 1700,
Chicago, Il 60606
Illinois

Daniel R. Zuckerman
155 N. Wacker Drive,
Suite 1700,
Chicago, Il 60606
Illinois

(c) Zuckerman Investment Group, LLC (“ZIG”) is a registered investment adviser that manages balanced, equity and fixed income portfolios for high net worth individuals and families, trusts, limited partnerships, retirement plans, and charitable foundations. It provides investment advice, counseling and portfolio management on both a discretionary and non-discretionary basis through the use of separately managed accounts. Sherwin A. Zuckerman is the Chairman, CEO & a Class A Shareholder of ZIG and Daniel R. Zuckerman is the President and a Class A and Class B shareholder of ZIG, and thus each may be considered the beneficial owners of the Common Stock beneficially owned by ZIG. Each of the reporting persons disclaims beneficial ownership of the Common Stock except to the extent of its pecuniary interest therein.

(d)-(e) None of the Reporting Persons have (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors); or (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction where as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration

The Funds used for the purchase of the Common Stock were the invested funds of ZIG's advisory clients. A total of approximately \$20,672,000 was paid to acquire such Common Stock. The Common Stock was acquired in open market purchases in the ordinary course of ZIG's business and is held in separate accounts maintained for each of ZIG's advisee clients at one or more independent banks and/or brokerage firms. No shares were purchased on margin.

Item 4. Purpose of Transaction

Zuckerman Investment Group (ZIG) originally acquired, for investment purposes on behalf of the accounts of certain investment advisory clients of ZIG over which ZIG has investment discretion, common shares of the Issuer. As a result, ZIG currently exercises control or discretion over approximately 6.7% of the Issuer's shares of Common Stock (the "Shares"). ZIG's purchases of the Shares were made in the ordinary course of its business as a registered investment adviser. The Shares over which ZIG currently exercises control or discretion are beneficially owned by certain investment advisory clients of ZIG on whose behalf ZIG has discretionary investment authority.

In connection with its investment advisory activities, ZIG initiated discussions with the Issuer to suggest possible strategic alternatives that the Issuer could employ to increase shareholder value per share. At the Issuer's request, on May 25, 2012, ZIG sent the Issuer's management and Board of Directors a letter outlining ZIG's suggestions for capital allocation and corporate governance, with the goal of maximizing value per share. A copy of that letter is attached as Exhibit 99.2 hereto. On May 31, 2012, a copy of the letter was sent to the Issuer's newly appointed director, T. Duane Morgan.

ZIG intends to continue its dialogue with, and to take a more active interest in, the Issuer to encourage implementation of these beneficial initiatives. Although it has no present plans to do so, ZIG may in the future contact other significant shareholders of the Issuer, or other persons, if ZIG determines that it would be beneficial to act with such others for a common purpose and/or to recommend courses of action to the Issuer's management, Board of Directors, shareholders and others.

ZIG, on behalf of its investment advisory clients, may in the future purchase additional Shares or dispose of some or all of such Shares in open-market transactions or privately negotiated transactions. Other than as described herein, ZIG does not have any plans or proposals that would result in any of the actions described in paragraphs (b) through (j) of Item 4 of the instructions to Schedule 13D.

Item 5. Interest in Securities of the Issuer.

(a)-(b) Incorporated by reference to Items (7) - (11) and (13) of the cover page relating to each filing person.

(c) On May 24, 2012, one of ZIG's investment advisory clients closed their account, resulting in 110 shares of the Common Stock being delivered to that client's new custodian. ZIG no longer has voting or investment control over these shares. Other than the foregoing, there have been no transactions in the Common Stock by the Reporting Persons in the past 60 days.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Agreements, Understandings or Relationships with Respect to Securities of the Issuer

Not Applicable

Item 7. Material to be filed as Exhibits.

Exhibit 99.1 – Joint Filing Agreement

Exhibit 99.2 – Letter to Gary Martin, Capital Southwest Corporation, dated May 25, 2012.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete, and correct.

Dated this 31st day of May, 2012

ZUCKERMAN INVESTMENT GROUP, LLC

By: /s/ Daniel R. Zuckerman

Name: Daniel R. Zuckerman

Title: President

/s/ Sherwin A. Zuckerman

Sherwin A. Zuckerman

/s/ Daniel R. Zuckerman

Daniel R. Zuckerman

JOINT FILING AGREEMENT

MAY 31, 2012

In accordance with Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended, Zuckerman Investment Group, LLC, Sherwin A. Zuckerman and Daniel R. Zuckerman each hereby agree to the joint filing of this statement on Schedule 13D (including any and all amendments hereto). In addition, each party to this Agreement expressly authorizes each other party to this Agreement to file on its behalf any and all amendments to such Statement on Schedule 13D. A copy of this Agreement shall be attached as an exhibit to the Statement on Schedule 13D filed on behalf of each of the parties hereto, to which this Agreement relates.

This Agreement may be executed in multiple counterparts, each of which shall constitute an original, one and the same instrument.

