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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended JUNE 30, 2002 Commission file no. 0-10546

LAWSON PRODUCTS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	36-2229304
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1666 EAST TOUHY AVENUE, DES PLAINES, ILLINOIS	60018
(Address of principal executive offices)	(Zip Code)

Registrant's telephone no., including area code: (847) 827-9666

NOT APPLICABLE
Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.
9,600,707 SHARES, $1 PAR VALUE, AS OF JULY 15, 2002.

PART I - FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

LAWSON PRODUCTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(AMOUNTS IN THOUSANDS, EXCEPT SHARE DATA)	JUNE 30, 2002 (UNAUDITED)	DECEMBER 31, 2001
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 4,188	$ 6,987
Marketable securities	1,084	1,737
Accounts receivable, less allowance for doubtful accounts	48,284	44,314
Inventories (Note B)	60,074	65,543
Miscellaneous receivables and prepaid expenses	11,833	12,009
Deferred income taxes	2,486	2,471
Total Current Assets	127,949	133,061
Property, plant and equipment, less allowances for depreciation and amortization	39,981	39,059
Investments in real estate	1,105	945
Deferred income taxes	10,767	10,679

Goodwill, less accumulated amortization	28,649	28,810
Other assets	15,892	20,226
Total Assets	$ 224,343	$ 232,780
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Revolving line of credit	$ 5,000	$ 4,000
Accounts payable	6,048	6,948
Accrued expenses and other liabilities	16,762	21,414
Total Current Liabilities	27,810	32,362
Accrued liability under security bonus plans	19,805	19,297
Revolving line of credit	---	10,000
Other	12,188	11,223
	31,993	40,520
Stockholders' Equity:		
Preferred Stock, $1 par value: Authorized - 500,000 shares; Issued and outstanding - None	---	---
Common Stock, $1 par value: Authorized - 35,000,000 shares; Issued and outstanding-(2002 - 9,606,107 shares; 2001- 9,629,307 shares)	9,606	9,629
Capital in excess of par value	2,100	913
Retained earnings	154,807	151,554
Accumulated other comprehensive income	(1,973)	(2,198)
Total Stockholders' Equity	164,540	159,898
Total Liabilities and Stockholders' Equity	$ 224,343	$ 232,780

See notes to condensed consolidated financial statements.

LAWSON PRODUCTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2002	2001	2002	2001
Net sales	$ 99,890	$ 98,980	$ 195,636	$ 182,630
Cost of goods sold (Note B)	35,343	33,888	69,047	63,825
Gross profit	64,547	65,092	126,589	118,805
Selling, general and administrative expenses	56,995	58,214	113,037	106,845
Operating income	7,552	6,878	13,552	11,960
Investment and other income	535	303	1,018	1,046
Interest expense	31	254	104	254
Income before income taxes	8,056	6,927	14,466	12,752
Provision for income taxes	3,360	2,939	5,938	5,526
Net income	$ 4,696	$ 3,988	$ 8,528	$ 7,226
Net income per share of common stock:				
Basic	$ 0.49	$ 0.41	$ 0.89	$ 0.74
Diluted	$ 0.49	$ 0.41	$ 0.88	$ 0.74
Cash dividends declared per share of common stock	$ 0.16	$ 0.16	$ 0.32	$ 0.32
Weighted average shares outstanding:				
Basic	9,611	9,711	9,619	9,710
Diluted	9,643	9,740	9,647	9,736

See notes to condensed consolidated financial statements.

