

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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant /X/
Filed by a Party other than the Registrant / /

Check the appropriate box:

- / / Preliminary Proxy Statement
/ / Confidential, for Use of the Commission Only (as permitted
by Rule 14a-6(e)(2))
/X/ Definitive Proxy Statement
/ / Definitive Additional Materials
/ / Soliciting Material Pursuant to Section 240.14a-11(c) or
Section 240.14a-12

LAWSON PRODUCTS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the
Registrant)

Payment of Filing Fee (Check the appropriate box):

- /X/ No fee required.
/ / Fee computed on table below per Exchange Act Rules 14a-6(i)(1)
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amount on which the filing fee is calculated and state how
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Schedule and the date of its filing.
(1) Amount Previously Paid:-----
(2) Form, Schedule or Registration Statement No.:-----
(3) Filing Party:-----
(4) Date Filed:-----

[LAWSON PRODUCTS LOGO]

LAWSON PRODUCTS, INC.
1666 East Touhy Avenue
Des Plaines, Illinois 60018

NOTICE OF ANNUAL MEETING
OF STOCKHOLDERS
May 15, 2001

TO THE STOCKHOLDERS:

You are cordially invited to attend the annual meeting of stockholders of Lawson Products, Inc. (the "Company" or "Lawson"), which will be held at the offices of the Company, 1666 East Touhy Avenue, Des Plaines, Illinois, on Tuesday, May 15, 2001, at 10:00 A.M. (Local Time) for the following purposes:

- (1) To elect three directors to serve three years; and
- (2) To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 30, 2001, as the record date for the determination of stockholders entitled to notice of and to vote at the meeting. Accompanying this notice is a form of proxy, a Proxy Statement and a copy of the Company's 2000 Annual Report.

EVEN IF YOU EXPECT TO ATTEND THE MEETING IN PERSON, PLEASE SIGN AND RETURN THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED SO THAT YOUR SHARES MAY BE VOTED AT THE MEETING. YOU MAY ALSO VOTE YOUR SHARES BY TELEPHONE OR VIA THE INTERNET AS SET FORTH IN THE ENCLOSED PROXY. IF YOU EXECUTE A PROXY, YOU STILL MAY ATTEND THE MEETING AND VOTE IN PERSON.

By Order of the Board of Directors

Neil E. Jenkins
SECRETARY

Des Plaines, Illinois
April 11, 2001

[LAWSON PRODUCTS LOGO]

LAWSON PRODUCTS, INC.
1666 East Touhy Avenue
Des Plaines, Illinois 60018

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PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
May 15, 2001
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This Proxy Statement is being sent to stockholders on or about April 11, 2001, in connection with the solicitation of the accompanying proxy by the Board of Directors of the Company. Only stockholders of record at the close of business on March 30, 2001, are entitled to notice of and to vote at the meeting. The Company has retained Morrow & Co., Inc., a firm specializing in the solicitation of proxies, to assist in the solicitation at a fee estimated to be \$4,000 plus expenses. Officers of the Company may make additional solicitations in person or by telephone. Expenses incurred in the solicitation of proxies will be borne by the Company. If the accompanying form of proxy is executed and returned in time or you vote your shares by telephone or via the Internet as set forth in the enclosed proxy pursuant to Section 212(c) of the Delaware General Corporation Law, the shares represented thereby will be voted, but the proxy may be revoked at any time prior to its exercise by execution of a later dated proxy or by voting in person at the annual meeting.

As of March 30, 2001, the Company had outstanding 9,711,804 shares of the Company's Common Stock (the "Common Stock") and such shares are the only shares entitled to vote at the annual meeting. Each holder of Common Stock is entitled to one vote per share on all matters to come before the meeting. For purposes of the meeting, a quorum means a majority of the outstanding shares. In determining whether a quorum exists, all shares represented in person or by proxy will be counted.

It is intended that the named proxies will vote in favor of the election as directors of the nominees listed below, except as otherwise indicated on the proxy form. If any nominee should become unavailable for election as a director (which is not contemplated), the proxies will have discretionary authority to vote for a substitute. In the absence of a specific direction from the stockholders, proxies will be voted for the election of all named director nominees. Proxies relating to "street name" shares that are voted by brokers on some but not all of the matters will be treated as shares present for purposes of determining the presence of a quorum on all matters, but will have no effect on any proposal at this annual meeting for which a vote is not indicated on the proxies.

