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 quarterly period ended September 30, 2003 Commission file no. 0-10546

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

Delaware (State or other jurisdiction of incorporation or organization)

36-2229304 (I.R.S. Employer) Identification No.

1666 East Touhy Avenue, Des Plaines, Illinois (Address of principal executive offices)

60018 (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 9,494,911 Shares, $1.00 par value, as of October 14, 2003.

PART I - FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

LAWSON PRODUCTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands, except share data)	September 30 2003 (UNAUDITED)	December 31, 2002
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 15,372	$ 7,591
Marketable securities	1,256	696
Accounts receivable, less allowance for doubtful accounts	47,367	42,990
Inventories	62,533	63,851
Miscellaneous receivables and prepaid expenses	9,130	11,170
Deferred income taxes	3,209	3,463
Total Current Assets	138,867	129,761
Property, plant and equipment, less allowances for depreciation and amortization	43,254	39,519
Investments in real estate	---	1,305
Deferred income taxes	12,821	11,987
Goodwill, less accumulated amortization	28,649	28,649
Other assets	15,364	14,610
Total Assets	$238,955	$225,831

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Accounts payable	$ 8,261	$ 8,085
Accrued expenses and other liabilities	21,848	23,638
Income taxes	1,459	---
Current portion of long term debt	1,427	---
Total Current Liabilities	32,995	31,723
Accrued liability under security bonus plans	20,868	20,614
Long term debt	2,072	---
Other	12,025	11,151
	34,965	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-(2003-9,493,312 shares; 2002-9,494,011 shares)	9,493	9,494
Capital in excess of par value	2,331	2,387
Retained earnings	160,081	152,495
Accumulated other comprehensive income	(910)	(2,033)
Total Stockholders' Equity	170,995	162,343
Total Liabilities and Stockholders' Equity	$238,955	$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 September 30,		For the Nine Months Ended September 30,	
	2003	2002	2003	2002
Net sales	$99,301	$98,474	$292,485	$294,110
Cost of goods sold (Note B)	35,349	35,211	104,931	104,258
Gross profit	63,952	63,263	187,554	189,852
Selling, general and administrative expenses	56,661	56,883	166,431	169,920
Special charges	398	---	1,644	---
Operating income	6,893	6,380	19,479	19,932
Investment and other income	660	293	1,407	1,311
Interest expense	65	45	72	149
Income before income taxes	7,488	6,628	20,814	21,094
Provision for income taxes	3,124	2,869	8,551	8,807
Net income	$ 4,364	$ 3,759	$ 12,263	$ 12,287
Net income per share of common stock:				
Basic	$0.46	$0.39	$1.29	$1.28
Diluted	$0.46	$0.39	$1.29	$1.28
Cash dividends declared per share of common stock	$0.16	$0.16	$0.48	$0.48
Weighted average shares Outstanding:				
Basic	9,492	9,551	9,492	9,593
Diluted	9,511	9,576	9,510	9,619

See notes to condensed consolidated financial statements.

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

(Amounts in thousands)

	For the Nine Months Ended September 30,	
	2003	2002
Operating activities:		
Net income	$12,263	$12,287
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,041	5,054
Changes in operating assets and liabilities	(3,723)	(88)
Other	2,813	2,427
Net Cash Provided by Operating Activities	16,394	19,680
Investing activities:		
Additions to property, plant and equipment	(3,124)	(5,099)
Purchases of marketable securities	(3,418)	(6,264)
Proceeds from sale of marketable securities	2,858	7,139
Other	146	356
Net Cash Used in Investing Activities	(3,538)	(3,868)
Financing activities:		
Purchases of treasury stock	(127)	(5,041)
Proceeds from revolving line of credit	4,000	34,000
Payments on revolving line of credit	(4,000)	(45,000)
Payments on long term debt	(341)	---
Dividends paid	(4,555)	(4,616)
Other	(52)	1,349
Net Cash Used in Financing Activities	(5,075)	(19,308)
Increase (Decrease) in Cash and Cash Equivalents	7,781	(3,496)
Cash and Cash Equivalents at Beginning of Period	7,591	6,987
Cash and Cash Equivalents at End of Period	$15,372	$ 3,491

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 September 30, 2003, the Condensed Consolidated Statements of Income for the three and nine month periods ended September 30, 2003 and 2002 and the Condensed Consolidated Statements of Cash Flows for the nine month periods ended September 30, 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 three and nine month periods ended September 30, 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 September 30, 2003 and cost of goods sold for the three and nine month periods ended September 30, 2003 were based on perpetual inventory records. Inventories (consisting of primarily finished goods) at September 30, 2002 and cost of goods sold for the three and nine month periods ended September 30, 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 third quarter and nine months of 2003 and 2002 are as follows (in thousands):

