

CAPITAL SOUTHWEST CORP
Form 40-17G
August 03, 2009

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July 30, 2009

VIA EDGAR

U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Capital Southwest Corporation/Capital Southwest Venture Corporation
File Nos. 814-61 and 811-1947

Ladies and Gentlemen:

On behalf of Capital Southwest Corporation and Capital Southwest Venture Corporation, we enclose the following documents for filing pursuant to Rule 17g-1(g) of the Investment Company Act of 1940, as amended:

1. A copy of the Financial Institution Bond Standard Form No. 14, Bond No. FIB 0000609-11 in the amount of \$900,000 (the "Fidelity Bond");
2. A copy of the Secretary's Certificate certifying the resolutions adopted by the Board of Directors, including all of the directors who are not interested persons, on July 21, 2008, approving the amount, type, form and coverage of the Fidelity Bond and including a statement as to the amount of the single insured bond that would have been obtained if the joint insured bond was not obtained and the period for which premiums for the Fidelity Bond have been paid; and
3. A copy of the agreement between the named insureds pursuant to Rule 17g-1(f).

If you have any questions regarding this matter or require any additional information, please contact me at 312-443-1823.

Sincerely,

LOCKE LORD BISSELL & LIDDELL LLP

By: /s/ Michael K. Renetzky
Michael K. Renetzky, Esq.

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MKR:mkr
Enclosures

Atlanta, Austin, Boston, Chicago, Dallas, Houston, London, Los Angeles, New Orleans, New York, Sacramento, Washington DC

**CAPITAL SOUTHWEST CORPORATION
CAPITAL SOUTHWEST VENTURE CORPORATION
SECRETARY'S CERTIFICATE**

I, Tracy L. Morris, Secretary of Capital Southwest Corporation (the "Corporation") and Capital Southwest Venture Corporation, certify that the following is a true and correct copy of resolutions adopted by the Board of Directors, including all of the directors who are not "interested persons," on July 20, 2009, and that the same are in full force and effect as of the date of this certification:

RESOLVED, that the Financial Institution Bond Standard Form No. 14 in the face amounts of \$750,000 and \$525,000 written by the Fidelity and Deposit Company of Maryland, Bond Numbers FIB 0000609-12 and 0006216-04 are hereby approved, authorized and their adoption ratified for the policy period beginning July 1, 2009 and effective until July 1, 2010 or their date of cancellation; and

"RESOLVED FURTHER, that the separately named insureds under the bonds shall be the Corporation and Capital Southwest Venture Corporation; and

"RESOLVED FURTHER, that payment of the premiums by each respective company for such bonds, are hereby approved and ratified.

Statement of Amount of Single Insured Bonds

Capital Southwest Management Corporation, a wholly-owned subsidiary of the Corporation and manager of the Corporation and Capital Southwest Venture Corporation, is included as a joint insured on each of the above referenced bonds. In accordance with Rule 17g-1(g)(1)(ii)(c) under the Investment Company Act of 1940, the amount of the single insured bond that would have been provided and maintained by each of the Corporation and Capital Southwest Venture Corporation if not insured under the above referenced bonds was \$750,000 and \$525,000 respectively.

Statement of Premiums Paid

In accordance with Rule 17g-1(g)(1)(ii)(d) under the Investment Company Act of 1940, the Fidelity Bond premiums have been paid for the period of July 1, 2009 through June 30, 2010.

IN WITNESS WHEREOF, the undersigned has executed this certificate this 30th day of July, 2009.

/s/ Tracy L. Morris
Tracy L. Morris
Secretary

JOINT INSURED BOND AGREEMENT

This Agreement is made the 1st day of July, 2009 by and between Capital Southwest Corporation, a Texas Corporation ("CSC"), and Capital Southwest Management Corporation ("CSMC" and together with CSC, collectively, the "Joint Insureds").

WITNESSETH:

WHEREAS, CSC is a registered investment company; and

WHEREAS, CSMC is a wholly owned subsidiary of CSC and acts as manager of CSC; and

WHEREAS, CSC and CSMC are named insureds under a certain fidelity bond with Fidelity & Deposit Company of Maryland (the "Insurer") with fidelity coverage of \$750,000 (the "Bond"), for the one year term commencing July 1, 2009 and through June 30, 2010 and which Bond is intended to be in full compliance with Rule 17g-1, a joint insured bond; and

WHEREAS, the Board of Directors of CSC (the "Board"), including a majority of the Board who are not "interested persons" of such investment company as defined in Section 2(a) (19) of the Investment Company Act of 1940, as amended, has authorized and approved pursuant to Rule 17g-1, a joint insured bond; and

WHEREAS, the Joint Insureds, pursuant to Rule 17g-1(f), are required to enter into an agreement dealing with, among other things, their respective rights under the Bond in the event of a loss thereunder.

NOW, THEREFORE, the parties hereto agree as follows:

1. As often as their fiduciary duties require, but not less than once every twelve months, the Board of CSC, including a majority of the Board of such registered investment company who are not "interested persons" of such investment company as defined in Section 2(a) (19) of the Investment Company Act of 1940 shall, with due consideration to all relevant factors, approve the form, amount and coverage of the joint insured bond, including the portion of the premium to be paid by such company, which shall meet the requirements of Rule 17g-1.
 2. In the event recovery is received under the joint insured bond as a result of a loss sustained by one or more of the Joint Insureds, CSC shall receive an equitable and proportionate share of the recovery but at least equal to the amount which it would have received had it provided and maintained a single insured bond with the minimum coverage required by Rule 17g-1(d) (1).
 3. CSC shall comply with the filing and notification requirements of Rule 17g-1(g) during the term of this agreement.
 4. This Agreement is effective as of the date first written above. Within 60 days prior to the anniversary date of any joint insured bond issued in connection with this Agreement, any party hereto may, upon written notice to the other parties, terminate its participation hereunder. This Agreement shall terminate upon mutual written consent of each party hereto.
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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on their behalf as of the 26th day of June 2009.

CAPITAL SOUTHWEST CORPORATION

By: /s/ Gary L. Martin

Gary L. Martin, President

CAPITAL SOUTHWEST MANAGEMENT
CORPORATION

By: /s/ Gary L. Martin

Gary L. Martin, President