ELECTION OF DIRECTORS

Stockholders are entitled to cumulative voting in the election of directors. Under cumulative voting, each stockholder is entitled to that number of votes equal to the number of directors to be elected, multiplied by the number of shares such stockholder owns, and such stockholder may cast its votes for one nominee or distribute them in any manner it chooses among any number of nominees. Unless otherwise indicated on the proxy card, votes may, in the discretion of the proxies,

be equally or unequally allocated among the nominees named below. Directors will be elected by a plurality of the votes cast at the meeting by the holders of shares represented in person or by proxy. Thus, assuming a quorum is present, the three persons receiving the greatest number of votes will be elected as directors and votes that are withheld will have no effect.

The By-Laws of the Company provide that the Board of Directors shall consist of such number of members, between five and nine, as the Board of Directors determines from time to time. The size of the Board is currently set at nine members. The Board is divided into three classes, with one class being elected each year for a three-year term. At the meeting, three directors are to be elected to serve until 2004.

The following information has been furnished by the respective nominees and continuing directors:

NAME - - - - -	AGE -----	PRINCIPAL OCCUPATION -----	YEAR FIRST ELECTED DIRECTOR -----
NOMINEES TO BE ELECTED TO SERVE UNTIL 2004			
Bernard Kalish.....	63	Retired Chairman of the Board and Chief Executive Officer of the Company	1983
Sidney L. Port.....	90	Chairman of the Executive Committee of the Company	1953
Robert J. Washlow.....	56	Chairman of the Board and Chief Executive Officer. In 1998 and 1999, Mr. Washlow was Executive Vice President--Corporate Affairs and participated in the Office of the President from January 1, 1999 until he became the Chairman in August of 1999. Mr. Washlow was also Corporate Secretary from 1985 until May of 1999.	1997
DIRECTORS WHOSE TERMS EXPIRE IN 2003			
James T. Brophy.....	73	Private Investor	1971
Mitchell H. Saranow.....	55	Chairman of the Saranow Group, a family investment firm, with predecessor since October 1984. Chairman of the Board and co-chief executive officer of Navigant Consulting, Inc. from November 1999 to May 2000. Prior thereto, Mr. Saranow was Chairman of Fluid Management, L.P., a machinery manufacturer, for more than five years.	1998
Jerome Shaffer.....	73	Vice President and Treasurer of the Company	1989
DIRECTORS WHOSE TERMS EXPIRE IN 2002			
Ronald B. Port, M.D.....	60	Retired Physician	1984
Robert G. Rettig.....	71	Consultant	1989
Robert M. Melzer.....	61	Consultant	2000

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- - The Executive Committee, the members of which are Sidney L. Port and Robert J. Washlow, has all of the authority of the Board of Directors between Board meetings, except to declare a dividend, authorize the issuance of stock, amend the By-Laws or take action relating to certain corporate changes.

- - The Audit Committee, the members of which are James T. Brophy, Robert G. Rettig and Mitchell H. Saranow, reviews the scope and results of the audit by the Company's independent auditors and reviews the Company's procedures for monitoring internal accounting controls. A copy of the Company's Audit Committee Charter is attached hereto as Appendix A. Each of the members of the Audit Committee satisfies the independence requirements of the Nasdaq National Market.
- - The Compensation Committee, the members of which are James T. Brophy, Robert G. Rettig, Ronald B. Port, M.D., Sidney L. Port and Mitchell H. Saranow, makes all determinations with respect to the compensation of the Chairman of the Board and establishes general compensation policies with respect to all other executive officers of the Company.
- - The Nominating Committee, the members of which are James T. Brophy, Sidney L. Port, Robert G. Rettig and Ronald B. Port, M.D., reviews and recommends potential directors to the Board of Directors. The Nominating Committee will consider director nominees recommended by stockholders if such recommendations are submitted in writing to the Secretary of the Company.
- - Because of his substantial stockholdings, Sidney L. Port may be deemed to be a control person of the Company. See "Securities Beneficially Owned by Principal Stockholders and Management."
- - Ronald B. Port, M.D. is the son of Sidney L. Port.
- - Robert J. Washlow is the son-in-law of Sidney L. Port. Mr. Washlow was a partner at the law firm of Vedder, Price, Kaufman & Kammholz until December 31, 1998, which firm provides legal services to the Company.
- - Each nominee and continuing director has held the indicated position, or an executive position with the same employer, for at least the past five years, unless otherwise indicated above. Mr. Washlow was a partner with the law firm of Vedder, Price, Kaufman & Kammholz for more than five years prior to 1998, the date Mr. Washlow became Executive Vice President--Corporate Affairs of the Company.
- - Mr. Melzer served as President and Chief Executive Officer of Property Capital Trust, a publicly-traded real estate investment trust ("REIT"), from 1992 until May 1999 when the company completed its plan to dispose of its investments and distributed the proceeds to its shareholders. Since May 1999, Mr. Melzer has devoted his business activities to consulting and to serving as a director or trustee of various business and charitable organizations. Mr. Melzer serves as director of Genesee & Wyoming, Inc., a short line railroad holding company; a director of Beacon Capital Partners, Inc., a REIT; a trustee of MGI Properties Liquidating Trust, which was formed to complete the liquidation of MGI Properties, a REIT; a director of The Cronos Group, a lessor of Intermodal Marine Containers; and chairman of the board of trustees of Beth Israel Deaconess Medical Center in Boston, Massachusetts.
- - Mr. Rettig is a director of Evergreen Network.com Inc.

