

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10-Q

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2003.

or

Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

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 by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). 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. 9,490,111 Shares, \$1 par value, as of April 14, 2003.

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PART I

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LAWSON PRODUCTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands, except share data)	March 31, 2003 ----- (UNAUDITED)	December 31, 2002 -----
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,897	\$ 7,591
Marketable securities	540	696
Accounts receivable, less allowance for doubtful accounts	44,680	42,990
Inventories (Note B)	62,193	63,851
Miscellaneous receivables and prepaid expenses	9,230	11,170
Deferred income taxes	3,381	3,463
	-----	-----
Total Current Assets	126,921	129,761
Property, plant and equipment, less allowances for depreciation and amortization	39,569	39,519
Investments in real estate	1,485	1,305
Deferred income taxes	11,828	11,987
Goodwill, less accumulated amortization	28,649	28,649
Other assets	14,895	14,610
	-----	-----
Total Assets	\$223,347	\$225,831
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 6,592	\$ 8,085
Accrued expenses and other liabilities	18,909	23,638
Income taxes	1,485	---
	-----	-----
Total Current Liabilities	26,986	31,723
	-----	-----
Accrued liability under security bonus plans	20,518	20,614
Other	11,170	11,151
	-----	-----
	31,688	31,765
	-----	-----

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-(2003-9,490,111 shares; 2002-9,494,011 shares)	9,490	9,494
Capital in excess of par value	2,262	2,387
Retained earnings	154,613	152,495
Accumulated other comprehensive income	(1,692)	(2,033)
Total Stockholders' Equity	----- 164,673	----- 162,343
Total Liabilities and Stockholders' Equity	=====	=====
	\$223,347	\$225,831

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 March 31,	
	2003	2002
Net sales	\$96,075	\$95,746
Cost of goods sold (Note B)	34,548	33,704
Gross profit	61,527	62,042
Selling, general and administrative expenses	55,265	56,042
Operating income	6,262	6,000
Investment and other income	359	483
Interest expense	---	73
Income before income taxes	6,621	6,410
Provision for income taxes	2,863	2,578
Net income	\$3,758	\$3,832
Net income per share of common stock:		
Basic	\$0.40	\$0.40
Diluted	\$0.40	\$0.40
Cash dividends declared per share of common stock	\$0.16	\$0.16
Weighted average shares outstanding:		
Basic	9,492	9,627
Diluted	9,511	9,657

See notes to condensed consolidated financial statements.

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

(UNAUDITED)

(Amounts in thousands)

	For the Three Months Ended March 31,	
	2003	2002
	-----	-----
Operating activities:		
Net income	\$3,758	\$3,832
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,644	1,695
Changes in operating assets and liabilities	(3,855)	1,628
Other	707	538
	-----	-----
Net Cash Provided by Operating Activities	2,254	7,693
	-----	-----
Investing activities:		
Additions to property, plant and equipment	(1,333)	(1,322)
Purchases of marketable securities	(1,654)	(2,883)
Proceeds from sale of marketable securities	1,809	4,122
Other	---	176
	-----	-----
Net Cash Provided by (Used in) Investing Activities	(1,178)	93
	-----	-----
Financing activities:		
Proceeds from revolving line of credit	---	14,000
Payments on revolving line of credit	---	(23,000)
Dividends paid	(1,519)	(1,541)
Other	(251)	(315)
	-----	-----
Net Cash Used in Financing Activities	(1,770)	(10,856)
	-----	-----
Decrease in Cash and Cash Equivalents	(694)	(3,070)
Cash and Cash Equivalents at Beginning of Period	7,591	6,987
	-----	-----
Cash and Cash Equivalents at End of Period	\$6,897	\$3,917
	=====	=====

See notes to condensed consolidated financial statements.

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, 2002. The Condensed Consolidated Balance Sheet as of March 31, 2003, the Condensed Consolidated Statements of Income for the three month periods ended March 31, 2003 and 2002 and the Condensed Consolidated Statements of Cash Flows for the three month periods ended March 31, 2003 and 2002 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 quarter ended March 31, 2003 are not necessarily indicative of the results that may be expected for the year ending December 31, 2003.

B) Inventories (consisting of primarily finished goods) at March 31, 2003 and cost of goods sold for the three month period ending March 31, 2003 were based on perpetual inventory records. Inventories (consisting of primarily finished goods) at March 31, 2002 and cost of goods sold for the three month period ended March 31, 2002 were determined through the use of estimated gross profit rates. The difference between actual and estimated gross profit in 2002 was adjusted in the fourth quarter. In 2002, this adjustment increased net income by approximately \$1,955,000.

