





Item 1.01 Entry into a Material Definitive Agreement

On April 29, 2010, Capital Southwest Corporation (the “Company”), Lifemark Group, a wholly owned subsidiary of the Company (“Seller”), NorthStar Memorial Group, LLC (“NorthStar”) and NorthStar Cemetery Services of California, LLC, a wholly owned subsidiary of NorthStar (“Purchaser”), entered into a Stock Purchase Agreement (the “Stock Purchase Agreement”), providing for the sale of all of the issued and outstanding shares of capital stock of Seller to Purchaser. A copy of the press release announcing the entry into the Stock Purchase Agreement is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

Consideration for the sale will be cash in the aggregate amount of \$84,750,000. Pursuant to the terms of the Stock Purchase Agreement, the purchase price will be reduced by the amount of Seller’s outstanding indebtedness. The purchase price will also be subject to an adjustment based on certain estimated costs or expenses that have been or will be incurred by the Company or its subsidiaries associated with, arising out of or relating to the distribution of certain assets. In addition, the purchase price is subject to customary adjustments based on the amount of Seller’s net assets at the time the sale is completed.

The Stock Purchase Agreement contains representations and warranties, covenants, indemnification provisions and closing conditions that are customary for transactions of this type, including covenants by Seller related to the conduct of the business between the signing of the Stock Purchase Agreement and completion of the sale. Completion of the transaction is subject to customary closing conditions for transactions of this type, including approval from the State of California.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Description

No.

99.1 Press Release dated April 29, 2010.

SIGNATURE

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.

Date: April 29, 2010

CAPITAL SOUTHWEST CORPORATION

By:           /s/ Gary L. Martin  
              Gary L. Martin  
              President and Chairman