ZUCKERMAN INVESTMENT GROUP, LLC

By: /s/ Daniel R. Zuckerman
Name: Daniel R. Zuckerman
Title: President

/s/ Sherwin A. Zuckerman
Sherwin A. Zuckerman

/s/ Daniel R. Zuckerman
Daniel R. Zuckerman

ZUCKERMAN
INVESTMENT GROUP

May 25, 2012

Mr. Gary Martin
Capital Southwest Corporation
12900 Preston Road, Suite 700
Dallas, TX 75230

Dear Gary,

Enclosed within is a letter highlighting Zuckerman Investment Group's goal for maximizing shareholder value per share and our suggestions for achieving that goal. This letter is sent per your request from our May 17, 2012 phone call.

Additional copies of the letter are included and intended for distribution to the three other Directors: John Wilson, Samuel Ligon and Richard Strup.

I look forward to continued constructive dialogue.

Sincerely,

/s/ Sherwin Zuckerman

Sherwin Zuckerman

ZUCKERMAN

INVESTMENT GROUP

May 25, 2012

Mr. Gary Martin
Capital Southwest Corporation
12900 Preston Road, Suite 700
Dallas, TX 75230

Dear Gary,

Zuckerman Investment Group owns approximately 6.7% of Capital Southwest Corp. (CSWC) shares outstanding as of 3/31/12. We have a long history with your company, as our founder and certain clients have owned shares in CSWC beginning in the early 1970's. We respect the sound and disciplined manner in which the employees of CSWC oversee the private portfolio companies.

Our goal is the maximization of CSWC's value per share. We want all company efforts focused on achieving this target, with little attention paid to the total size of the company. CSWC is well-positioned to attain our goal, as the company possesses a broad set of investment options, including:

- Share repurchases at a discount to net asset value
- Tuck-in acquisitions for core privately-held companies
- Acquisitions of private, platform companies
- Investments in venture companies
- Ability to lever and remove equity capital from core privately-held companies
- Monetization of assets
- Distribution of excess capital

However, it is our concern that the management team and Board of Directors have not used all of the tools with the proper balance and have not evaluated the options against each other. For example, CSWC shares trade at a historically wide discount to net asset value and the company maintained a sizeable cash balance of \$63 million at 12/31/11, yet the Board has not even established a share repurchase authorization. In addition, the growth of the resources, personnel and capital committed to venture capital deals caught our attention. Lastly, our concern escalated upon learning in an 8-K filed on May 7, 2012 that Directors Donald Burton and Graeme Henderson had resigned.

In our May 17th, 2012 phone discussion we highlighted our concerns and you asked that we outline our suggestions in a letter. This letter serves that purpose. Our suggestions for capital allocation and corporate governance are as follows:

155 North Wacker Drive. Suite 1700 Chicago, Illinois 60606 (312) 948-8000 ZuckermanInvstmentGroup.com

- 1) CSWC should improve corporate governance via the following methods:
 - a) The Board should be expanded to include Directors with experience effectively allocating capital at the corporate level. CSWC should solicit its shareholders to help identify candidates with this skill set. The Board should be expanded to seven Directors.
 - b) Separate the Chairman and CEO roles with a corporate investor/capital allocator in one of those roles.
 - c) Require greater stock ownership of Directors so as to better align shareholder and Board interests.
 - d) Rotate Directors on the Compensation Committee. The current Chairman of the Compensation Committee has been in place since 2004.
- 2) CSWC is the largest shareholder in two publicly-traded portfolio companies, Alamo Group (ALG) and Heely's Inc. (HLYS). As of 5/18/12, these investments represent approximately \$28 per share. CSWC should explore alternatives to maximize the value of its investments in ALG and HLYS.
- 3) CSWC has two additional positions in public companies, Encore Wire (WIRE) and Hologic (HOLX). After the recent sale of a portion of the WIRE position, these investments represent approximately \$12 per share. CSWC should explore alternatives to maximize the value of its investments in WIRE and HOLX.
- 4) CSWC has two control positions in private companies, Rectorseal and Whitmore, that represent a significant portion of value per share. As of 12/31/11, these two companies represented approximately \$57 per share. CSWC should continue to pursue value-generative tuck-in acquisitions for these companies and take a longer-term view to realize their significant value. These positions could eventually be sold at the right price or spun-off to shareholders.
- 5) CSWC has numerous small investments in private companies and funds. As of 12/31/11, these investments represented approximately \$22 per share. CSWC should explore alternatives to maximize the value of these investments.
- 6) CSWC had \$63 million of cash as 12/31/11, representing approximately \$17 per share. Excess cash not needed for near-term tuck-in acquisitions at Rectorseal and Whitmore or venture capital investments should be returned to shareholders in a tax-efficient manner, either through dividends or share repurchases.
- 7) Any capital committed to venture capital companies must be measured against all other potential uses of capital, including share repurchases, investments in core privately-held companies, the purchase of new platform companies and the distribution of capital.
- 8) CSWC should immediately establish a share repurchase authorization and repurchase shares when the discount to intrinsic value is attractive.
- 9) The company should hire a tax and financial advisor with significant experience with spin-offs and corporate restructurings.

We look forward to continued constructive dialogue. Through capital allocation focused on value per share and well-timed asset monetization, all shareholders should enjoy greater growth in value per share, a narrowing of the discount to net asset value and the distribution of sale proceeds.

Sincerely,

Zuckerman Investment Group

Cc: Capital Southwest Corp. Directors:

John H. Wilson

Samuel B. Ligon

Richard F. Strup