

ADAMS EXPRESS CO  
Form N-CSRS  
July 16, 2009

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-00248

-----  
THE ADAMS EXPRESS COMPANY

-----  
(Exact name of registrant as specified in charter)

7 Saint Paul Street, Suite 1140, Baltimore, Maryland 21202

-----  
(Address of principal executive offices)

Lawrence L. Hooper, Jr.  
The Adams Express Company  
7 Saint Paul Street, Suite 1140  
Baltimore, Maryland 21202

-----  
(Name and address of agent for service)

Registrant's telephone number, including area code:

(410) 752-5900

**Date of fiscal year end:** December 31, 2009

**Date of reporting period:** June 30, 2009

Item 1. Reports to Stockholders.

---





LETTER TO STOCKHOLDERS

We submit herewith the financial statements of The Adams Express Company (the Company) for the six months ended June 30, 2009. Also provided are the report of the independent registered public accounting firm, a schedule of investments, and other financial information.

Net assets of the Company at June 30, 2009 were \$10.10 per share on 86,182,914 shares outstanding, compared with \$9.61 per share at December 31, 2008 on 87,406,443 shares outstanding. On March 1, 2009, a distribution of \$0.05 per share was paid, consisting of \$0.02 from 2008 investment income, \$0.02 from 2008 long-term capital gain, and \$0.01 from 2009 investment income, all taxable in 2009. A 2009 investment income dividend of \$0.05 per share was paid June 1, 2009, and another \$0.05 per share investment income dividend has been declared to shareholders of record August 14, 2009, payable September 1, 2009.

Net investment income for the six months ended June 30, 2009 amounted to \$6,372,633, compared with \$11,509,546 for the same six month period in 2008. These earnings are equal to \$0.07 and \$0.13 per share, respectively.

Net capital gain realized on investments for the six months ended June 30, 2009 amounted to \$22,116,960, or \$0.26 per share.

We are pleased to report that the Company continues to outperform its benchmarks on both the six month and twelve month periods.

For the six months ended June 30, 2009, the total return on the net asset value (with dividends and capital gains reinvested) of the Company's shares was 6.5%. The total return on the market value of the Company's shares for the period was 6.0%. These compare to a 3.2% total return for the Standard & Poor's 500 Composite Stock Index ( S&P 500 ) and a 4.8% total return for the Lipper Large-Cap Core Mutual Fund Average over the same time period.

For the twelve months ended June 30, 2009, the Company's total return on net asset value was (20.6)% and on market value was (23.5)%. Comparable figures for the S&P 500 and the Lipper Large-Cap Core Mutual Fund Average were (26.2)% and (25.9)%, respectively.

As previously announced, effective July 1, 2009, Mr. Joseph M. Truta retired as President of the Company, concluding 40 years of service. In addition, Ms. Maureen A. Jones retired from the Company as Treasurer and Chief Financial Officer effective June 1, 2009 after 21 years of service. We thank them both for their many contributions over the years and wish them well in their retirement.

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

Mr. Brian S. Hook was elected to the position of Treasurer by the Board of Directors at its meeting on June 11, 2009. Mr. Douglas G. Ober was elected to the additional position of President of the Company by the Board of Directors at its meeting on July 9, 2009.

Current and potential stockholders can find information about the Company, including the daily net asset value (NAV) per share, the market price, and the discount/premium to the NAV, on our website at [www.adamsexpress.com](http://www.adamsexpress.com). Also available on the website are a history of the Company, historical financial information, and other useful content. Further information regarding stockholder services is located on page 15 of this report.

By order of the Board of Directors,

Douglas G. Ober,

*Chairman, President and*

*Chief Executive Officer*

July 9, 2009

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2009

**Assets**

|  |                |                |
|--|----------------|----------------|
| Investments* at value:   |                |                |
| Common stocks (cost \$885,799,702)   | \$ 783,717,593 |                |
| Non-controlled affiliate, Petroleum & Resources Corporation<br>(cost \$34,735,404) | 44,697,661     |                |
| Short-term investments (cost \$43,562,813)   | 43,562,813     |                |
| Securities lending collateral (cost \$117,062,061)                                 | 117,062,061    | \$ 989,040,128 |

\* See Schedule of Investments on pages 9 and 10.

The accompanying notes are an integral part of the financial statements.

## STATEMENT OF OPERATIONS

Six Months Ended June 30, 2009

|  |               |
|--|---------------|
| <b>Investment Income</b>   |               |
| Income:  |               |
| Dividends:   |               |
| From unaffiliated issuers  | \$ 8,950,994  |
| From non-controlled affiliate  | 459,223       |
| Interest and other income  | 411,909       |
| <i>Total income</i>  | 9,822,126     |
| Expenses:  |               |
| Investment research  | 1,537,791     |
| Administration and operations  | 890,556       |
| Directors' fees  | 181,285       |
| Transfer agent, registrar, and custodian   | 172,900       |
| Reports and stockholder communications   | 138,483       |
| Investment data services   | 118,165       |
| Travel, training, and other office expenses  | 96,794        |
| Occupancy  | 88,765        |
| Auditing and accounting services   | 69,827        |
| Insurance  | 57,145        |
| Legal services   | 22,396        |
| Other  | 75,386        |
| <i>Total expenses</i>  | 3,449,493     |
| <b>Net Investment Income</b>   | 6,372,633     |
| <b>Change in Accumulated Other Comprehensive Income</b> (note 5)                         | 604,105       |
| <b>Realized Gain and Change in Unrealized Appreciation on Investments</b>                |               |
| Net realized gain on security transactions   | 21,163,981    |
| Net realized gain distributed by regulated investment company (non-controlled affiliate) | 109,339       |
| Net realized gain on written option contracts  | 843,640       |
| Change in unrealized appreciation on securities  | 19,948,089    |
| Change in unrealized appreciation on written option contracts                            | 114,820       |
| <b>Net Gain on Investments</b>   | 42,179,869    |
| <b>Change in Net Assets Resulting from Operations</b>                                    | \$ 49,156,607 |

The accompanying notes are an integral part of the financial statements.