	Three months ended September 30,	
	2003	2002
Net income	$4,364	$3,759
Foreign currency translation adjustments	32	(102)
Comprehensive income	$4,396	$3,657

	Nine months ended September 30,	
	2003	2002
Net income	$12,263	$12,287
Foreign currency translation adjustments	1,123	123
Comprehensive income	$13,386	$12,410

The components of accumulated other comprehensive income, net of related tax, at September 30, 2003 and December 31, 2002 are as follows (in thousands):

	2003	2002
Foreign currency translation adjustments	$(910)	$(2,033)
Accumulated other comprehensive income	$(910)	$(2,033)

D) Earnings per Share

The calculation of dilutive weighted average shares outstanding for the three and nine months ended September 30, 2003 and 2002 are as follows (in thousands):

	Three months ended September 30,	
	2003	2002
Basic weighted average shares outstanding	9,492	9,551
Dilutive impact of options outstanding	19	25
Dilutive weighted average shares outstanding	9,511	9,576

	Nine months ended September 30, 2003	2002
Basic weighted average shares outstanding	9,492	9,593
Dilutive impact of options outstanding	18	26
Dilutive weighted average shares outstanding	9,510	9,619

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 September 30, 2003. The Company had no borrowings outstanding under the line at September 30, 2003, and December 31, 2002.

F) Special Charges

The Company recorded a $1.6 million charge for termination benefits of four executives in the second quarter and another executive in the third quarter of 2003. The table below shows an analysis of the Company's reserves for severance and related expenses for the first nine months of 2003 and 2002 (in thousands):

	Nine Months Ended September 30, 2003	2002
Balance at beginning of year	$ 876	$1,458
Charged to earnings	1,644	---
Cash paid	(504)	(617)
Adjustment to reserves	---	(228)
Balance at September 30	$2,016	$ 613

G) Intangible Assets

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

	September 30, 2003		
	Gross Balance	Accumulated Amortization	Net Carrying Amount
Trademarks and tradenames	$1,747	$ 805	$ 942
Customer Lists	953	148	805
	$2,700	$ 953	$1,747

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

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 tables show 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 September 30, 2003	2002
Net income-as reported	$4,364	$3,759
Deduct: Total stock based employee compensation expense determined under Fair value method, net of tax	(6)	(8)
Net income-pro forma	4,358	3,751
Basic and diluted earnings per share -as reported	.46	.39
Basic and diluted earnings per share -pro forma	.46	.39

In thousands	Nine Months Ended September 30, 2003	2002
Net income-as reported	$12,263	$12,287
Deduct: Total stock based employee compensation expense determined under Fair value method, net of tax	(16)	(30)
Net income-pro forma	12,247	12,257
Basic earnings per share-as reported	1.29	1.28
Diluted earnings per share-as reported	1.29	1.28
Basic earnings per share-pro forma	1.29	1.28
Diluted earnings per share-pro forma	1.29	1.27

A $136,000 reversal of a compensation expense accrual relative to stock performance rights was recorded in net income in the first nine months of 2003. Net income in the first nine months of 2002 includes $41,000 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 September 30, 2003	Three Months Ended September 30, 2002
Net sales		
MRO distribution	$ 77,488	$ 78,268
OEM distribution & manufacturing	13,403	13,914
International MRO distribution	4,651	3,995
International OEM distribution	3,759	2,297
Consolidated total	$ 99,301	$ 98,474
Operating income(loss)		
MRO distribution	$ 6,626	$ 6,549
OEM distribution & manufacturing	336	675
International MRO distribution	434	271
International OEM distribution	(503)	(1,115)
Consolidated total	$ 6,893	$ 6,380

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

In thousands	Three Months Ended September 30, 2003	Three Months Ended September 30, 2002
Total operating income from reportable segments	$ 6,893	$ 6,380
Investment and other income	660	293
Interest expense	(65)	(45)
Income before income taxes	$ 7,488	$ 6,628

In thousands	Nine Months Ended September 30, 2003	Nine Months Ended September 30, 2002
Net sales		
MRO distribution	$ 227,861	$ 232,927
OEM distribution & manufacturing	40,999	42,974
International MRO distribution	13,938	12,296
International OEM distribution	9,687	5,913
Consolidated total	$ 292,485	$ 294,110
Operating income(loss)		
MRO distribution	$ 18,838	$ 18,863
OEM distribution & manufacturing	479	2,797
International MRO distribution	1,448	701
International OEM distribution	(1,286)	(2,429)
Consolidated total	$ 19,479	$ 19,932