In 2000, the Board of Directors held four meetings, the Compensation Committee held two meetings, the Audit Committee held two meetings and the Nominating Committee held one meeting. During 2000, each director attended at least 75% of the meetings of the Board and of the respective committees on which he served. The Executive Committee did not meet, as matters typically dealt with by this Committee were considered by the full Board of Directors. Directors who are not employees or retired officers of the Company received directors' fees of \$30,000 in 2000. Mr. Melzer received \$20,250 in 2000 for serving as director of the Company for a portion of the year beginning June 2000.

SECURITIES BENEFICIALLY OWNED BY PRINCIPAL STOCKHOLDERS AND MANAGEMENT

Set forth below, as of March 1, 2001 (unless otherwise indicated), are the beneficial holdings of: each person known by the Company to own beneficially more than 5% of the outstanding shares of Common Stock of the Company, each director, the executive officers listed on the Summary Compensation Table below, and all executive officers and directors as a group.

NAME	SOLE VOTING OR DISPOSITIVE POWER(1)(2)	SHARED VOTING OR DISPOSITIVE POWER	PERCENT OF CLASS AT MARCH 1, 2001
Sidney L. Port 1666 East Touhy Avenue Des Plaines, Illinois 60018	4,661,964(3)	-0-	47.8%
Dimensional Fund Advisors 1299 Ocean Floor 11th Floor Santa Monica, CA 90401	672,050	-0-	6.9%
Jeffrey B. Belford.....	5,100	-0-	*
James T. Brophy.....	1,400	-0-	*
Roger F. Cannon.....	5,584	-0-	*
Bernard Kalish.....	15,000	-0-	*
Robert M. Melzer.....	2,000	-0-	*
Ronald B. Port, M.D.....	16,865	-0-	*
Robert G. Rettig.....	750	-0-	*
Mitchell H. Saranow (4).....	8,250	-0-	*
Jerome Shaffer.....	21,033	2,530	*
Robert J. Washlow.....	29,827	0	*
All executive officers and directors as a group (14 persons).....	4,780,816	2,530	49.1%

* Less than 1%.

(1) Does not include certain shares held by wives and minor children in the case of Mr. Brophy (725 shares), Mr. Kalish (10,523 shares), Dr. Port (16,615 shares), Mr. Shaffer (2,450 shares) and Mr. Washlow (24,283) and all executive officers and directors as a group (54,596 shares).

(2) Stockholdings shown include shares issuable upon the exercise of stock options exercisable within 60 days by Mr. Belford (5,000 shares), Mr. Brophy (250 shares), Mr. Cannon (2,500 shares), Mr. Kalish (15,000 shares), Dr. Port (250 shares), Mr. Rettig (250 shares), Mr. Saranow (250 shares), Mr. Shaffer (6,000 shares), Mr. Washlow (1,250 shares) and all executive officers and directors as a group (37,750 shares).

(3) Includes 1,200,000 shares held by a family limited partnership.

(4) 8,000 shares are owned by Saranow Investments, L.L.C., which is owned by Mr. Saranow and his family.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's directors and certain executive officers, and persons who own more than 10% of the Company's Common Shares (collectively, "Reporting Persons") to file reports of ownership and changes in ownership with the SEC. Reporting Persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of such forms received or written representations from the Reporting Persons, the Company believes that with respect to the year ended December 31, 2000, all the Reporting Persons complied with all applicable filing requirements, except that Mr. Galvez failed to file a timely Form 3.