## STATEMENTS OF CHANGES IN NET ASSETS

|  | Six Months Ended<br>June 30, 2009 | Year Ended<br>December 31, 2008 |
|--|-----------------------------------|---------------------------------|
| <b>From Operations:</b>  |                                   |                                 |
| Net investment income  | \$ 6,372,633                      | \$ 21,085,039                   |
| Net realized gain on investments   | 22,116,960                        | 32,965,241                      |
| Change in unrealized appreciation on investments   | 20,062,909                        | (522,436,794)                   |
| Change in accumulated other comprehensive income (note 5)  | 604,105                           | (4,055,632)                     |
| <i>Change in net assets resulting from operations</i>  | 49,156,607                        | (472,442,146)                   |
| <b>Distributions to Stockholders from:</b>   |                                   |                                 |
| Net investment income  | (6,957,226)                       | (22,378,500)                    |
| Net realized gain from investment transactions   | (1,765,441)                       | (32,528,278)                    |
| <i>Decrease in net assets from distributions</i>   | (8,722,667)                       | (54,906,778)                    |
| <b>From Capital Share Transactions:</b>  |                                   |                                 |
| Value of shares issued in payment of distributions (note 4)  | 5,676                             | 17,225,925                      |
| Cost of shares purchased (note 4)  | (9,747,857)                       | (28,955,931)                    |
| Deferred compensation (notes 4, 6)   | 121,173                           | 611,546                         |
| <i>Change in net assets from capital share transactions</i>  | (9,621,008)                       | (11,118,460)                    |
| <b>Total Change in Net Assets</b>  | <b>30,812,932</b>                 | <b>(538,467,384)</b>            |
| <b>Net Assets:</b>   |                                   |                                 |
| Beginning of period  | 840,012,143                       | 1,378,479,527                   |
| End of period (including undistributed net investment income of \$1,169,635 and \$1,754,228, respectively) | \$ 870,825,075                    | \$ 840,012,143                  |

The accompanying notes are an integral part of the financial statements.

## NOTES TO FINANCIAL STATEMENTS

**1. Significant Accounting Policies**

The Adams Express Company (the Company) is registered under the Investment Company Act of 1940 as a diversified investment company. The Company is an internally-managed fund whose investment objectives are preservation of capital, the attainment of reasonable income from investments, and an opportunity for capital appreciation.

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, which require the use of estimates made by Company management and the evaluation of subsequent events through July 16, 2009, the issuance date of the financial statements. Management believes that estimates and security valuations are appropriate; however, actual results may differ from those estimates, and the security valuations

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

reflected in the financial statements may differ from the value the Company ultimately realizes upon sale of the securities.

**Affiliated Companies** Investments in companies 5% or more of whose outstanding voting securities are held by the Company are defined as Affiliated Companies in Section 2(a)(3) of the Investment Company Act of 1940.

**Security Transactions and Investment Income** Investment transactions are accounted for on the trade date. Gain or loss on sales of securities and options is determined on the basis of identified cost. Dividend income and distributions to stockholders are recognized on the ex-dividend date, and interest income is recognized on the accrual basis.

**Security Valuation** Investments in securities traded on a national security exchange are valued at the last reported sale price on the day of valuation. Over-the-counter and listed securities for which a sale price is not available are valued at the last quoted bid price. Short-term investments (excluding purchased options and money market funds) are valued at amortized cost which approximates fair value. Purchased and

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

written options are valued at the last quoted bid and asked price, respectively. Money market funds are valued at net asset value on the day of valuation.

In accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements ( FAS 157 ), fair value is defined as the price that the Company would receive upon selling an investment in an orderly transaction to an independent buyer. FAS 157 established a three-tier hierarchy to establish classification of fair value measurements, summarized as follows:

- Level 1 fair value is determined based on market data obtained from independent sources; for example, quoted prices in active markets for identical investments,
- Level 2 fair value is determined using other assumptions obtained from independent sources; for example, quoted prices for similar investments,
- Level 3 fair value is determined using the Company's own assumptions, developed based on the best information available in the circumstances.

The Company's investments at June 30, 2009 were classified as follows:

|         | Common stocks  | Mutual funds   | Written options |
|---------|----------------|----------------|-----------------|
| Level 1 | \$ 828,415,254 | \$ 160,624,874 | \$ (217,750)    |
| Level 2 |                |                |                 |
| Level 3 |                |                |                 |
| Total   | \$ 828,415,254 | \$ 160,624,874 | \$ (217,750)    |

## 2. Federal Income Taxes

The Company's policy is to distribute all of its taxable income to its stockholders in compliance with the requirements of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. For federal income tax purposes, the identified cost of securities at June 30, 2009 was \$1,080,649,645 and net unrealized depreciation aggregated \$91,609,517, of which the related gross unrealized appreciation and depreciation were \$129,053,440 and \$220,662,957, respectively.

Distributions are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. Accordingly, annual reclassifications are made within the Company's capital accounts to reflect income and gains available for distribution under income tax regulations. Any income tax-related interest or penalties would be classified as income tax expense.

## 3. Investment Transactions

The Company's investment decisions are made by a committee of management, and recommendations to that committee are made by the research staff. Purchases and sales of portfolio securities, other than options and short-term investments, during the six months ended June 30, 2009 were \$93,723,627 and \$58,223,705, respectively.

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

The Company is subject to changes in the value of equity securities held (equity price risk) in the normal course of pursuing its investment objectives. The Company may purchase and write option contracts to increase or decrease its equity price risk exposure or may write option contracts to generate additional income. Option contracts generally entail risks associated with counterparty credit, illiquidity, and unfavorable equity price movements. The Company has mitigated counterparty credit and illiquidity risks by trading its options through an exchange. The risk of unfavorable equity price movements is limited for purchased options to the premium paid and for written options by writing only covered call or collateralized put option contracts, which require the Company to segregate certain securities or cash at its custodian when the option is written. A schedule of outstanding option contracts as of June 30, 2009 can be found on page 12.

When the Company writes (purchases) an option, an amount equal to the premium received (paid) by the Company is recorded as a liability (asset) and is subsequently marked to market daily in the Statement of Assets and Liabilities, with any related change recorded as an unrealized gain or loss in the Statement of Operations. Premiums received (paid) from unexercised options are treated as realized gains (losses) on the expiration date. Upon the exercise of written put (purchased call) option contracts, premiums received (paid) are deducted from (added to) the cost basis of the underlying securities purchased. Upon the exercise of written call (purchased put) option contracts, premiums received (paid) are added to (deducted from) the proceeds from the sale of underlying securities in determining whether there is a realized gain or loss.