C) Total comprehensive income and its components, net of related tax, for the first quarter of 2003 and 2002 are as follows (in thousands):

	2003	2002
	----	----
Net income	\$3,758	\$3,832
Foreign currency translation adjustments	341	(117)
	-----	-----
Comprehensive income	\$4,099	\$3,715
	=====	=====

The components of accumulated other comprehensive income, net of related tax, at March 31, 2003 and December 31, 2002 are as follows (in thousands):

	2003	2002
	----	----
Foreign currency translation adjustments	\$(1,692)	\$(2,033)
	-----	-----
Accumulated other comprehensive income	\$(1,692)	\$(2,033)
	=====	=====

D) Earnings per Share

The calculation of dilutive weighted average shares outstanding at March 31, 2003 and 2002 are as follows (in thousands):

	2003	2002
	----	----
Basic weighted average shares outstanding	9,492	9,627
Dilutive impact of options outstanding	19	30
	-----	-----
Dilutive weighted average shares outstanding	9,511	9,657
	=====	=====

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 March 31, 2003. The Company had nothing outstanding under the line at March 31, 2003, and December 31, 2002.

F) Special Charges

The table below shows an analysis of the Company's reserves for severance and related expenses for the first quarter of 2003 and 2002:

In thousands	Three Months Ended March 31,	
	2003	2002
Balance at December 31	\$ 876	\$1,458
Cash paid in the quarter	(140)	(246)
Balance at March 31	<u>\$ 736</u>	<u>\$1,212</u>

G) Intangible Assets

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

	March 31, 2003		
	Gross Balance	Accumulated Amortization	Net Carrying Amount
Trademarks and tradenames	\$1,747	\$714	\$1,033
Customer Lists	953	101	852
	<u>\$2,700</u>	<u>\$815</u>	<u>\$1,885</u>

	December 31, 2002		
	Gross Balance	Accumulated Amortization	Net Carrying Amount
Trademarks and tradenames	\$1,747	\$668	\$1,079
Customer Lists	953	33	920
	<u>\$2,700</u>	<u>\$701</u>	<u>\$1,999</u>

Trademarks and tradenames are being amortized over a weighted average 15.1 years. Customer lists are being amortized over 15.2 years. Amortization expense for intangible assets is expected to be \$322,000, \$176,000, \$143,000, \$143,000 and \$98,000 for 2003 and the next four years, respectively.

H) Accounting for Stock-Based Compensation

The Company adopted FASB Statement No. 148, "Accounting for Stock Based Compensation - Transition and Disclosure." This Statement requires additional disclosure within interim financial statements. The following table shows the effect on net income and earnings per share as required by FASB Statement No. 123, "Accounting for Stock-Based Compensation."

In thousands	Three Months Ended March 31,	
	2003	2002
Net income-as reported	\$3,758	\$3,832
Deduct: Total stock based employee compensation expense determined under fair value method, net of tax	(7)	(9)
Net income-pro forma	3,751	3,823
Basic and diluted earnings per share		
- as reported	.40	.40
Basic earnings per share-pro forma	.40	.40
Diluted earnings per share-pro forma	.39	.40

A \$243,000 reversal of a compensation expense accrual relative to stock performance rights was recorded in the first quarter of 2003. The first quarter of 2002 includes \$33,000 in compensation expense relative to stock performance rights.

I) Segment Reporting

The Company has four reportable segments: Maintenance, Repair and Replacement (MRO) distribution, Original Equipment Manufacturer (OEM) distribution and manufacturing, International Maintenance, Repair and Replacement (INTLMRO) distribution in Canada and International Original Equipment Manufacturer (INTLOEM) distribution in Mexico and the United Kingdom.

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

In Thousands	Three Months Ended March 31,	
	2003	2002
Net sales		
MRO distribution	\$ 75,047	\$75,781
OEM distribution	14,271	14,484
International MRO distribution	4,386	3,875
International OEM distribution	2,371	1,606
Consolidated total	\$ 96,075	\$95,746
Operating income(loss)		
MRO distribution	\$ 6,104	\$ 5,491
OEM distribution	475	1,068
International MRO distribution	324	(50)
International OEM distribution		(509)
	(641)	
Consolidated total	\$ 6,262	\$ 6,000

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

In Thousands	Three Months Ended March 31,	
	2003	2002
Total operating income from reportable segments	\$ 6,262	\$ 6,000
Investment and other income	359	483
Interest expense	---	(73)
Income before income taxes	\$ 6,621	\$ 6,410

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

In Thousands	March 31, 2003	December 31, 2002

Total Assets		
MRO distribution	\$151,471	\$155,439
OEM distribution	33,665	32,574
International MRO distribution	14,633	13,989
International OEM distribution	8,369	8,379

Total for reportable segments	208,138	210,381
Corporate	15,209	15,450

Consolidated Total	\$223,347	\$225,831

At December 31, 2002, the carrying value of goodwill within each reportable segment was as follows (in thousands):

MRO distribution	\$ 22,104
OEM distribution	2,251
International MRO distribution	4,294
International OEM distribution	---

Consolidated total	\$ 28,649

Independent Accountants' Review Report

Board of Directors and Stockholders of Lawson Products, Inc.

