

Top Hat Plan Exemption
Pension and Welfare Benefits Administration
Room N-5644
U. S. Department of Labor
200 Constitution Avenue
Washington, DC 21210

Gentlemen:

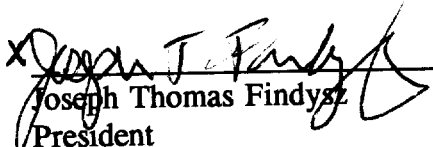
In compliance with Department of Labor Regulation 2520.104-23, we are filing the following disclosure statement regarding the unfunded compensation plan maintained by Ace Hardware Stores, Inc. a corporation organized under the laws of the State of Arizona (the "Corporation"), for the benefit of certain key employees:

Employer Name: Ace Hardware Stores, Inc.
Employer Address: 7056 E. 21st Street, Tucson, Arizona 85710
Employer Identification Number: 86-0254743

Under penalties of perjury, I declare that the Corporation named herein maintains two (2) unfunded plans for the benefit of a select group of employees totalling six (6). The primary purpose of these plans is to provide deferred compensation for the select group of employees. The first plan is a plan for six long-service key employees, each of whom must obtain a least 20 years total service and serve in the capacity of store manager or higher, and the second plan, presently benefiting only one employee, is a traditional deferred compensation arrangement which accrues unfunded benefits subject to the claims of corporate creditors and otherwise payable on the occurrence of specific events.

A copy of these plans is available upon request.

ACE HARDWARE STORES, INC.



Joseph Thomas Findysz
President

**PRIOR SERVICE RETIREMENT PLAN
ELIGIBLE PARTICIPANTS AS OF EFFECTIVE DATE
SEPTEMBER 1, 1996**

	Start Date	Birth Date
Mark Smith	08/22/88	
John Houdek	01/09/86	
Joseph T. Findysz	06/01/76	
Marty Metropoulous	05/30/88	
Joseph H. Findysz	01/01/62*	
Antoinette M. Findysz	01/01/62*	

*Includes authorized prior service with predecessor entity which was a sole proprietorship.

Law Offices of
SLOSSER, HUDGINS & STRUSE, P.L.C.
3573 E. Sunrise Drive, Suite 125
Tucson, Arizona 85718

RICHARD S. HUDGINS

TELEPHONE: (520) 529-3280
FAX: (520) 529-1047

July 24, 1997

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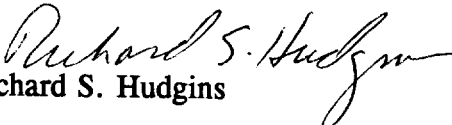
Re: Ace Hardware Stores, Inc.

Ladies and Gentlemen:

On behalf of Ace Hardware Stores, Inc., I am enclosing herewith the original disclosure statement which has been prepared by that company.

Sincerely,

SLOSSER, HUDGINS & STRUSE, P.L.C.


Richard S. Hudgins

jm

Enclosure

cc: Joseph Thomas Findysz

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