Transactions in written covered call and collateralized put options during the six months ended June 30, 2009 were as follows:

|   | Covered Calls |            | Collateralized Puts |            |
|---|---------------|------------|---------------------|------------|
|   | Contracts     | Premiums   | Contracts           | Premiums   |
| Options outstanding,<br>December 31, 2008           | 200           | \$ 22,650  | 732                 | \$ 94,717  |
| Options written                                     | 2,550         | 362,593    | 9,200               | 972,666    |
| Options terminated in closing purchase transactions | (100)         | (13,225)   | (350)               | (49,125)   |
| Options expired                                     | (900)         | (105,621)  | (6,682)             | (704,919)  |
| Options exercised                                   | (250)         | (62,599)   | (850)               | (98,450)   |
| Options outstanding,<br>June 30, 2009               | 1,500         | \$ 203,798 | 2,050               | \$ 214,889 |

#### 4. Capital Stock

The Company has 10,000,000 authorized and unissued preferred shares, \$0.001 par value.

On December 27, 2008, the Company issued 2,149,685 shares of its Common Stock at a price of \$8.01 per share (the average market price on December 8, 2008) to stockholders of record on November 21, 2008 who elected to take stock in payment of the year-end distribution from 2008 capital gain and investment income. During 2008, 898 shares were issued at a weighted average price of \$10.31 per share as dividend equivalents to holders of deferred stock units and restricted stock units under the 2005 Equity Incentive Compensation Plan.

During 2009, the Company has issued 757 shares of its Common Stock at a weighted average price of \$7.47 per share as dividend equivalents to holders of deferred stock units and restricted stock units under the 2005 Equity Incentive Compensation Plan.

The Company may purchase shares of its Common Stock from time to time at such prices and amounts as the Board of Directors may deem advisable.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Transactions in Common Stock for 2009 and 2008 were as follows:

|   | Shares                         |                              | Amount                         |                              |
|---|--------------------------------|------------------------------|--------------------------------|------------------------------|
|   | Six months ended June 30, 2009 | Year ended December 31, 2008 | Six months ended June 30, 2009 | Year ended December 31, 2008 |
| Shares issued in payment of distributions   | 757                            | 2,150,583                    | \$ 5,676                       | \$ 17,225,925                |
| Shares purchased (at a weighted average discount from net asset value of 15.6% and 14.8%, respectively) | (1,257,649)                    | (2,457,547)                  | (9,747,857)                    | (28,955,931)                 |
| Net activity under the 2005 Equity Incentive Compensation Plan  | 33,363                         | 44,560                       | 121,173                        | 611,546                      |
| Net change  | (1,223,529)                    | (262,404)                    | \$ (9,621,008)                 | \$ 11,118,460                |

#### 5. Retirement Plans

The Company's non-contributory qualified defined benefit pension plan (qualified plan) covers all employees with at least one year of service. In addition, the Company has a non-contributory nonqualified defined benefit plan which provides eligible employees with retirement benefits to supplement the qualified plan. Benefits are based on length of service and compensation during the last five years of employment, and effective July 9, 2009, will be frozen as of September 30, 2009.

The funded status of the plans is recognized as an asset (overfunded plan) or a liability (underfunded plan) in the Statement of Assets and Liabilities. Changes in the prior service costs and accumulated actuarial gains and losses are recognized as accumulated other comprehensive income, a component of net assets, in the year in which the changes occur.

The Company's policy is to contribute annually to the plans those amounts that can be deducted for federal income tax purposes, plus additional amounts as the Company deems appropriate in order to provide assets sufficient to meet benefits to be paid to plan participants. During the six months ended June 30, 2009, the Company contributed \$475,000 to the plans. The Company does not anticipate any additional significant contributions in 2009.

The following tables aggregate the components of the plans' net periodic pension cost and changes in accumulated other comprehensive income:

|                                | Six months ended June 30, 2009 | Year ended December 31, 2008 |
|--------------------------------|--------------------------------|------------------------------|
| Service cost                   | \$ 148,879                     | \$ 345,420                   |
| Interest cost                  | 285,101                        | 459,209                      |
| Expected return on plan assets | (228,855)                      | (691,794)                    |
| Prior service cost component   | 52,619                         | 95,860                       |

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

|  |                                      |                                    |
|--|--------------------------------------|------------------------------------|
| Net loss component                               | 226,452                              | 137,401                            |
| Net periodic pension cost                        | \$ 484,196                           | \$ 346,096                         |
|  | Six months ended<br>June 30,<br>2009 | Year ended<br>December 31,<br>2008 |
| Net gain/(loss)                                  | \$ 325,034                           | \$ (4,199,863)                     |
| Prior service cost                               |                                      | (89,030)                           |
| Amortization of net loss                         | 226,452                              | 137,401                            |
| Amortization of prior service cost               | 52,619                               | 95,860                             |
| Change in accumulated other comprehensive income | \$ 604,105                           | \$ (4,055,632)                     |

The Company also sponsors a defined contribution plan that covers substantially all employees. For the six months ended June 30, 2009, the Company expensed contributions of \$106,412. The Company does not provide postretirement medical benefits.

## 6. Equity-Based Compensation

Although the Stock Option Plan of 1985 ( 1985 Plan ) has been discontinued and no further grants will be made under this plan, unexercised grants of stock options and stock appreciation rights granted in 2004 and prior years remain outstanding. The exercise price of the unexercised options and related stock appreciation rights is the fair market value on date of grant, reduced by the per share amount of capital gains paid by the Company during subsequent years. All options and related stock appreciation rights terminate ten years from date of grant, if not exercised.

A summary of option activity under the 1985 Plan as of June 30, 2009, and changes during the six month period then ended, is presented below:

|                                  | Options  | Weighted-Average<br>Exercise<br>Price | Weighted-Average<br>Remaining<br>Life (Years) |
|----------------------------------|----------|---------------------------------------|---|
| Outstanding at December 31, 2008 | 122,396  | \$ 11.05                              | 2.80  |
| Exercised                        | (18,222) | 7.31                                  |   |
| Expired or cancelled             | (23,073) | 11.77                                 |   |
| Outstanding at June 30, 2009     | 81,101   | \$ 11.66                              | 2.40  |
| Exercisable at June 30, 2009     | 64,868   | \$ 11.33                              | 2.58  |