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

In thousands	Nine Months Ended September 30 2003	Nine Months Ended September 30 2002
Total operating income from reportable segments	$ 19,479	$ 19,932
Investment and other income	1,407	1,311
Interest expense	(72)	(149)

Income before income taxes	$ 20,814	$ 21,094

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

In thousands	September 30, 2003	December 31, 2002
Total assets		
MRO distribution	$ 160,663	$ 155,439
OEM distribution & manufacturing	35,123	32,574
International MRO distribution	16,435	13,989
International OEM distribution	10,704	8,379
Total for reportable segments	$ 222,925	$ 210,381
Corporate	16,030	15,450
Consolidated total	$ 238,955	$ 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 & manufacturing	2,251
International MRO distribution	4,294
International OEM distribution	---
Consolidated total	$ 28,649

J) Impact of Recently Issued Accounting Standards

The Financial Accounting Standards Board (FASB) recently issued Interpretation No. 46, "Consolidation of Variable Interest Entities (FIN 46)." FIN 46 explains how to identify variable interest entities (VIE) and how an enterprise assesses its interest in a VIE to decide whether to consolidate the VIE. It requires existing unconsolidated VIEs to be consolidated if the Company is the primary beneficiary. The Company adopted FIN 46 as of July 1, 2003, which has resulted in the consolidation of the Company's investment in a limited partnership, which owns an office building in Chicago, Illinois. In conjunction with the consolidation of its investment, the Company has recorded the long-term debt of the VIE, which represents a mortgage payable relative to the building, of approximately $3.5 million at September 30, 2003. The interest rate of the mortgage payable is 7.315%, with a maturity date of January 1, 2006. The building and land have a net carrying value of approximately $4.4 million, which are included in property, plant and equipment. The remaining assets, none of which are significant, are recorded in other assets.

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 September 30, 2003 and the related condensed consolidated statements of income for the three-month and nine-month periods ended September 30, 2003 and 2002 and the condensed consolidated statements of cash flows for the nine-month periods ended September 30, 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

Chicago, Illinois
October 14, 2003

"Safe Harbor" Statement under the Securities Litigation Reform Act of 1995: This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. The terms "may," "should," "could," "anticipate," "believe," "continues", "estimate," "expect," "intend," "objective," "plan," "potential," "project" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. These statements are based on management's current expectations, intentions or beliefs and are subject to a number of factors, assumptions and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those related to general economic conditions and market conditions in the original equipment manufacturers and maintenance, repair and replacement distribution industries in North America and to a lesser extent, the United Kingdom, the Company's ability to obtain new customers and manage growth, material or labor cost increases, competition in the Company's business, operating margin risk due to competitive pricing and operating efficiencies, successful integration of acquisitions, the Company's dependence on key personnel and the length of economic downturns in the Company's markets. In the event of continued economic downturn, the Company could experience additional customer bankruptcies, reduced volume of business from its existing customers and lost volume due to plant shutdowns or consolidations by the Company's customers other factors that may be referred to or noted in the Company's reports filed with the Securities and Exchange Commission from time to time. The Company undertakes no obligation to update any such factor or to publicly announce the results of any revisions to any forward-looking statements contained herein whether as a result of new information, future events or otherwise.

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Revenues

Net sales for the three-month period ended September 30, 2003 increased 0.8%, to $99.3 million from $98.5 million in the comparable period of 2002. For the nine-month period ended September 30, 2003, net sales declined 0.6%, from $294.1 million to $292.5 million in the similar period of 2002. Combined Maintenance, Repair and Replacement (MRO and INTLMRO) distribution net sales decreased $0.2 million in the third quarter to $82.1 million from $82.3 million and $3.4 million for the nine-month period to $241.8 million from $245.2 million. Higher sales in the INTLMRO segment for the three and nine months periods were more than offset by decreases in the domestic MRO segment. Consistent with previously reported 2003 results, the year-to-date decrease is principally attributable to continuing difficult market conditions in the United States.

Combined Original Equipment Manufacturer (OEM and INTLOEM) net sales rose $1.0 million in the third quarter to $17.2 million from $16.2 million and $1.8 million in the first nine months to $50.7 million from $48.9 million. Sales growth in the INTLOEM segment for the three and nine-month periods, resulting principally from increased penetration of existing accounts and the addition of new accounts, more than offset sales decreases in the domestic OEM segment.