LAWSON PRODUCTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(AMOUNTS IN THOUSANDS)

	FOR THE SIX MONTHS ENDED JUNE 30, 2002	2001
Operating activities:		
Net income	$ 8,528	$ 7,226
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,454	3,864
Changes in operating assets and liabilities	(1,139)	(24,497)
Other	1,768	688
Net Cash Provided by (Used in) Operating Activities	12,611	(12,719)
Investing activities:		
Additions to property, plant and equipment	(3,605)	(3,755)
Purchases of marketable securities	(4,679)	(9,219)
Proceeds from sale of marketable securities	5,632	33,586
Acquisition of IPD and Kent Automotive	---	(34,378)
Other	356	100
Net Cash Used in Investing Activities	(2,296)	(13,666)
Financing activities:		
Purchases of treasury stock	(2,284)	(46)
Proceeds from revolving line of credit	26,000	32,400
Payments on revolving line of credit	(35,000)	(9,000)
Dividends paid	(3,079)	(3,010)
Other	1,249	122
Net Cash Provided by (Used in) Financing Activities	(13,114)	20,466
Decrease in Cash and Cash Equivalents	(2,799)	(5,919)
Cash and Cash Equivalents at Beginning of Period	6,987	7,912
Cash and Cash Equivalents at End of Period	$ 4,188	$ 1,993

See notes to condensed consolidated financial statements.

PART I - NOTES TO CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

A) As contemplated by the Securities and Exchange Commission, the accompanying consolidated financial statements and footnotes have been condensed and therefore, do not contain all disclosures required by generally accepted accounting principles. Reference should be made to Lawson Products, Inc.'s (the "Company") Annual Report on Form 10-K for the year ended December 31, 2001. The Condensed Consolidated Balance Sheet as of June 30, 2002, the Condensed Consolidated Statements of Income for the three and six month periods ended June 30, 2002 and 2001 and the Condensed Consolidated Statements of Cash Flows for the six month periods ended June 30, 2002 and 2001 are unaudited. In the opinion of the Company, all adjustments (consisting only of normal recurring accruals) have been made, which are necessary to present fairly the results of operations for the interim periods. Operating results for the three and six month periods ended June 30, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002.

B) Inventories (consisting of primarily finished goods) at June 30, 2002 and cost of goods sold for the three and six month periods ended June 30, 2002 and 2001 were determined through the use of estimated gross profit rates. The difference between actual and estimated gross profit is adjusted in the fourth quarter. In 2001, this adjustment increased net income by approximately $2,055,000.

C) Total comprehensive income and its components, net of related tax, for the first three and six months of 2002 and 2001 are as follows (in thousands):

	Three months ended June 30, 2002	2001
Net income	$4,696	$3,988
Foreign currency translation adjustments	342	378
Comprehensive income	$5,038	$4,366

	Six months ended June 30, 2002	2001
Net income	$8,528	$7,226
Foreign currency translation adjustments	225	(196)
Comprehensive income	$8,753	$7,030

The components of accumulated other comprehensive income, net of related tax, at June 30, 2002 and December 31, 2001 consist only of foreign currency translation adjustments.

D) Earnings per Share

The calculation of dilutive weighted average shares outstanding for the three and six months ended June 30, 2002 and 2001 are as follows (in thousands):

	Three months ended June 30, 2002	2001
Basic weighted average shares outstanding	9,611	9,711
Dilutive impact of options outstanding	32	29
Dilutive weighted average shares outstanding	9,643	9,740

	Six months ended June 30, 2002	2001
Basic weighted average shares outstanding	9,619	9,710
Dilutive impact of options outstanding	28	26
Dilutive weighted average shares outstanding	9,647	9,736

E) Revolving Line of Credit

In March 2001 the Company entered into a $50 million revolving line of credit. The revolving line of credit matures five years from the closing date and carries an interest rate of prime minus 150 basis points floating or LIBOR plus 75 basis points, at the Company's option. Interest is payable quarterly on prime borrowings and at the earlier of quarterly or maturity with respect to the LIBOR contracts. The line of credit contains certain financial covenants regarding interest coverage, minimum stockholders' equity and working capital, all of which the Company was in compliance with at June 30, 2002.

F) On March 30, 2001, the Company purchased certain assets of Premier Farnell's Cleveland based North American Industrial Products (IPD) and Kent Automotive (Kent) Divisions for approximately $28.4 million plus approximately $8.0 million for related inventories. This all-cash transaction was accounted for as a purchase; accordingly, the accounts and transactions of the acquired business have been included in the consolidated financial statements since the date of acquisition. Under the agreement, the Company acquired the field sales, telephone sales and customer service professionals, the customer accounts, certain administrative executives, and various intellectual properties, including trademarks and trade names of the divisions in certain territories.