The options outstanding as of June 30, 2009 are set forth below:

| Exercise Price               | Options<br>Outstanding | Weighted<br>Average<br>Exercise<br>Price | Weighted<br>Average<br>Remaining<br>Life (Years) |
|------------------------------|------------------------|--|--|
| \$9.00-\$10.74               | 53,237                 | \$ 9.82                                  | 3.09   |
| \$10.75-\$12.49              |                        |  |  |
| \$12.50-\$14.24              |                        |  |  |
| \$14.25-\$16.00              | 27,864                 | 15.17                                    | 1.06   |
| Outstanding at June 30, 2009 | 81,101                 | \$ 11.66                                 | 2.40   |

Compensation cost resulting from stock options and stock appreciation rights granted under the 1985 Plan is based on the intrinsic value of the award, recognized over the award's vesting period, and remeasured at each reporting date through the date of settlement. The total compensation cost/(credit) recognized for the six months ended June 30, 2009 was \$0.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The 2005 Equity Incentive Compensation Plan ( 2005 Plan ), adopted at the 2005 Annual Meeting, permits the grant of stock options, restricted stock awards and other stock incentives to key employees and all non-employee directors. The 2005 Plan provides for the issuance of up to 3,413,131 shares of the Company's Common Stock, including both performance and nonperformance-based restricted stock. Performance-based restricted stock awards vest at the end of a specified three year period, with the ultimate number of shares earned contingent on achievement of certain performance targets. If performance targets are not achieved, all or a portion of the performance-based awards are forfeited and become available for future grants. Nonperformance-based restricted stock awards vest ratably over a three year period and nonperformance-based restricted stock units (granted to non-employee directors) vest over a one year period. Payment of awards may be deferred if elected. It is the current intention that employee grants will be performance-based. The 2005 Plan provides for accelerated vesting in the event of death or retirement. Non-employee directors also may elect to defer a portion of their cash compensation, with such deferred amount to be paid by delivery of deferred stock units. Outstanding awards are granted at fair market value on grant date. The number of shares of Common Stock which remains available for future grants under the 2005 Plan at June 30, 2009 is 3,201,589 shares.

A summary of the status of the Company's awards granted under the 2005 Plan as of June 30, 2009, and changes during the six month period then ended, is presented below:

|   | Shares/<br>Units | Weighted<br>Average<br>Grant-Date<br>Fair Value |
|---|------------------|---|
| Awards  |                  |   |
| Balance at December 31, 2008  | 129,694          | \$ 13.15  |
| Granted:  |                  |   |
| Restricted stock  | 48,595           | 8.21  |
| Restricted stock units  | 6,750            | 7.26  |
| Deferred stock units  | 1,147            | 7.76  |
| Vested & issued   | (50,637)         | 12.50   |
| Forfeited   | (6,556)          | 12.32   |
| Balance at June 30, 2009 (includes<br>101,050 performance-based awards and<br>27,943 nonperformance-based awards) | 128,993          | \$ 11.13  |

Compensation costs resulting from awards granted under the 2005 Plan are based on the fair value of the award on grant date (determined by the average of the high and low price on grant date) and recognized on a straight-line basis over the requisite service period. For those awards with performance conditions, compensation costs are based on the most probable outcome and, if such goals are not met, compensation cost is not recognized and any previously recognized compensation cost is reversed. The total compensation costs for the period ended June 30, 2009 for restricted stock granted to employees were \$215,711. The total compensation costs for the period ended June 30, 2009 for restricted stock units granted to non-employee directors were \$30,285. As of June 30, 2009, there were total unrecognized compensation costs of \$572,687, a component of additional capital surplus, related to nonvested equity-based compensation arrangements granted under the 2005 Plan. Those costs are expected to be recognized over a weighted average period of 1.84 years. The total fair value of shares and units vested during the six month period ended June 30, 2009 was \$403,955.

## 7. Officer and Director Compensation

The aggregate remuneration paid during the six months ended June 30, 2009 to officers and directors amounted to \$1,768,271, of which \$185,765 was paid as fees and compensation to directors who were not officers. These amounts represent the taxable income to the Company's officers and directors and therefore differ from the amounts reported in the accompanying Statement of Operations that are recorded and expensed in accordance with generally accepted accounting principles.



**8. Portfolio Securities Loaned**

The Company makes loans of securities to approved brokers to earn additional income. It receives as collateral cash deposits, U.S. Government securities, or bank letters of credit valued at 102% of the value of the securities on loan. The market value of the loaned securities is calculated based upon the most recent closing prices and any additional required collateral is delivered to the Company on the next business day. Cash deposits are placed in a registered money market fund. The Company accounts for securities lending transactions as secured financing and receives compensation in the form of fees or retains a portion of interest on the investment of any cash received as collateral. The Company also continues to receive interest or dividends on the securities loaned. Gain or loss in the fair value of the securities loaned that may occur during the term of the loan will be for the account of the Company. At June 30, 2009, the Company had securities on loan of \$113,340,351 and held cash collateral of \$117,062,061. The Company is indemnified by the Custodian, serving as lending agent, for loss of loaned securities and has the right under the lending agreement to recover the securities from the borrower on demand.

This report, including the financial statements herein, is transmitted to the stockholders of The Adams Express Company for their information. It is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Company or of any securities mentioned in the report. The rates of return will vary and the principal value of an investment will fluctuate. Shares, if sold, may be worth more or less than their original cost. Past performance is not indicative of future investment results.