REMUNERATION OF EXECUTIVE OFFICERS

SUMMARY COMPENSATION TABLE

The table below sets forth certain information concerning the annual and long-term compensation for services in all capacities to the Company for the years ended December 31, 2000, 1999 and 1998, of those persons who were, at December 31, 2000 (i) the chief executive officer, and (ii) the other four most highly compensated executive officers of the Company (the "Named Officers").

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION		LONG-TERM COMPENSATION	ALL OTHER COMPENSATION (\$)(2)
		SALARY(\$)	BONUS(\$)	SECURITIES UNDERLYING OPTIONS/SARS(1)	
Robert Washlow CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER	2000	447,945	279,000	35,000	16,575
	1999	360,715	135,000	5,000	15,600
	1998	88,462	--	--	--
Sidney L. Port CHAIRMAN OF THE EXECUTIVE COMMITTEE	2000	354,957	0	0	16,575
	1999	343,080	0	0	15,600
	1998	329,156	0	0	15,200
Jeffrey B. Belford OFFICE OF THE PRESIDENT AND CHIEF OPERATING OFFICER	2000	274,262	4,721	5,000	16,575
	1999	246,253	40,794	0	15,600
	1998	189,236	0	0	15,200
Roger F. Cannon OFFICE OF THE PRESIDENT AND CHIEF SALES OFFICER	2000	268,775	0	5,000	16,575
	1999	241,311	15,000	0	15,600
	1998	214,525	0	0	15,200
Jerome Shaffer VICE PRESIDENT AND TREASURER	2000	236,097	23,420	0	16,575
	1999	234,293	0	0	15,600
	1998	219,362	0	0	15,200

(1) The Company has not issued restricted stock awards to the Named Officers and does not have any "long-term incentive plans" as that term is defined in the applicable rules. The Company issued options and stock appreciation rights at fair market value to the named officers as shown.

(2) These amounts represent the Company's contribution as accrued to the Company's Profit Sharing Plan.

The following table presents the number of stock options and stock appreciation rights granted to the Named Executive Officers during 2000.

OPTIONS/SARS GRANTED DURING 2000

INDIVIDUAL GRANTS	NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS/SAR GRANTED (#)	PERCENT OF TOTAL OPTIONS/SARS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE (\$/SH)	EXPIRATION DATE	POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION/SAR TERM	
						5%	10%
	Robert J. Washlow.....	5,000	100%	23.56	5/16/10	\$ 191,884	\$ 305,543
		30,000	42%	26.50	12/13/10	\$1,294,971	\$2,062,025
	Sidney L. Port.....	0	--	--	--	--	--
	Jeffrey B. Belford....	5,000	7%	26.50	12/13/10	\$ 215,829	\$ 343,671
	Roger F. Cannon.....	5,000	7%	26.50	12/13/10	\$ 215,829	\$ 343,671
	Jerome Shaffer.....	0	--	--	--	--	--

The following table summarizes option exercises during the year by the Named Officers and the value of the options held by such persons at the end of such year.

AGGREGATE OF OPTIONS/SARS EXERCISED IN 2000 AND OPTION/SAR VALUES AT DECEMBER 31, 2000

NAME	SHARES ACQUIRED ON EXERCISE	VALUE REALIZED	NUMBER OF UNEXERCISED OPTIONS/SARS AT DECEMBER 31, 2000 (#)	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS/SARS AT DECEMBER 31, 2000(\$)(1)
			EXERCISABLE/ UNEXERCISABLE	EXERCISABLE/ UNEXERCISABLE
Robert J. Washlow.....	--	--	1,250/38,750	5,938/56,663
Sidney L. Port.....	--	--	--	--
Jeffrey B. Belford.....	--	--	5,000/5,000	23,450/3,450
Roger Cannon.....	--	--	2,500/5,000	11,725/3,450
Jerome Shaffer.....	--	--	6,000/0	28,140/0

(1) Based on the closing price of the Company's Common Stock as reported on the NASDAQ National Market System on December 31, 2000.

EMPLOYMENT CONTRACTS

Under the terms of a salary continuation agreement, in the event of Mr. Port's death while employed by the Company, the Company will continue his salary for two years thereafter.

