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OCT 25 2002

October 25, 2002

Mr. Jonathan G. Katz, Secretary  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Dear Mr. Katz:

Enclosed, for filing, are revised Certifications ordered by the Securities and Exchange Commission's Order No. 4-460:

- Statement Under Oath of Principal Executive Officer Regarding Facts and Circumstances Relating to the Exchange Act Filings executed by Pamela Forbes Lieberman, President and Chief Executive Officer; and
- Statement Under Oath of Principal Financial Officer Regarding Facts and Circumstances Relating to Exchange Act Filings executed by David A. Shadduck, Chief Financial Officer.

We hereby request that you replace the Certifications that were filed with you on August 13, 2002 with the enclosed amended Certifications (the "Amended Certifications").

As you can see, in the Amended Certifications we have deleted the qualifications regarding the financial statements for year 2000. The TruServ Chief Executive Officer, Pamela Forbes Lieberman and I, Dave Shadduck, the Chief Financial Officer, were not employees of the company during the year 2000. Both Mrs. Lieberman and I were aware that in the fourth quarter of the year 2000, TruServ performed a physical inventory count at the majority of its distribution centers. That inventory count identified \$22.2 million of additional inventory that ultimately affected TruServ's income statement by reducing costs of goods sold. While at the time that we filed the original Certifications we were aware of the October 2000 inventory count, we had not had an adequate opportunity to review the inventory reconciliations for the transaction activity leading up to the physical inventory count.

Subsequent to filing the Certifications, during the months of August and September, TruServ conducted a new internal investigation of its records to determine if any of the items related to the \$22.2 million pickup belonged in prior years. TruServ's investigation included a review of the physical inventory and cycle count inventory procedures, scopes and results. It also encompassed a transactional roll back to the beginning of the year of the specific stock keeping

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units (SKUs) included in the 2000 inventory pick up. TruServ discovered that not all of the necessary transaction detail exists to complete the analysis for the majority of the SKUs. TruServ was only able to identify and completely analyze SKUs that had no usage in 2000. Based on the new information that TruServ uncovered in performing the investigation, we have concluded that only the immaterial amount of approximately \$70,000 should have been booked in periods prior to 2000.

The investigation could not establish, however, the period in which most of the items of inventory that constitute the 2000 inventory pickup should have been booked. However, in applying generally accepted accounting conventions, we can now affirm that the items related to the 2000 inventory pickup have been appropriately booked in 2000.

Therefore, we are now prepared to delete the qualifications in our Certifications with respect to the year 2000, as reflected on the enclosed Amended Certifications.

Kindly accept the filing of the Amended Certifications.

Sincerely,



David A. Shadduck  
Sr. Vice President and CFO

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**Statement under Oath of Principal Executive Officer and Principal Financial Officer Regarding Facts and Circumstances Relating to Exchange Act Filings**


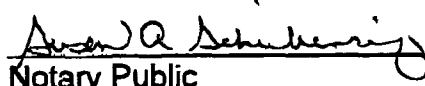
I, Pamela Forbes Lieberman, state and attest that:

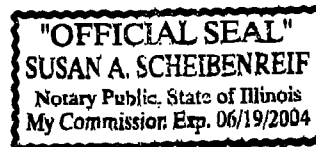
- (1) To the best of my knowledge, based upon a review of the covered reports of TruServ Corporation and, except as corrected or supplemented in a subsequent covered report:
- No covered report contained an untrue statement of material fact as of the end of the period covered by such report (or in the case of a report on Form 8-K or definitive proxy materials [which TruServ is not required to file], as of the date on which it was filed), except as provided below; and
  - No covered report omitted to state a material fact necessary to make the statements in the covered report, in light of the circumstances under which they were made, not misleading as of the end of the period covered by such report (or in the case of a report on Form 8-K or definitive proxy materials [which TruServ is not required to file], as of the date on which it was filed), except as provided below:
    - TruServ had for several years, from at least February 1997 through at least the end of 1999, inadequate internal controls relating to, among other things, various aspects of inventory management, accounts payable, cost of goods sold and accounting for certain income and expense items. Principally as a result of these deficiencies, TruServ reported a loss of \$131,143,000 for fiscal year 1999. Because the problems identified above were caused by systematic flaws in internal controls, TruServ does not have information available to determine if it is necessary to restate its financial statements for 1999.
    - As a result, while I am not aware of any information that would cause me to believe that the fiscal 1999 financial statements can or should be modified, I cannot make the certifications set forth above with respect to TruServ's financial statements for the 1999 fiscal year, which are included in TruServ's Annual Report on Form 10-K for the year ended December 31, 2001.
    - On May 24, 2002, TruServ filed a Form 8-K in which it disclosed that the Midwest Regional Office of the Commission intended to recommend to the Commission an enforcement proceeding against TruServ seeking a cease and desist order relating to the 1999 loss and to the deficiencies in TruServ's internal controls, in part, described herein. TruServ has entered into negotiations with the Commission staff, and has made an Offer of

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Settlement to the Commission in connection with resolving the Commission's investigation of these matters. TruServ's Offer of Settlement neither admits or denies the findings in any Commission Order. If the Commission accepts TruServ's Offer of Settlement, TruServ will be subject to a cease and desist order requiring it to maintain books and records in conformance with the requirements of the Securities Exchange Act of 1934 and to undertake certain other ancillary procedures.

- (2) I have reviewed the contents of this statement with TruServ's audit committee.
- (3) In this statement under oath, each of the following, filed on or before the date of this statement, is a "covered report":
  - TruServ Corporation's Annual Report on Form 10-K for the year ended December 31, 2001;
  - All reports on Form 10-Q, all reports on Form 8-K and all definitive proxy materials (which TruServ is not required to file) of TruServ filed with the Commission subsequent to the filing of the Form 10-K identified above; and
  - Any amendments to any of the foregoing.

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| <br>Pamela Forbes Lieberman<br>October 25, 2002 | Subscribed and sworn to<br>Before me this <u>25<sup>th</sup></u> day of <u>October</u><br>2002.<br><br>Notary Public<br>My Commission Expires: <u>6/19/2004</u> |
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