

Mail Stop 4561

October 14, 2008

W. Dan Puckett  
Chairman and Chief Executive Officer  
CapitalSouth Bancorp  
2340 Woodcrest Place  
Birmingham, AL 35209

**Re: CapitalSouth Bancorp**  
**Form 10-K for the Year Ended December 31, 2007**  
**Form 10-Q for the Period Ended June 30, 2008**

Dear Mr. Puckett:

We have completed our review of your Form 10-K and related filings and have no further comments at this time.

Sincerely,

Kevin W. Vaughn  
Accounting Branch Chief