The assets acquired were recorded at fair values based on actual purchase cost of inventories and valuations of various intellectual properties, including trademarks and trade names of the IPD and Kent divisions. This acquisition did not require a significant investment by the Company in facilities or equipment. As the Company only acquired portions of the inventory and sales professionals of the IPD and Kent businesses, the Company is unable to provide any meaningful pro forma information of prior period results.

G) New Accounting Standards

In June 2001, the Financial Accounting Standards Board issued Statement No. 142, "Goodwill and Intangible Assets." Statement No. 142 provides that amortization of goodwill no longer be required but does require the testing of the goodwill for impairment at least annually. Statement No. 142 was adopted by the Company as of January 1, 2002. The Company has completed its initial valuation of the carrying value of the recorded goodwill as required under the statement and determined the carrying value was appropriately recorded.

If Statement 142 had been adopted at the beginning of the first quarter of 2001, the non-amortization of goodwill would have increased net income for the three and six-month periods in 2001 by approximately $241,000 to $4,229,000 ($.43 per diluted share) and $272,000 to $7,498,000, ($.77 per diluted share), respectively.

Intangible assets subject to amortization, included within other assets, were as follows (in thousands):

June 30, 2002	Gross Balance	Accumulated Amortization	Net Carrying Amount
Trademarks and tradenames	$1,400	$229	$1,171
Customer lists	650	16	634
	$2,050	$245	$1,805

December 31, 2001

	Gross Balance	Accumulated Amortization	Net Carrying Amount
Trademarks and tradenames	$1,400	$137	$1,263
Customer lists	650	---	650
	$2,050	$137	$1,913

Trademarks and tradenames are being amortized over a weighted average 15.2 years. Customer lists are being amortized over 20 years. Amortization expense for intangible assets is expected to be $216,000, $216,000, $116,000, $83,000 and $83,000 for 2002 and the next four years.

H) Segment Reporting

The Company has three reportable segments: Maintenance, Repair and Replacement (MRO) distribution, Original Equipment Manufacturer distribution and manufacturing (OEM), and international distribution.

Financial information for the Company's reportable segments consisted of the following:

In thousands	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001
Net sales		
MRO distribution	$ 78,878	$ 80,612
OEM distribution	14,576	12,570
International distribution	6,439	5,798
Consolidated total	$ 99,890	$ 98,980
Operating income (loss)		
MRO distribution	$ 6,822	$ 6,011
OEM distribution	1,055	653
International distribution	(325)	214
Consolidated total	$ 7,552	$ 6,878

The reconciliation of segment profit to consolidated income before income taxes consisted of the following:

In thousands	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001
Total operating income from Reportable segments	$ 7,552	$ 6,878
Investment and other income	535	303
Interest expense	(31)	(254)
Income before income taxes	$ 8,056	$ 6,927

In thousands	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
Net sales		
MRO distribution	$ 154,659	$ 147,783
OEM distribution	29,060	25,866
International distribution	11,917	8,981
Consolidated total	$ 195,636	$ 182,630
Operating income (loss)		
MRO distribution	$ 12,314	$ 10,953
OEM distribution	2,122	1,256
International distribution	(884)	(249)
Consolidated total	$ 13,552	$ 11,960

The reconciliation of segment profit to consolidated income before income taxes consisted of the following:

In thousands	Six Months Ended June 30, 2002	2001
Total operating income from Reportable segments	$ 13,552	$ 11,960
Investment and other income	1,018	1,046
Interest expense	(104)	(254)
Income before income taxes	$ 14,466	$ 12,752

Asset information related to the Company's reportable segments consisted of the following:

In thousands	June 30, 2002	December 31, 2001
Total assets		
MRO distribution	$ 156,541	$ 165,127
OEM distribution	33,794	34,183
International distribution	20,755	20,320
Total for reportable segments	211,090	219,630
Corporate	13,253	13,150
Consolidated total	$ 224,343	$ 232,780

At December 31, 2001, the carrying value of goodwill within each reportable segment was as follows (in thousands):

MRO distribution	$22,265
OEM distribution	2,251
International distribution	4,294
	$28,810

Independent Accountants' Review Report

Board of Directors and Stockholders
Lawson Products, Inc.

