

CAPITAL SOUTHWEST CORP  
Form 40-17F2  
June 27, 2014

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OMB APPROVAL  
OMB Number: 3235-0360  
Expires: December 31, 2014  
Estimated average burden  
hours per response 2.0

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

FORM N-17f-2

Certificate of Accounting of Securities and Similar  
Investments in the Custody of  
Management Investment Companies

Pursuant to Rule 17f-2 [17 CFR 270.17f-2]

1. Investment Company      Date examination  
Act File Number:              completed:

811-1056                              March 31, 2014

2. State identification  
Number :

|    |    |    |             |    |    |
|----|----|----|-------------|----|----|
| AL | AK | AZ | AR          | CA | CO |
| CT | DE | DC | FL          | GA | HI |
| ID | IL | IN | IA          | KS | KY |
| LA | ME | MD | MA          | MI | MN |
| MS | MO | MT | NE          | NV | NH |
| NJ | NM | NY | NC          | ND | OH |
| OK | OR | PA | RI          | SC | SD |
| TN | TX | UT | VT          | VA | WA |
| WV | WI | WY | PUERTO RICO |    |    |

Other (specify )

3. Exact name of investment company as specified  
in registration statement :

Capital Southwest Corporation

4. Address of principal executive office (number, street, city, state, zip code):

12900 Preston Road, Suite 700, Dallas, Texas  
75230

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Investments in the Custody of  
Management Investment Companies

Pursuant to Rule 17f-2 [17 CFR 270.17f-2]

1. Investment Company  
Act File Number: Date  
examination  
completed:

811-1947 March 31,  
2014

2. State identification  
Number :

|    |    |    |             |    |    |
|----|----|----|-------------|----|----|
| AL | AK | AZ | AR          | CA | CO |
| CT | DE | DC | FL          | GA | HI |
| ID | IL | IN | IA          | KS | KY |
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| OK | OR | PA | RI          | SC | SD |
| TN | TX | UT | VT          | VA | WA |
| WV | WI | WY | PUERTO RICO |    |    |

Other (specify )

3. Exact name of investment company as specified in  
registration statement :

Capital Southwest Venture Corporation

4. Address of principal executive office (number, street,  
city, state, zip code):

12900 Preston Road, Suite 700, Dallas, Texas 75230



Report of Independent Registered Public Accounting Firm

To the Board of Directors of Capital Southwest Corporation and Subsidiaries

We have examined management's assertion, included in the accompanying Management Statement Regarding Compliance With Certain Provisions of the Investment Company Act of 1940, that Capital Southwest Corporation and subsidiaries (the "Company") complied with the requirements of subsections (b) and (c) of Rule 17f-2 under the Investment Company Act of 1940 as of March 31, 2014. Management is responsible for the Company's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Included among our procedures were the following tests performed as of March 31, 2014, and with respect to agreement of security purchases and sales, for the period from January 31, 2014 (the date of our last examination), through March 31, 2014:

- Confirmation of all securities held by Morgan Stanley Smith Barney ("Custodian").
- Reconciliation of all such securities to the books and records of the Company and the Custodian
- Agreement of additional investments in two existing portfolio companies, the sales of three portfolio companies and conversion of debt to equity in one existing portfolio company since our last report from the books and records of the Company to broker confirmations

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with specified requirements.

In our opinion, management's assertion that Capital Southwest Corporation and subsidiaries complied with the requirements of subsections (b) and (c) of Rule 17f-2 of the Investment Company Act of 1940 as of March 31, 2014, with respect to securities reflected in the investment account of the Company is fairly stated, in all material respects.

This report is intended solely for the information and use of management and the Board of Directors of Capital Southwest Corporation and subsidiaries and the Securities and Exchange Commission and is not intended to be and should not be used by anyone other than these specified parties.

Dallas, TX

/s/ GRANT THORNTON LLP

Dallas, Texas  
June 27, 2014

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12900 Preston Road, Suite 700  
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T 972.233.8242  
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Management Statement Regarding Compliance  
With Certain Provisions of the Investment Company Act of 1940

We, as members of management of Capital Southwest Corporation and subsidiaries (the "Company"), are responsible for complying with the requirements of subsections (b) and (c) of rule 17f-2, "Custody of Investments by Registered Management Investment Companies," of the Investment Company Act of 1940. We are also responsible for establishing and maintaining effective internal controls over compliance with those requirements. We have performed an evaluation of the Company's compliance with the requirements of subsections (b) and (c) of rule 17f-2 as of March 31, 2014 and from January 31, 2014 through March 31, 2014.

Based on this evaluation, we assert that the Company was in compliance with the requirements of subsections (b) and (c) of rule 17f-2 of the Investment Company Act of 1940 as of March 31, 2014, and from January 31, 2014 through March 31, 2014 with respect to securities reflected in the investment account of the Company.

Capital Southwest  
Corporation

By: /s/ Kelly Tacke  
Kelly Tacke  
Chief Financial Officer

Date: March 31, 2014

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