## FINANCIAL HIGHLIGHTS

|  | Six Months Ended |                  | Year Ended December 31 |             |             |             |             |
|--|------------------|------------------|------------------------|-------------|-------------|-------------|-------------|
|  | June 30,<br>2009 | June 30,<br>2008 | 2008                   | 2007        | 2006        | 2005        | 2004        |
| <b>Per Share Operating Performance</b>                                   |                  |                  |                        |             |             |             |             |
| Net asset value, beginning of period                                     | \$9.61           | \$15.72          | \$15.72                | \$15.86     | \$14.71     | \$15.04     | \$14.36     |
| Net investment income  | 0.07             | 0.13             | 0.25                   | 0.30*       | 0.23        | 0.22        | 0.23**      |
| Net realized gains and increase (decrease) in<br>unrealized appreciation | 0.49             | (2.03)           | (5.68)                 | 0.61        | 1.86        | 0.32        | 1.39        |
| Change in accumulated other<br>comprehensive income (note 5)             | 0.01             | 0.00             | (0.05)                 | 0.00        | (0.02)      |             |             |
| Total from investment operations   | 0.57             | (1.90)           | (5.48)                 | 0.91        | 2.07        | 0.54        | 1.62        |
| <b>Less distributions</b>  |                  |                  |                        |             |             |             |             |
| Dividends from net investment<br>income                                  | (0.08)           | (0.08)           | (0.26)                 | (0.32)      | (0.23)      | (0.22)      | (0.24)      |
| Distributions from net realized gains                                    | (0.02)           | (0.02)           | (0.38)                 | (0.71)      | (0.67)      | (0.64)      | (0.66)      |
| Total distributions  | (0.10)           | (0.10)           | (0.64)                 | (1.03)      | (0.90)      | (0.86)      | (0.90)      |
| Capital share repurchases  | 0.02             | 0.02             | 0.05                   | 0.04        | 0.04        | 0.05        | 0.02        |
| Reinvestment of distributions  | 0.00             | 0.00             | (0.04)                 | (0.06)      | (0.06)      | (0.06)      | (0.06)      |
| Total capital share transactions   | 0.02             | 0.02             | 0.01                   | (0.02)      | (0.02)      | (0.01)      | (0.04)      |
| <b>Net asset value, end of period</b>                                    | \$10.10          | \$13.74          | \$9.61                 | \$15.72     | \$15.86     | \$14.71     | \$15.04     |
| Market price, end of period  | \$8.40           | \$11.85          | \$8.03                 | \$14.12     | \$13.87     | \$12.55     | \$13.12     |
| <b>Total Investment Return</b>   |                  |                  |                        |             |             |             |             |
| Based on market price  | 6.0%             | (15.4)%          | (38.9)%                | 9.4%        | 17.9%       | 2.2%        | 13.2%       |
| Based on net asset value   | 6.5%             | (11.9)%          | (34.4)%                | 6.5%        | 15.0%       | 4.5%        | 12.1%       |
| <b>Ratios/Supplemental Data</b>  |                  |                  |                        |             |             |             |             |
| Net assets, end of period<br>(in 000 s)                                  | \$870,825        | \$1,190,421      | \$840,012              | \$1,378,480 | \$1,377,418 | \$1,266,729 | \$1,295,549 |
| Ratio of expenses to average<br>net assets                               | 0.86%            | 0.46%            | 0.48%                  | 0.44%       | 0.50%       | 0.45%       | 0.43%       |

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

|  |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|
| Ratio of net investment income to average net assets     | 1.58%  | 1.79%  | 1.82%  | 1.82%  | 1.50%  | 1.44%  | 1.54%  |
| Portfolio turnover                                       | 7.90%  | 8.57%  | 18.09% | 10.46% | 10.87% | 12.96% | 13.43% |
| Number of shares outstanding at end of period (in 000 s) | 86,183 | 86,648 | 87,406 | 87,669 | 86,838 | 86,100 | 86,135 |

\* In 2007, the Company received \$5,100,000, or \$0.06 per share, in a special cash dividend from Dean Foods Co., of which \$2,295,000, or \$0.03 per share, was considered a taxable dividend.

\*\* In 2004, the Company received \$2,400,000, or \$0.03 per share, in an extraordinary dividend from Microsoft Corp. Ratios presented on an annualized basis.

## SCHEDULE OF INVESTMENTS

June 30, 2009

|  | Shares    | Value (A)     |
|--|-----------|---------------|
| <b>Stocks 95.1%</b>                    |           |               |
| <b>Consumer 22.4%</b>                  |           |               |
| <b>Consumer Discretionary 6.9%</b>     |           |               |
| Lowe's Companies, Inc.                 | 600,000   | \$ 11,646,000 |
| McDonald's Corp.                       | 250,000   | 14,372,500    |
| Newell Rubbermaid Inc. (B)             | 400,000   | 4,164,000     |
| Ryland Group Inc. (B)                  | 343,500   | 5,757,060     |
| Target Corp. (B)(F)                    | 320,000   | 12,630,400    |
| Walt Disney Co.                        | 480,000   | 11,198,400    |
|  |           | 59,768,360    |
| <b>Consumer Staples 15.5%</b>          |           |               |
| Avon Products, Inc. (F)                | 435,000   | 11,214,300    |
| Bunge Ltd. (B)(F)                      | 160,000   | 9,640,000     |
| Coca-Cola Co. (F)                      | 300,000   | 14,397,000    |
| CVS/Caremark Corp.                     | 285,000   | 9,082,950     |
| Dean Foods Co. (C)                     | 425,000   | 8,155,750     |
| Del Monte Foods Co.                    | 1,300,000 | 12,194,000    |
| Hansen Natural Corp. (B)(C)            | 260,000   | 8,013,200     |
| PepsiCo, Inc. (G)                      | 360,000   | 19,785,600    |
| Procter & Gamble Co.                   | 315,000   | 16,096,500    |
| Safeway Inc. (B)                       | 390,000   | 7,944,300     |
| Unilever plc ADR                       | 800,000   | 18,800,000    |
|  |           | 135,323,600   |
| <b>Energy 11.6%</b>                    |           |               |
| Chevron Corp.                          | 150,000   | 9,937,500     |
| ConocoPhillips (F)                     | 150,000   | 6,309,000     |
| CONSOL Energy Inc.                     | 200,000   | 6,792,000     |
| Exxon Mobil Corp. (G)                  | 215,000   | 15,030,650    |
| Halliburton Co.                        | 300,000   | 6,210,000     |
| Petroleum & Resources Corporation (D)  | 2,186,774 | 44,697,661    |
| Transocean Ltd. (C)                    | 160,000   | 11,886,400    |
|  |           | 100,863,211   |
| <b>Financials 11.6%</b>                |           |               |
| <b>Banking 10.3%</b>                   |           |               |
| Bank of America Corp.                  | 1,095,000 | 14,454,000    |
| Bank of New York Mellon Corp.          | 403,775   | 11,834,645    |
| Capital One Financial Corp. (B)        | 280,000   | 6,126,400     |
| Goldman Sachs Group, Inc. (F)          | 20,000    | 2,948,800     |
| JPMorgan Chase & Co.                   | 335,000   | 11,426,850    |
| PNC Financial Services Group, Inc. (B) | 250,000   | 9,702,500     |
| State Street Corp. (F)                 | 230,000   | 10,856,000    |
| Visa Inc. (B)                          | 190,000   | 11,829,400    |