We have reviewed the accompanying condensed consolidated balance sheet of Lawson Products, Inc. and subsidiaries as of June 30, 2002 and the related condensed consolidated statements of income for the three month and six month periods ended June 30, 2002 and 2001 and the condensed consolidated statements of cash flows for the six month periods ended June 30, 2002 and 2001. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States, which will be performed for the full year with the objective of expressing an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying condensed consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheet of Lawson Products, Inc. as of December 31, 2001, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the year then ended, not presented herein, and in our report dated February 28, 2002, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2001, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ ERNST & YOUNG LLP

July 15, 2002

This Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, contains certain forward-looking statements pertaining to the ability of the Company to finance future growth, cash dividends and capital expenditures, the ability to successfully integrate acquired businesses and certain other matters. These statements are subject to uncertainties and other factors which could cause actual events or results to vary materially from those anticipated. The Company does not undertake any obligation to revise these forward-looking statements to reflect future events or circumstances.

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS

Net sales for the three and six-month periods ended June 30, 2002 increased 0.9% to $99,890,000 and 7.1% to $195,636,000, respectively, relative to the comparable periods of 2001. Maintenance, Repair and Replacement (MRO) distribution net sales decreased by $1.7 million in the second quarter due to continuing difficult market conditions. The $6.9 million increase in net sales year-to-date is attributable to the sales generated by the addition of the field and inside sales representatives from the IPD and Kent divisions of the North American business of Premier Farnell, acquired March 30, 2001 (Please refer to Note F). International distribution sales for the six-month period were also positively impacted by the sales of IPD and Kent in Canada, representing $2.2 million of the segment increase of $2.9 million. Original Equipment Manufacturer (OEM) net sales increased $2.0 million and $3.2 million, respectively, for the three and six-month periods ended June 30, 2002. These sales gains are attributable to increased sales from new customer development.

Operating income for the three and six-month periods ended June 30, 2002 rose 9.8% and 13.3%, respectively, over the similar periods of 2001. The MRO and OEM segments realized increases resulting primarily from the higher net sales noted above and FASB Statement No. 142's non-amortization of goodwill requirement, while prior year results were negatively impacted by expenses associated with the IPD/Kent acquisition. During 2002, the Company invested in the expansion of sales and distribution activities in the international distribution segment in the anticipation of increased sales activity, resulting in higher operating losses as compared to the similar periods of 2001.

Net income advanced 17.8% to $4,696,000 ($.49 per diluted share) and 18.0% to $8,528,000 ($.88 per diluted share) for the three and six-month periods, respectively, compared to the similar periods of 2001. The increases are attributable to the gains in net sales, a lower effective income tax rate and the non-amortization of goodwill. Per share net income for 2002 and 2001 was positively impacted by the Company's share repurchase program.

Cash flows provided by operations for the six months ended June 30, 2002 were $12.6 million. The Company used $12.7 million of cash in operations for the comparable period of 2001. The 2002 improvement was due primarily to the advance in net income noted above, as well as net decreases in inventories and other assets. In 2001, cash flows from operations were negatively impacted by increases in accounts receivable, inventories and other current assets largely associated with the acquisition of IPD and Kent. Additions to property, plant and equipment were $3.6 million and $3.8 million, respectively, for the six months ended June 30, 2002 and 2001. Consistent with prior years, capital expenditures were incurred primarily for improvement of existing facilities and for the purchase of related equipment as well as for the improvement of new leased facilities.

