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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

July 31, 2009

LAWSON PRODUCTS, INC.

(Exact name of registrant as specified in its charter)

Delaware

0-10546

36-2229304

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

1666 E. Touhy Avenue, Des Plaines, Illinois

60018

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(847) 827-9666

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On July 31, 2009, Lawson Products, Inc. (the "Company") entered into Amendment No. 1 to Deferred Prosecution Agreement between the Company and the United States of America ("Amendment No. 1"). Amendment No. 1 amends the Deferred Prosecution Agreement entered into between the Company and the United States of America on August 11, 2008 (the "Deferred Prosecution Agreement"). Pursuant to Amendment No. 1, the \$10,000,000 payment under the Deferred Prosecution Agreement originally due to be paid on August 11, 2009 shall instead be payable in two installments, with the first installment of \$5,000,000 due on or before August 15, 2009 and the second installment of \$5,000,000 due on or before December 31, 2009. In all other respects, the Deferred Prosecution Agreement remains in effect in accordance with its terms.

A copy of Amendment No. 1 is attached to, and is incorporated by reference into, this Current Report on Form 8-K as Exhibit 10.1. The foregoing description of Amendment No. 1 is qualified in its entirety by reference to the full text of Amendment No. 1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1 Amendment No. 1 dated July 31 to Deferred Prosecution Agreement.

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 hereunto duly authorized.

LAWSON PRODUCTS, INC.

August 3, 2009

By: *Neil E. Jenkins*

Name: Neil E. Jenkins

Title: Executive Vice President, General Counsel and Secretary

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment No. 1 dated July 31, 2009 to Deferred Prosecution Agreement

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

UNITED STATES OF AMERICA
v.
LAWSON PRODUCTS, INC.

No.

Judge

AMENDMENT NO. 1 TO DEFERRED PROSECUTION AGREEMENT

Defendant **LAWSON PRODUCTS, INC.** (“**LAWSON PRODUCTS**”), a company headquartered in Des Plaines, Illinois, by its undersigned attorneys, pursuant to authority granted by its Board of Directors, and the **UNITED STATES OF AMERICA**, through **PATRICK J. FITZGERALD**, United States Attorney for the Northern District of Illinois, enter into this Amendment No. 1 dated July 31, 2009 to Deferred Prosecution Agreement (this “**Amendment**”), which shall apply to **LAWSON PRODUCTS** and all its affiliates and subsidiaries, including Drummond American Corporation and Cronatron Welding Systems, Inc. and which amends the Deferred Prosecution Agreement (the “**Agreement**”) dated as of August 11, 2008.

1. Paragraph 2 of the Agreement is hereby amended and restated to read in its entirety as follows:

“3. **LAWSON PRODUCTS** agrees to place a total of \$30,000,000 in an escrow account to fund the payment of restitution and a civil forfeiture judgment as further set forth below. **LAWSON PRODUCTS** shall make the first \$10,000,000 payment on or before the date that **LAWSON PRODUCTS** executes this Agreement. **LAWSON PRODUCTS** shall make a \$5,000,000 payment on or before August 15, 2009 and a further \$5,000,000 payment on or before December 31, 2009. **LAWSON PRODUCTS** shall make its final \$10,000,000 payment on or before August 11, 2010. At any point, should a controlling interest in **LAWSON PRODUCTS** be sold, the remaining payments shall be accelerated and due at the closing of that sale.”

2. This Amendment shall be considered an amendment to and a part of the Agreement.

3. Except as specifically stated herein, all terms, covenants and conditions of the Agreement shall remain in full force and effect.

AGREED:

For **LAWSON PRODUCTS**:

/s/ Thomas J. Neri

THOMAS J. NERI
President and Chief
Executive Officer
Lawson Products, Inc.

For the **UNITED STATES OF AMERICA**:

/s/ Patrick J. Fitzgerald

PATRICK J. FITZGERALD
United States Attorney

/s/ William D. Heinz

WILLIAM D. HEINZ

Jenner & Block LLP
Counsel for Lawson Products, Inc.

/s/ Brandon D. Fox

BRANDON D. FOX
NANCY MILLER
KRUTI TRIVEDI
Assistant United States Attorneys