Mr. Belford is employed under a contract pursuant to which he will receive a minimum salary of \$305,000 for 2001. Upon the expiration of two years prior written notice, the contract is cancelable by either party. The contract provides for salary increases from time to time and salary continuation during incapacity and for one year after death.

Mr. Cannon is employed under a contract pursuant to which he will receive a minimum salary of \$300,000 for 2001. Upon the expiration of two years prior written notice, the contract is cancelable

by either party. The contract provides for salary increases from time to time and salary continuation during incapacity and for one year after death.

Mr. Shaffer is employed under a contract pursuant to which he will receive a minimum salary of \$237,000 for 2001. The contract is automatically renewable for one year terms unless a one year notice is given. The contract provides for salary increases from time to time and salary continuation during incapacity and for one year after death.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In November 2000, the Company sold its limited partnership interest in Fireside West, F.L.P. (the "Partnership") in equal amounts to each of (i) Mr. Washlow, a general partner of the Partnership and the Chairman of the Board and Chief Executive Officer of the Company, and (ii) the other general partner of the Partnership. The Partnership owns and operates the Hilton Lisle/Naperville Hotel in Lisle, Illinois. The Company sold its interest in the Partnership for \$7,400,000 in cash. In connection with the transaction, the Company recorded an after-tax gain of approximately \$2,136,000.

Prior to its approval of the transaction, the Board of Directors appointed a special committee ("Committee") consisting of Messrs. Brophy and Rettig to consider the disposition of the Company's interest in the Partnership. The Committee was advised by independent legal counsel and retained an independent accounting firm to appraise the hotel property and evaluate the proposed transaction. After receiving an opinion from the independent accounting firm that the proposed transaction was fair from a financial point of view and in the best interest of the Company, the Committee recommended approval of the transaction to the Board of Directors. The Board of Directors then approved the sale of the Company's interest in the Partnership with Mr. Washlow abstaining from participation in the consideration of and voting upon the matter. The Company believes that the disposition of its interest in the Partnership was at least as favorable to the Company as any such disposition that could have been consummated with an unrelated third party.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the Committee reviewed the audited financial statements in the Annual Report with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Committee reviewed with independent auditors, who are responsible for expressing an opinion on the conformity of those financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Committee under generally accepted auditing standards. In addition, the Committee has discussed with the independent auditors the auditors' independence from management and the Company including the matters in the written disclosures required by the Independence Standards Board.

The Committee discussed with the Company's independent auditors the overall scope and plans for their respective audit. The Committee meets with the independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting. The Committee held two meetings during 2000.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2000 for filing with the

Securities and Exchange Commission. The Committee and the Board have also recommended the selection of the Company's independent auditors to audit the financial statements of the Company for 2001.

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with generally accepted accounting principles. That is the responsibility of management and the Company's independent auditors. In giving the recommendation to the Board of Directors, the Committee relied on (i) management's representation that such financial statements were prepared with integrity and objectivity and in conformity with generally accepted accounting principals, and (ii) the report of the Company's independent auditors with respect to such financial statements.

James T. Brophy
Robert G. Rettig
Mitchell H. Saranow

REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

The Report of the Compensation Committee of the Board of Directors and the Stock Price Performance Graph shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

OVERVIEW

The objectives of the Compensation Committee in establishing executive compensation are to provide compensation that will both attract and retain superior talent and align the interests of the Company's executive officers with the financial success of the Company. The criteria used to determine the compensation of the Chief Executive Officer are also used in determining compensation for the other executive officers.

Section 162(m) of the Internal Revenue Code limits the deductibility of certain items of compensation paid to the CEO and other executive officers to \$1 million annually. The Committee does not expect that Section 162(m) will limit the deductibility of compensation expected to be paid by the Company in the foreseeable future. In the event the proposed compensation for any of the Company's executive officers is expected to exceed the \$1 million limitation, the Committee will balance the benefits of tax deductibility with its responsibility to hire, retain and motivate executive officers with competitive compensation programs.

EXECUTIVE OFFICER COMPENSATION PROGRAM

The Company's executive officer compensation program is comprised of base salary, short-term incentive compensation, long-term incentive compensation (in the form of stock options and stock appreciation rights) and various benefits, including medical and profit sharing plans, generally available to employees of the Company.