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

|   |           |             |
|---|-----------|-------------|
| Wells Fargo & Co.                       | 425,000   | 10,310,500  |
|   |           | 89,489,095  |
| <b>Insurance 1.3%</b>                   |           |             |
| Prudential Financial, Inc.              | 310,000   | 11,538,200  |
| <b>Health Care 15.0%</b>                |           |             |
| Abbott Laboratories                     | 320,000   | 15,052,800  |
| Bristol-Myers Squibb Co.                | 345,000   | 7,006,950   |
| Gilead Sciences Inc. (C)                | 200,000   | 9,368,000   |
| Hospira Inc. (B)(C)(F)                  | 300,000   | 11,556,000  |
| Johnson & Johnson (B)                   | 255,000   | 14,484,000  |
| Medtronic, Inc.                         | 350,000   | 12,211,500  |
| Pfizer Inc. (B)                         | 1,120,000 | 16,800,000  |
| Senomyx, Inc. (C)                       | 984,400   | 2,077,083   |
| Teva Pharmaceutical Industries Ltd. ADR | 370,000   | 18,255,800  |
| UnitedHealth Group Inc. (F)             | 100,000   | 2,498,000   |
| Wyeth Co.                               | 325,000   | 14,751,750  |
| Zimmer Holdings, Inc. (C)               | 150,000   | 6,390,000   |
|   |           | 130,451,883 |
| <b>Industrials 12.7%</b>                |           |             |
| Cintas Corp.                            | 300,000   | 6,852,000   |
| Curtiss-Wright Corp.                    | 360,000   | 10,702,800  |
| Emerson Electric Co.                    | 300,000   | 9,720,000   |
| General Electric Co.                    | 1,488,000 | 17,439,360  |
| Harsco Corp.                            | 310,000   | 8,773,000   |
| Illinois Tool Works Inc. (B)            | 250,000   | 9,335,000   |
| Masco Corp. (B)                         | 450,000   | 4,311,000   |
| Oshkosh Corp. (B)                       | 330,000   | 4,798,200   |
| Spirit AeroSystems Holdings, Inc. (C)   | 720,000   | 9,892,800   |
| Tata Motors Ltd. ADR                    | 1,000,000 | 8,520,000   |
| 3M Co. (B)                              | 80,000    | 4,808,000   |
| United Technologies Corp.               | 300,000   | 15,588,000  |
|   |           | 110,740,160 |
| <b>Information Technology 14.7%</b>     |           |             |
| <b>Communication Equipment 0.9%</b>     |           |             |
| Corning Inc.                            | 500,000   | 8,030,000   |
| <b>Computer Related 9.9%</b>            |           |             |
| Automatic Data Processing Inc. (B)      | 300,000   | 10,632,000  |
| Cisco Systems, Inc. (C)                 | 850,000   | 15,844,000  |
| Dell Inc. (C)                           | 585,000   | 8,032,050   |
| Microsoft Corp.                         | 1,180,000 | 28,048,600  |
| Oracle Corp.                            | 1,100,000 | 23,562,000  |
|   |           | 86,118,650  |
| <b>Electronics 3.9%</b>                 |           |             |
| Broadcom Corp. (B)(C)(F)                | 400,000   | 9,916,000   |
| Intel Corp.                             | 840,000   | 13,902,000  |
| QUALCOMM Inc.                           | 230,000   | 10,396,000  |
|   |           | 34,214,000  |

## SCHEDULE OF INVESTMENTS (CONTINUED)

June 30, 2009

|  | Shares     | Value (A)      |
|--|------------|----------------|
| <b>Materials 1.4%</b>  |            |                |
| du Pont (E.I.) de Nemours and Co.  | 460,000    | \$ 11,785,200  |
| <b>Telecom Services 1.1%</b>   |            |                |
| AT&T Corp.   | 400,000    | 9,936,000      |
| <b>Utilities 4.6%</b>  |            |                |
| MDU Resources Group, Inc.  | 562,500    | 10,670,625     |
| Northeast Utilities  | 350,000    | 7,808,500      |
| Northwest Natural Gas Co.  | 200,000    | 8,864,000      |
| Spectra Energy Corp.   | 305,780    | 5,173,798      |
| WGL Holdings, Inc.   | 238,600    | 7,639,972      |
|  |            | 40,156,895     |
| <b>Total Stocks</b> (Cost \$920,535,106)   |            | 828,415,254    |
| <b>Short-Term Investments 5.0%</b>   |            |                |
| <b>Money Market Funds 5.0%</b>   |            |                |
| Fidelity Institutional Money Market Government Portfolio, 0.25% (E)                              | 80,041     | 80,041         |
| Fidelity Institutional Money Market Treasury Only Portfolio, 0.13% (E)                           | 2,703      | 2,703          |
| Fidelity Institutional Money Market Treasury Portfolio, 0.14% (E)                                | 4,493      | 4,493          |
| RBC U.S. Government Money Market (Institutional Class I), 0.29% (E)                              | 19,509,257 | 19,509,257     |
| Vanguard Federal Money Market, 0.26% (E)   | 3,954,755  | 3,954,755      |
| Vanguard Admiral Treasury Money Market, 0.18% (E)  | 1,093      | 1,093          |
| Western Asset Institutional Government Money Market (Class I), 0.31% (E)                         | 20,010,471 | 20,010,471     |
|  |            | 43,562,813     |
| <b>Total Short-Term Investments</b><br>(Cost \$43,562,813)                                       |            | 43,562,813     |
| <b>Total Securities Lending Collateral 13.4%</b><br>(Cost \$117,062,061)                         |            |                |
| <b>Money Market Funds 13.4%</b>  |            |                |
| Invesco Aim Short-Term Investment Trust Liquid Assets Portfolio (Institutional Class), 0.53% (E) |            | 117,062,061    |
| <b>Total Investments 113.5%</b><br>(Cost \$1,081,159,980)  |            | 989,040,128    |
| Cash, receivables, prepaid expenses and other assets, less liabilities (13.5%)                   |            | (118,215,053)  |
| <b>Net Assets 100%</b>   |            | \$ 870,825,075 |

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

### Notes:

- (A) See note 1 to financial statements. Securities are listed on the New York Stock Exchange or the NASDAQ.
- (B) A portion of shares held are on loan. See note 8 to financial statements.
- (C) Presently non-dividend paying.
- (D) Non-controlled affiliate, a closed-end sector fund, registered as an investment company under the Investment Company Act of 1940.
- (E) Rate presented is as of period-end and represents the annualized yield earned over the previous seven days.
- (F) All or a portion of this security is pledged to cover open written call option contracts. Aggregate market value of such pledged securities is \$8,125,700.
- (G) All or a portion of this security is pledged to collateralize open written put option contracts with an aggregate value to deliver upon exercise of \$5,877,500.