Operating Income

Including special charges of $0.4 million, consolidated operating income for the third quarter increased 8.0%, to $6.9 million from $6.4 million in the same period last year. For the nine-month period ended September 30, 2003, consolidated operating income declined 2.3%, to $19.5 million from $19.9 million in the first nine months of 2002. The 2003 year-to-date results include special charges of $1.6 million. In the three and nine-month periods, operating income for the combined MRO segments increased by $0.3 million and $0.7 million, respectively, compared to the similar periods of 2002. These increases were primarily attributable to the Company's continuing efforts to contain and reduce MRO costs, which more than offset special charges of $0.4 million in the third quarter and $1.1 million for the nine months of 2003. The special charges were incurred in connection with the severance and retirement of certain management personnel.

The combined OEM segments had an operating loss of $0.2 million for the quarter ended September 30, 2003 compared to an operating loss of $0.4 million for the same period of 2002. For the nine-month period ended September 30, 2003, the combined OEM segments had an operating loss of $0.8 million compared to operating income of $0.4 million for the similar period of 2002. The slight improvement for the quarter was primarily due to higher sales in the international OEM segment, which more than offset lower sales and gross margins experienced by the domestic OEM segment. The decline for the nine-month period is primarily attributable to lower sales and gross margins and a $0.5 million special charge for the severance and retirement of certain management personnel in the domestic OEM segment, which more than offset the international OEM segment sales gains noted above.

Net Income

For the third quarter of 2003, net income increased 16.1%, to $4.4 million ($.46 per diluted share), compared to $3.8 million ($.39 per diluted share) in the similar period of 2002. The increase in net income resulted from higher sales, a decline in the effective tax rate, and the Company's efforts to contain costs, which more than offset the special charges of $0.4 million ($0.2 million after tax) for severance and retirement programs noted above.

Net income for the nine-month period ended September 30, 2003 was $12.3 million ($1.29 per diluted share). For the same period of 2002, net income was also $12.3 million ($1.28 per diluted share). Cost containment efforts and a decrease in the effective tax rate during the 2003 period were offset by the special charges of $1.6 million ($1.0 million after tax) for severance and retirement programs noted above. The effective tax rate declined principally due to lower international losses. The Company has not provided for benefits related to these losses. Per share net income for 2003 and 2002 was positively impacted by the Company's share repurchase program.

Liquidity and Capital Resources

Cash flows provided by operations for the nine months ended September 30, 2003 and September 30, 2002 were $16.4 million and $19.7 million, respectively. In 2003, cash flows provided by operations were negatively impacted by an increase in net operating assets and slightly lower operating liabilities. Higher accounts receivable more than offset decreases in inventories and other operating assets. In 2002, net operating assets and liabilities remained level compared to balances at the previous year-end. Additions to property, plant and equipment were $3.1 million and $5.1 million, respectively, for the nine months ended September 30, 2003 and 2002. Capital expenditures for 2003 and 2002 were incurred primarily for expansion and improvement of existing facilities owned by the Company and for the purchase of related equipment. In 2002, capital expenditures also included improvements of new leased facilities.

During the first nine months 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 nine months of 2002, the Company purchased 175,950 shares of its own common stock for approximately $5,041,000. Of these purchases, a total of 173,115 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 September 30, 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 September 30, 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

The Company's Chief Executive Officer and Executive Vice President-Finance and Corporate Planning (chief financial officer) have concluded, based on their evaluation as of the end of the period covered by this report, that the Company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) are effective to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. There were no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2003 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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) Exhibits

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

31 Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-OxleyAct of 2002

32 Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-OxleyAct of 2002

(b) Reports on Form 8-K

Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 22, 2003, regarding the Company's results from operations for the quarter ended June 30, 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: November 10, 2003 /s/ Robert J. Washlow

Robert J. Washlow
Chief Executive Officer and
Chairman of the Board

Dated: November 10, 2003 /s/ Thomas Neri

Thomas Neri
Executive Vice President -Finance and
Corporate Planning
(Principal Financial Officer)

Dated: November 10, 2003 /s/ Joseph L Pawlick

Joseph L. Pawlick
Senior Vice President -Accounting
(Principal Accounting Officer)

Exhibit 15

October 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 October 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 September 30, 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

Chicago, Illinois

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 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

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

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2003

/s/ Robert J. Washlow

Robert J. Washlow
Chief Executive Officer

CERTIFICATIONS

I, Thomas Neri, certify that:

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

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

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

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2003

/s/ Thomas Neri
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Thomas Neri
Executive Vice President -Finance and Corporate Planning
(principal financial officer)

Exhibit 32

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 September 30, 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

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Robert J. Washlow, Chief Executive Officer

/s/ Thomas Neri

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Thomas Neri
Executive Vice President -Finance and Corporate Planning
(principal financial officer)

November 10, 2003