

HAMNER PATRICK F
 Form 4
 June 13, 2006

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 HAMNER PATRICK F

2. Issuer Name and Ticker or Trading Symbol
 CAPITAL SOUTHWEST CORP
 [CSWC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 12900 PRESTON RD, STE 700
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 06/09/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Senior Vice President*

DALLAS, TX 75230

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	06/09/2006 ⁽⁴⁾		M	8,000 A	\$ 65 41,800	D	
Common Stock	06/09/2006 ⁽⁴⁾		S	8,000 D	\$ 96.89 33,800	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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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. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non Qualified Stock Option ⁽¹⁾	\$ 65	06/09/2006 ⁽⁴⁾		M		8,000		07/16/2002	07/16/2011	Common Stock	10,000
Non Qualified Stock Option ⁽²⁾	\$ 65	05/18/2006		J		2,000		07/16/2002	07/16/2011	Common Stock	10,000
Incentive Stock Option ⁽³⁾	\$ 93.49	05/18/2006		J		9,000		05/15/2008	05/15/2016	Common Stock	9,000
Non Qualified Stock Option ⁽³⁾	\$ 93.49	05/18/2006		J		11,000		05/15/2007	05/15/2016	Common Stock	11,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HAMNER PATRICK F 12900 PRESTON RD STE 700 DALLAS, TX 75230			Senior Vice President*	

Signatures

/s/ Patrick F.
Hamner

06/13/2006

**Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(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).
- (1) Exercisable in five (5) annual cumulative installments of 2,000 shares.
- (2) Options terminated 5/18/06 with 2,000 shares unvested.
- (3) Options terminated 5/18/06 with no shares vested.
- (4) Mr. Hamner entered into a binding obligation to exercise an option for 8,000 shares on June 9, 2006. Mr. Hamner did not acquire title to those shares until June 13, 2006.

Remarks:

*Resigned on 5/18/06

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.