## PORTFOLIO SUMMARY

June 30, 2009

(unaudited)

## Ten Largest Portfolio Holdings

|   | <i>Market Value</i> | <i>% of Net Assets</i> |
|---|---------------------|------------------------|
| Petroleum & Resources Corporation*      | \$ 44,697,661       | 5.1%                   |
| Microsoft Corp.                         | 28,048,600          | 3.2                    |
| Oracle Corp.                            | 23,562,000          | 2.7                    |
| PepsiCo, Inc.                           | 19,785,600          | 2.3                    |
| Unilever plc ADR                        | 18,800,000          | 2.2                    |
| Teva Pharmaceutical Industries Ltd. ADR | 18,255,800          | 2.1                    |
| General Electric Co.                    | 17,439,360          | 2.0                    |
| Pfizer Inc.                             | 16,800,000          | 1.9                    |
| Procter & Gamble Co.                    | 16,096,500          | 1.9                    |
| Cisco Systems, Inc.                     | 15,844,000          | 1.8                    |
|   | \$ 219,329,521      | 25.2%                  |

\*Non-controlled affiliate

## Sector Weightings





## SCHEDULE OF OUTSTANDING OPTION CONTRACTS

June 30, 2009

| Contracts<br>(100 shares<br>each) | Security                           | Strike<br>Price | Contract<br>Expiration<br>Date | Value      |
|-----------------------------------|------------------------------------|-----------------|--------------------------------|------------|
| <b>COVERED CALLS</b>              |                                    |                 |                                |            |
| 100                               | Avon Products, Inc.                | \$ 30           | Oct 09                         | \$ 5,500   |
| 200                               | Broadcom Corp.                     | 30              | Aug 09                         | 8,000      |
| 100                               | Bunge Ltd.                         | 70              | Jul 09                         | 1,500      |
| 150                               | Bunge Ltd.                         | 85              | Jul 09                         | 750        |
| 100                               | Coca-Cola Co.                      | 50              | Jul 09                         | 2,000      |
| 100                               | ConocoPhillips                     | 45              | Aug 09                         | 9,000      |
| 200                               | Goldman Sachs Group, Inc.          | 150             | Jul 09                         | 75,000     |
| 150                               | Hospira Inc.                       | 40              | Aug 09                         | 22,500     |
| 100                               | State Street Corp.                 | 55              | Aug 09                         | 10,000     |
| 150                               | Target Corp.                       | 47.50           | Jul 09                         | 300        |
| 150                               | UnitedHealth Group Inc.            | 30              | Jul 09                         | 750        |
| 1,500                             |                                    |                 |                                | 135,300    |
| <b>COLLATERALIZED PUTS</b>        |                                    |                 |                                |            |
| 150                               | Bunge Ltd.                         | 35              | Jul 09                         | 750        |
| 250                               | Capital One Financial Corp.        | 17.50           | Jul 09                         | 3,750      |
| 250                               | Capital One Financial Corp.        | 20              | Jul 09                         | 12,500     |
| 100                               | Capital One Financial Corp.        | 16              | Sep 09                         | 8,000      |
| 250                               | Gilead Sciences Inc.               | 39              | Jul 09                         | 2,500      |
| 100                               | Hansen Natural Corp.               | 27              | Aug 09                         | 8,500      |
| 150                               | Hansen Natural Corp.               | 25              | Sep 09                         | 12,000     |
| 150                               | Medtronic, Inc.                    | 30              | Jul 09                         | 1,500      |
| 100                               | Medtronic, Inc.                    | 29              | Aug 09                         | 3,500      |
| 100                               | PNC Financial Services Group, Inc. | 31              | Aug 09                         | 8,000      |
| 100                               | PNC Financial Services Group, Inc. | 32.50           | Aug 09                         | 10,500     |
| 100                               | Procter & Gamble Co.               | 40              | Jul 09                         | 500        |
| 100                               | Prudential Financial, Inc.         | 35              | Jul 09                         | 10,000     |
| 150                               | QUALCOMM Inc.                      | 34              | Jul 09                         | 450        |
| 2,050                             |                                    |                 |                                | 82,450     |
|                                   |                                    |                 |                                | \$ 217,750 |

**Common Stock**

Listed on the New York Stock Exchange

**The Adams Express Company**

Seven St. Paul Street, Suite 1140, Baltimore, MD 21202

(410) 752-5900 or (800) 638-2479

**Website:** [www.adamsexpress.com](http://www.adamsexpress.com)

**E-mail:** [contact@adamsexpress.com](mailto:contact@adamsexpress.com)

**Counsel:** Chadbourne & Parke LLP

**Independent Registered Public Accounting Firm:** PricewaterhouseCoopers LLP

**Transfer Agent & Registrar:** American Stock Transfer & Trust Co.

**Custodian of Securities:** Brown Brothers Harriman & Co.

## CHANGES IN PORTFOLIO SECURITIES

During the Three Months Ended June 30, 2009

(unaudited)

|                                    | Shares    |            | Held          |
|------------------------------------|-----------|------------|---------------|
|                                    | Additions | Reductions | June 30, 2009 |
| Bank of America Corp.              | 210,000   |            | 1,095,000     |
| Capital One Financial Corp.        | 280,000   |            | 280,000       |
| Dean Foods Co.                     | 85,000    |            | 425,000       |
| Gilead Sciences Inc.               | 200,000   |            | 200,000       |
| JPMorgan Chase & Co.               | 210,000   |            | 335,000       |
| Medtronic, Inc.                    | 40,000    |            | 350,000       |
| PNC Financial Services Group, Inc. | 50,000    |            | 250,000       |
| QUALCOMM Inc.                      | 230,000   |            | 230,000       |
| UnitedHealth Group Inc.            | 100,000   |            | 100,000       |
| WGL Holdings, Inc.                 | 125,000   |            | 238,600       |
| Atmos Energy                       |           | 123,400    |               |
| Goldman Sachs Group, Inc.          |           | 40,000     | 20,000        |
| Hansen Natural Corp.               |           | 115,000    | 260,000       |
| Schlumberger Ltd.                  |           | 105,000    |               |
| 3M Co.                             |           | 80,000     | 80,000        |