During the first six months of 2002, the Company purchased 76,150 shares of its own common stock for approximately $2,284,000. Of these purchases, 73,315 shares were acquired pursuant to the 2000 Board authorization to purchase up to 500,000 shares. The additional 2,835 shares purchased during the first six months of 2002 represented the remaining shares authorized for purchase under the 1999 Board authorization to purchase up to 500,000 shares. In the first six months of 2001, the Company purchased 1,647 shares of its own common stock for approximately $46,000. These shares were acquired pursuant to the 1999 Board authorization described above. All shares purchased as of June 30, 2002 have been retired. Funds to purchase these shares were provided by investments and cash flow from operations. Current investments, cash flow from operations and the $50,000,000 unsecured line of credit are expected to be sufficient to finance the Company's future growth, cash dividends and capital expenditures.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risk at June 30, 2002 from that reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2001.

PART II

OTHER INFORMATION

Items 1, 2, 3 and 5 are inapplicable and have been omitted from this report.

Item 4. Submission of Matters to a Vote of Security Holders.

(a) The annual meeting of stockholders of Lawson Products, Inc. was held on May 14, 2002.

(b) Set forth below is the tabulation of the votes on each nominee for election as a director:

	For	Withheld Authority
Ronald B. Port, M.D.	9,193,854	135,015
Robert G. Rettig	9,211,787	117,082
Robert M. Melzer	9,217,437	111,432

Messers. Brophey, Saranow and Shaffer continue to serve as directors of the Company for terms ending in 2003 and Messers. Kalish, Port and Washlow continue to serve as directors of the Company for terms ending in 2004.

Item 6. Exhibits and Reports on Form 8-K.

(a) 10 Lawson Products, Inc. 2002 Stock Equivalents Plan for Non-Employee Directors

15 Letter from Ernst & Young LLP Regarding Unaudited Interim Financial Information

99.1 Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) The registrant was not required to file a Current Report on Form 8-K for the most recently completed quarter.

SIGNATURES

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 thereunto duly authorized.

LAWSON PRODUCTS, INC.
(Registrant)

Dated August 14, 2002	/s/ Robert J. Washlow
	Robert J. Washlow Chairman of the Board
Dated August 14, 2002	/s/ Joseph L. Pawlick
	Joseph L. Pawlick Chief Financial Officer (Principal Financial Officer)

EXHIBIT 10

LAWSON PRODUCTS, INC.

2002 STOCK EQUIVALENTS PLAN

FOR NON-EMPLOYEE DIRECTORS

1. Purpose. The purpose of the Lawson Products, Inc. 2002 Stock Equivalents Plan for Non-Employee Directors (the "Plan") is to aid Lawson Products, Inc. (the "Company") in attracting and retaining non-employee directors by encouraging and enabling the acquisition of a financial interest in the Company by such directors through the issuance of stock equivalents. Participation in this Plan is limited to non-employee directors of the Company. For purposes of the Plan, a non-employee director is any person who is a member of the Board of Directors of the Company (the "Board") and who is not, and has never been, a full-time employee of the Company or any of its subsidiaries.

2. Election to Receive Annual Retainer in Stock Equivalents. Each non-employee director may make an irrevocable election to receive all or any portion of his or her annual retainer in stock equivalents to be paid out at: (a) the death, permanent disability, retirement or other termination of the non-employee director's service on the Board (each of the foregoing being a "Termination Event") or (b) five years from the date of election or (c) ten years from the date of election. In the event an election under (b) or (c) is made, and a Termination Event occurs prior to the date elected for a payment, the payment date shall be accelerated to the date of the Termination Date. An election pursuant to this paragraph 2 must be made in writing on or before July 1st of each year and will entitle the non-employee director to a number of stock equivalents during each of the ensuing four calendar quarters determined by dividing 25% of the portion of the retainer for the year for which the election is being made by the fair market value of one share of the Company's Common Stock as of the first day of each such quarter of such year. In the event any person becomes a non-employee director after July 1, such person may make an election, before the date on which such person becomes a non-employee director, to receive all or any portion of his or her retainer during the period ending on June 30 in stock equivalents determined in accordance with the formula set forth in the preceding sentence.

