

CAPITAL SOUTHWEST CORP
Form SC 13D/A
February 01, 2008

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

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
§ 240.13d-2(a)

(Amendment No. 2)1

Capital Southwest Corporation
(Name of Issuer)

Common Stock, \$1 Par Value
(Title of Class of Securities)

140501107
(CUSIP Number)

STEVEN WOLOSKY, ESQ.
OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP
Park Avenue Tower
65 East 55th Street
New York, New York 10022
(212) 451-2300

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

February 1, 2008
(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 §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box x.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

1 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 (“Act”) 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).

CUSIP NO. 140501107

1 NAME OF REPORTING PERSON

NED SHERWOOD

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
 (b)

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

U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		49,938
	8	SHARED VOTING POWER
		198,919
	9	SOLE DISPOSITIVE POWER
		73,938
	10	SHARED DISPOSITIVE POWER
		198,919

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

272,857

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.0%

14 TYPE OF REPORTING PERSON

IN

CUSIP NO. 140501107

1 NAME OF REPORTING PERSON

ZS CROSSOVER II GP, L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
 (b)

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

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		-0-
	8	SHARED VOTING POWER
		188,697
	9	SOLE DISPOSITIVE POWER
		-0-
	10	SHARED DISPOSITIVE POWER
		188,697

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

188,697

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.9%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 140501107

1 NAME OF REPORTING PERSON

ZS CROSSOVER II LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)

3 SEC USE ONLY (b)

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
	8	-0- SHARED VOTING POWER
	9	106,342 SOLE DISPOSITIVE POWER
	10	-0- SHARED DISPOSITIVE POWER

106,342

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

106,342

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

2.7%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 140501107

1 NAME OF REPORTING PERSON

ZS SPECIAL I L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
 (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
	8	-0- SHARED VOTING POWER
	9	82,355 SOLE DISPOSITIVE POWER
	10	-0- SHARED DISPOSITIVE POWER

82,355

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

82,355

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

2.1%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 140501107

1 NAME OF REPORTING PERSON

MRMP TRUST

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)

3 SEC USE ONLY (b)

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

SOUTH DAKOTA.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		49,938
	8	SHARED VOTING POWER
		-0-
	9	SOLE DISPOSITIVE POWER
		49,938
	10	SHARED DISPOSITIVE POWER
		-0-

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

49,938

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.3%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 140501107

1 NAME OF REPORTING PERSON

THE NED AND EMILY SHERWOOD FOUNDATION

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a) " GROUP (b) x

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

DELAWARE.

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		-0-
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		10,222
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	-0-
		SHARED DISPOSITIVE POWER

10,222

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10,222

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) " EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

LESS THAN 1%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 140501107

The following constitutes Amendment No. 2 to the Schedule 13D filed by the undersigned (the "Schedule 13D"). This Amendment No. 2 amends the Schedule 13D as specifically set forth.

Item 4 is hereby amended to add the following:

On February 1, 2008, Crossover II delivered a letter to the Corporate Secretary of the Issuer submitting, pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "1934 Act"), a proposal requesting that the Board immediately engage a nationally-recognized investment banking firm to evaluate strategic alternatives that would maximize shareholder value, including, but not limited to, the liquidation of certain or all of the Issuer's underlying portfolio assets with the subsequent distribution of all proceeds to the Issuer's shareholders. A copy of this letter is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 7 is hereby amended to add the following exhibit:

Item 7. Material to be Filed as Exhibits.

99.1. Letter from Crossover II to the Corporate Secretary of the Issuer, dated January 30, 2008, submitting a 14a-8 proposal for consideration at the 2008 Annual Meeting.

CUSIP NO. 140501107

SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: February 1, 2008

ZS CROSSOVER II LP

By: ZS Crossover II GP, L.L.C.
Its General Partner

By: /s/ Ned Sherwood
Name: Ned Sherwood
Title: Management Committee Member

ZS SPECIAL I L.P.

By: ZS Crossover II GP, L.L.C.
Its General Partner

By: /s/ Ned Sherwood
Name: Ned Sherwood
Title: Management Committee Member

ZS CROSSOVER II GP, L.L.C.

By: /s/ Ned Sherwood
Name: Ned Sherwood
Title: Management Committee Member

MRMP TRUST

By: /s/ Ned Sherwood
Name: Ned Sherwood
Title: Trustee

THE NED AND EMILY SHERWOOD
FOUNDATION

By: /s/ Ned Sherwood
Name: Ned Sherwood
Title: Director

/s/ Ned Sherwood
NED SHERWOOD

CUSIP NO. 140501107

EXHIBIT INDEX

Exhibit		Exhibit Number
1.	Letter from Crossover II to the Corporate Secretary of the Issuer, dated January 30, 2008, submitting a 14a-8 proposal for consideration at the 2008 Annual Meeting.	99.1

10