BASE SALARY. Base salary for the executive officers, other than the Chief Executive Officer, was set pursuant to employment agreements described elsewhere in this Proxy Statement. The chief executive officer's base salary and bonus, if any, are established annually by the Compensation Committee. In setting these compensation levels, the Compensation Committee considered a variety of factors, including competitive market levels, levels of responsibility, and the unique abilities and individual experience and performance of each officer. In addition, certain of the employment agreements provide for discretionary increases in base salary. Generally, these salary

increases are determined annually by the Chairman of the Board with the consent of the Compensation Committee based on performance and general market factors.

INCENTIVE COMPENSATION PROGRAM. In 1995, the Board of Directors adopted the Lawson Products, Inc. Annual Incentive Compensation Program (the "Program"). Under the Program the Compensation Committee establishes annual corporate, company and individual target performance levels for each of the participating employees (which includes each of the Named Officers except Sidney L. Port and Robert J. Washlow). Each participant is then granted an annual incentive award based upon the base salary at the beginning of the year for that participant and the degree to which the participant's predetermined targets are achieved during the year.

STOCK OPTION PROGRAM. The Company's long-term incentive based compensation program is achieved principally through the Lawson Products, Inc. Incentive Stock Plan under which stock options (both nonqualified and incentive), stock appreciation rights and stock awards may be issued to officers and key employees. The objectives of the Plan are to align executive and stockholder long-term interests by creating a link between executive compensation and stockholder return and to enable executives and other key employees to develop and maintain a long-term stock ownership position in the Company. Under the Company's plan, the Compensation Committee determines the identity of recipients and the amount of benefits to be received by each recipient. Generally, options are granted at an exercise price equal to the fair market value of the Company's Common Stock on the date of grant and have ten year terms.

STOCK PERFORMANCE PLAN. In 2000, the Board of Directors adopted the Lawson Products, Inc. Stock Performance Plan under which the Compensation Committee may grant key management employees stock performance rights which will entitle the holders to receive, in cash, the appreciation in the fair market value of the Company's Common stock from the date of the initial grants up to the date the rights are exercised.

OTHER BENEFITS. The Company maintains an Executive Deferral Plan and also provides a variety of other benefits including a Profit Sharing Plan, which are generally available to Company employees.

James T. Brophy
Robert G. Rettig
Ronald B. Port, M.D.
Sidney L. Port
Mitchell H. Saranow

STOCK PRICE PERFORMANCE CHART

Set forth below is a line graph comparing the yearly percentage change in the cumulative total stockholder return on the Company's Common Stock against the cumulative total return of the S&P Small Capitalization Index and a peer group (the "Peer Group") of the Company for the five prior years. The Peer Group consists of Barnes Group Inc., Strategic Distribution, Inc., SunSource Inc., Premier Farnell PLC and NCH Corporation. Vallen Corporation, which was included in the Peer Group in last year's Proxy Statement, ceased to be a public company when it was acquired in November 2000.

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC

	LAWSON PRODUCTS, INC.	S&P SMALL CAP	PEERS
12/31/95	\$100.00	\$100.00	\$100.00
12/31/96	\$91.40	\$121.32	\$118.54
12/31/97	\$126.82	\$152.36	\$90.48
12/31/98	\$100.37	\$150.37	\$58.08
12/31/99	\$102.83	\$169.02	\$84.82
12/31/00	\$123.95	\$188.96	\$75.65

	LAWSON PRODUCTS, INC.	S&P SMALL CAP	PEERS
12/31/95.....	\$100.00	\$100.00	\$100.00
12/31/96.....	\$ 91.40	\$121.32	\$118.54
12/31/97.....	\$126.82	\$152.36	\$ 90.48
12/31/98.....	\$100.37	\$150.37	\$ 58.08
12/31/99.....	\$102.83	\$169.02	\$ 84.82
12/31/00.....	\$123.95	\$188.96	\$ 75.65

Assumes that the value of the investment in Lawson's Common Stock and in each index was \$100 on December 31, 1995 and that all dividends were reinvested.

INDEPENDENT AUDITORS

The Board of Directors has reappointed Ernst & Young LLP as independent auditors to audit the financial statements of the Company for 2001. Representatives of Ernst & Young LLP are expected to be present at the annual meeting and will be given the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

AUDIT FEES. The aggregate fees billed by The Company's independent auditors for professional services rendered in connection with (i) the audit of the Company's annual financial statements set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2000, and (ii) the review of the Company's quarterly financial statements set forth in the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2000, June 30, 2000 and September 30, 2000, were approximately \$249,900.

FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES. There were no fees billed by the Company's independent auditors for the Company's most recent year in this category.

ALL OTHER FEES. The aggregate fees for all other services rendered by its independent auditors for the Company's most recent year were approximately \$155,200, of which \$51,500 were for audit related services and \$103,700 were for nonaudit related services. Audit related services generally include fees for pension and statutory audits, business acquisitions and accounting consultations. Nonaudit related services include fees for income tax consultation and compliance.

The Audit Committee has advised the Company that it has determined that the non-audit services rendered by the Company's independent auditors during the Company's most recent year are compatible with maintaining the independence of such auditors.

PROPOSALS OF SECURITY HOLDERS

A stockholder proposal to be presented at the annual meeting to be held in 2002 must be received at the Company's executive offices, 1666 East Touhy Avenue, Des Plaines, Illinois 60018, by no later than December 12, 2001, for evaluation as to inclusion in the Proxy Statement in connection with such meeting.

Stockholders wishing to present proposals at the Annual Meeting (but not include them in the Proxy Statement) are required to notify the Secretary of the Company in writing no less than 90 days nor more than 110 days prior to the first anniversary of the prior year's meeting unless the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, in which case notice of such proposal must be received by the Company no later than 10 days following the date on which public announcement of the date of such meeting is first made.

OTHER MATTERS

The Board of Directors knows of no other proposals which may be presented for action at the meeting. However, in accordance with the By-laws of the Company, if any other proposal properly comes before the meeting, the persons named in the proxy form enclosed will vote in accordance with their judgment upon such matter.

Stockholders are urged to execute and return promptly the enclosed form of proxy in the envelope provided or to vote your shares by telephone or via the Internet.

By Order of the Board of Directors

Neil E. Jenkins
SECRETARY

April 11, 2001

APPENDIX A

LAWSON PRODUCTS, INC.
AUDIT COMMITTEE CHARTER

The Audit Committee is appointed by the Board of Directors for the primary purposes of

- - Assisting the Board of Directors in fulfilling its oversight responsibilities as they relate to the Company's accounting policies and internal controls, financial reporting practices and legal and regulatory compliance, and
- - Maintaining, through regularly scheduled meetings, a line of communications between the Board of Directors and the Company's financial management and independent accountants.

The Audit Committee shall be appointed by the Board of Directors and shall be comprised of three or more Directors (as determined from time to time by the Board), each of whom shall meet the independence requirements of the Nasdaq Stock Market, Inc. Each member of the Audit Committee shall have the ability to understand fundamental financial statements. In addition, at least one member of the Audit Committee shall have past employment experience in finance or accounting, professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer or other senior officer with financial oversight responsibilities.

The Audit Committee is responsible for securing from the outside auditors a formal written statement delineating all relationships between the auditor and the Company, consistent with Independence Standards Board Standard 1. The Committee is responsible for actively engaging in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and for taking, or recommending that the full Board take, appropriate action to oversee the independence of the outside auditor.

The outside auditor is ultimately accountable to the Board of Directors and the Audit Committee, as representatives of the shareholders. These shareholder representatives have ultimate authority and responsibility to select, evaluate, and, where appropriate, replace the outside auditor.

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[LAWSON PRODUCTS LOGO]

LAWSON PRODUCTS, INC.
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
FOR THE ANNUAL MEETING ON MAY 15, 2001

The undersigned hereby makes, constitutes and appoints Sidney L. Port and Robert J. Washlow and each of them, proxies for the undersigned, with full power of substitution, to vote on behalf of the undersigned at the Annual Meeting of Stockholders of Lawson Products, Inc., to be held at the offices of the Company, 1666 East Touhy Avenue, Des Plaines, Illinois, on May 15, 2001, at 10:00 A.M. (Local Time), or any adjournment thereof.

The withholding of authority to vote for any nominee will allow the proxies to distribute, in their discretion, the withheld votes equally or unequally to or among the remaining nominees. The nomination of any additional person or persons by any stockholder will allow the proxies to distribute, in their discretion, votes in respect of all proxies they hold equally or unequally to or among the Board of Directors' nominees.

(continued and to be signed on other side)

o FOLD AND DETACH HERE IF YOU ARE RETURNING YOUR VOTED PROXY BY MAIL o

PLEASE SEE REVERSE SIDE FOR
INFORMATION ON VOTING YOUR
PROXY BY TELEPHONE OR INTERNET.