We have reviewed the accompanying condensed consolidated balance sheet of Lawson Products, Inc. and subsidiaries as of March 31, 2003 and the related condensed consolidated statements of income and cash flows for the three-month periods ended March 31, 2003 and 2002. 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 review, 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, 2002, 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 20, 2003, 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, 2002, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ ERNST & YOUNG LLP

April 14, 2003

This Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, 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 OF FINANCIAL CONDITION AND RESULTS
OF OPERATIONS

Net sales for the three-month period ended March 31, 2003 increased 0.3% to \$96,075,000 relative to the similar period of 2002. Combined Maintenance, Repair and Replacement (MRO and INTLMRO) distribution net sales decreased \$0.3 million in the first quarter to \$79.4 million from \$79.7 million in the first quarter of 2002. Combined Original Equipment Manufacturer (OEM and INTLOEM) net sales increased \$0.5 million to \$16.6 million from \$16.1 million for the same period in 2002. Increased sales in the INTLOEM segment, resulting primarily from increased penetration of existing accounts, more than offset a slight decline in the OEM segment.

Operating income for the three-month period ended March 31, 2003 rose \$0.3 million, a 4.4% increase over the comparable period of 2002. The combined MRO segments experienced an increase of \$1.0 million, an 18.1% gain over the first quarter of 2002. This increase resulted primarily from the expiration of a special promotional program at the end of March, 2002 that was provided to certain outside sales agents and from the Company's continuing efforts to contain and reduce costs. The combined OEM segments had an operating loss of \$0.2 million for the three month period ended March 31, 2003 compared to operating income of \$0.6 million for the similar period of 2002. This decline is primarily attributable to lower gross margins, which more than offset the sales gain noted above, and higher selling, general and administrative (S,G&A) expenses.

Net income was \$3.8 million (\$.40 per diluted share) for the three month periods ended March 31, 2003 and 2002. A slight increase in pre-tax income resulted primarily from the March, 2002 expiration of the special promotional program discussed above, and continuing cost containment efforts that more than offset a lower gross margin percentage. This slight improvement in pre-tax income was more than offset by a higher effective income tax rate. Per share net income for 2003 and 2002 was positively impacted by the Company's share repurchase program.

Cash flows provided by operations for the three months ended March 31, 2003 and March 31, 2002 were \$2.3 million and \$7.7 million, respectively. The decrease was due primarily to the net decrease in operating liabilities, primarily accrued expenses and accounts payable. In 2002, cash flows provided from operating activities were positively impacted by decreases in inventories and other assets. Additions to property, plant and equipment were \$1.3 million for both the three months ended March 31, 2003 and 2002. Capital expenditures for 2003 and 2002 were incurred primarily for improvement of existing facilities and for the purchase of related equipment. In 2002, capital expenditures also include improvements of new leased facilities.

During the first quarter of 2003, the Company purchased 4,600 shares of its own common stock for approximately \$127,000 pursuant to the 2000 Board authorization to purchase up to 500,000 shares. In the first three months of 2002, the Company purchased 11,600 shares of its own common stock for approximately \$325,000. Of these purchases, 8,765 shares were acquired pursuant to the 2000 Board authorization to purchase up to 500,000 shares and 2,835 shares represented the remaining shares authorized for purchase under the 1999 Board authorization to purchase up to 500,000 shares. All shares purchased as of March 31, 2003 have been retired. Funds to purchase these shares were provided by investments and cash flows from operations.

Current investments, cash flows 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 March 31, 2003 from that reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2002.

ITEM 4. CONTROLS AND PROCEDURES

Our Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation within 90 days of the filing date of this report, that our disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934) are effective for gathering, analyzing and disclosing the information we are required to disclose in our reports filed under the Securities Exchange Act of 1934. There have been no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of the previously mentioned evaluation.

PART II

OTHER INFORMATION

Items 1, 2, 3, 4 and 5 are inapplicable and have been omitted from this report.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

- (a) 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 did not file any Current Reports on Form 8-K for the three months ended March 31, 2003.

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: May 7, 2003

/s/ Robert J. Washlow

Robert J. Washlow
Chairman of the Board
(principal executive officer)

Dated May 7, 2003

/s/ Joseph L. Pawlick

Joseph L. Pawlick
Chief Financial Officer
(principal financial officer)

CERTIFICATIONS

I, Robert J. Washlow, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lawson Products, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 7, 2003

/s/ Robert J. Washlow

Robert J. Washlow
Chief Executive Officer

CERTIFICATIONS

I, Joseph L. Pawlick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lawson Products, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 7, 2003

/s/ Joseph L. Pawlick

Joseph L. Pawlick
Chief Financial Officer

April 14, 2003

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 April 14, 2003 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 March 31, 2003.

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

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 March 31, 2003 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

May 7, 2003