3. Stock Equivalents. The number of stock equivalents determined under paragraph 2 hereunder for each non-employee director shall be credited to a bookkeeping account established in the name of that director subject to the following terms and conditions:

(a) If the Company pays a cash dividend with respect to the Common Stock at any time while stock equivalents are credited to a non-employee director's account, there shall be credited to the non-employee director's account additional stock equivalents equal to (i) the cash dividend the director would have received had he or she been the actual owner of the stock equivalents then credited to the director's account, divided by (ii) the fair market value of one share of the Company's Common Stock on the dividend payment date.

(b) Upon the death, permanent disability, retirement or other termination of the non-employee director's service on the Board, or such earlier time as the director shall designate at the time of the election in paragraph 2 above, the Company shall pay to the non-employee director (or his or her designated beneficiary or estate) in a lump sum an amount equal to the fair market value of one share of Company Common Stock on the date of termination (or other designated date) multiplied by the number of stock equivalents then credited to the director's account.

(c) The Company's obligation with respect to stock equivalents shall not be funded or secured in any manner, nor shall a participant's right to receive payment be assignable or transferable, voluntarily or involuntarily, except as expressly provided herein.

(d) Stock equivalents shall not entitle the holder thereof to any voting or other stockholder rights as a result of the credit of stock equivalents to the holder's account.

(e) All stock equivalents shall not be transferable in any manner other than by will or the laws of descent and distribution.

(f) No right or interest of any director in a stock equivalent shall be subject to any lien, claim, encumbrance, obligation, or liability of such director. Any payments required under the Plan during a director's lifetime shall be made only to the director.

4. Fair Market Value. For purposes of this Plan, fair market value shall mean the closing price of a share of Company Common Stock on the valuation date or on the next preceding trading day if the valuation date is not a trading day, as reported in the Midwest Edition of The Wall Street Journal.

5. Adjustments. If there is any change in the Company's Common Stock by means of a stock dividend or distribution, stock split-up, recapitalization, combination or exchange of shares, or by means of any merger, consolidation or other corporate reorganization in which the Company is the surviving corporation, the number of stock equivalents shall be automatically adjusted on the same basis to give proper effect to such change, and the Board of Directors shall make whatever changes in the Plan and in any stock equivalents then outstanding as it deems necessary or appropriate.

6. Amendment or Termination. The Board shall have the power to terminate the Plan at any time and to amend the Plan from time to time as it may deem proper; provided, however, that no such termination or amendment shall adversely affect any outstanding stock equivalents. Notwithstanding the foregoing, the Board shall have the right to terminate this Plan and all stock equivalents outstanding at any time by making a lump sum payment equal to the then fair market value of the then outstanding stock equivalents in cancellation of all rights of directors in the Plan.

7. Illinois Law. This Plan and all actions taken in connection herewith shall be governed and construed in accordance with the substantive laws of the state of Illinois (regardless of the law that might otherwise govern under applicable Illinois principles of conflict of laws).

Exhibit 15

July 15, 2002

Board of Directors
Lawson Products, Inc.

We are aware of the incorporation by reference in the Registration Statement (Form S-8 No. 33-17912 dated November 4, 1987) of Lawson Products, Inc. of our report dated July 15, 2002 relating to the unaudited condensed consolidated interim financial statements of Lawson Products, Inc. which are included in its Form 10-Q for the quarter ended June 30, 2002.

Pursuant to Rule 436(c) of the Securities Act of 1933 our report is not part of the registration statement prepared or certified by accountants within the meaning of Section 7 or 11 of the Securities Act of 1933.

/s/ ERNST & YOUNG LLP

Exhibit 99.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Lawson Products, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Chief Executive Officer and Chief Financial Officer of the Company hereby certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002 that based on their knowledge: 1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

/s/ Robert J. Washlow

- --

Robert J. Washlow, Chief Executive Officer

/s/ Joseph L. Pawlick

- --

Joseph L. Pawlick, Chief Financial Officer

August 14, 2002