## HISTORICAL FINANCIAL STATISTICS

(unaudited)

| Dec. 31 | Value Of<br>Net Assets | Shares<br>Outstanding* | Net Asset<br>Value Per<br>Share* | Market<br>Value<br>Per Share* | Dividends<br>From<br>Investment<br>Income<br>Per<br>Share* | Distributions<br>From Net<br>Realized<br>Gains<br>Per<br>Share* | Total<br>Dividends<br>and<br>Distributions<br>Per Share* | Annual<br>Rate of<br>Distribution** |
|---------|------------------------|------------------------|----------------------------------|-------------------------------|--|---|--|-------------------------------------|
| 1999    | \$ 2,170,801,875       | 80,842,241             | \$ 26.85                         | \$ 22.38                      | \$ .26   | \$ 1.37   | \$ 1.63  | 8.53%                               |
| 2000    | 1,951,562,978          | 82,292,262             | 23.72                            | 21.00                         | .22  | 1.63  | 1.85   | 7.76                                |

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

|               |               |            |       |       |     |      |      |      |
|---------------|---------------|------------|-------|-------|-----|------|------|------|
| 2001          | 1,368,366,316 | 85,233,262 | 16.05 | 14.22 | .26 | 1.39 | 1.65 | 9.44 |
| 2002          | 1,024,810,092 | 84,536,250 | 12.12 | 10.57 | .19 | .57  | .76  | 6.14 |
| 2003          | 1,218,862,456 | 84,886,412 | 14.36 | 12.41 | .17 | .61  | .78  | 6.80 |
| 2004          | 1,295,548,900 | 86,135,292 | 15.04 | 13.12 | .24 | .66  | .90  | 7.05 |
| 2005          | 1,266,728,652 | 86,099,607 | 14.71 | 12.55 | .22 | .64  | .86  | 6.65 |
| 2006          | 1,377,418,310 | 86,838,223 | 15.86 | 13.87 | .23 | .67  | .90  | 6.80 |
| 2007          | 1,378,479,527 | 87,668,847 | 15.72 | 14.12 | .32 | .71  | 1.03 | 7.15 |
| 2008          | 840,012,143   | 87,406,443 | 9.61  | 8.03  | .26 | .38  | .64  | 5.61 |
| June 30, 2009 | 870,825,075   | 86,182,914 | 10.10 | 8.40  | .13 | .02  | .15  |      |

\* Adjusted to reflect the 3-for-2 stock split effected in October 2000.

\*\* The annual rate of distribution is the total dividends and capital gain distributions during the year divided by the average daily market price of the Company's Common Stock.  
Paid or declared.

---

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Board of Directors and Stockholders of The Adams Express Company:**

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Adams Express Company (the Company) at June 30, 2009, the results of its operations, the changes in its net assets and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements) are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at June 30, 2009 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

**PricewaterhouseCoopers LLP**

Baltimore, Maryland

July 16, 2009

**OTHER INFORMATION**

**Statement on Quarterly Filing of Complete Portfolio Schedule**

In addition to publishing its complete schedule of portfolio holdings in the First and Third Quarter Reports to stockholders, the Company files its complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Company's Forms N-Q are available on the Commission's website at [www.sec.gov](http://www.sec.gov). The Company's Forms N-Q may be reviewed and copied at the Commission's Public Reference Room, and information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The Company also posts its Forms N-Q on its website at [www.adamsexpress.com](http://www.adamsexpress.com) under the heading "Financial Reports" and then "All Other SEC Filings".

### **Proxy Voting Policies and Record**

A description of the policies and procedures that the Company uses to determine how to vote proxies relating to portfolio securities owned by the Company and information as to how the Company voted proxies relating to portfolio securities during the 12 month period ended June 30, 2009 are available (i) without charge, upon request, by calling the Company's toll free number at (800) 638-2479; (ii) on the Company's website by clicking on "Corporate Information" heading on the website; and (iii) on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

### **Privacy Policy**

In order to conduct its business, the Company, through its transfer agent, currently American Stock Transfer & Trust Company, collects and maintains certain nonpublic personal information about our stockholders of record with respect to their transactions in shares of our securities. This information includes the stockholder's address, tax identification or Social Security number, share balances, and dividend elections. We do not collect or maintain personal information about stockholders whose shares of our securities are held in "street name" by a financial institution such as a bank or broker.

We do not disclose any nonpublic personal information about you, our other stockholders or our former stockholders to third parties unless necessary to process a transaction, service an account or as otherwise permitted by law.

To protect your personal information internally, we restrict access to nonpublic personal information about our stockholders to those employees who need to know that information to provide services to our stockholders. We also maintain certain other safeguards to protect your nonpublic personal information.

---

**STOCKHOLDER INFORMATION AND SERVICES**
**DIVIDEND PAYMENT SCHEDULE**

The Company presently pays dividends four times a year, as follows: (a) three interim distributions on or about March 1, June 1, and September 1, and (b) a year-end distribution, payable in late December, consisting of the estimated balance of the net investment income for the year and the net realized capital gain earned through October 31. Stockholders may elect to receive the year-end distribution in stock or cash. In connection with this distribution, all **stockholders of record** are sent a dividend announcement notice and an election card in mid-November.

**Stockholders holding shares in street or brokerage accounts may make their election by notifying their brokerage house representative.**

**INVESTORS CHOICE**

INVESTORS CHOICE is a direct stock purchase and sale plan, as well as a dividend reinvestment plan, sponsored and administered by our transfer agent, American Stock Transfer & Trust Company (AST). The Plan provides registered stockholders and interested first time investors an affordable alternative for buying, selling, and reinvesting in Adams Express shares.

The costs to participants in administrative service fees and brokerage commissions for each type of transaction are listed below.

|  |   |
|--|---|
| Initial Enrollment and Optional Cash Investments                         |   |
| Service Fee  | \$2.50 per investment                                       |
| Brokerage Commission   | \$0.05 per share  |
| Reinvestment of Dividends*   |   |
| Service Fee  | 2% of amount invested<br>(maximum of \$2.50 per investment) |
| Brokerage Commission   | \$0.05 per share  |
| Sale of Shares   |   |
| Service Fee  | \$10.00   |
| Brokerage Commission   | \$0.05 per share  |
| Deposit of Certificates for safekeeping \$7.50                           |   |
| Book to Book Transfers   | Included  |
| <i>To transfer shares to another participant or to a new participant</i> |   |

***Fees are subject to change at any time.***



**Minimum and Maximum Cash Investments**

|  |             |
|--|-------------|
| Initial minimum investment (non-holders)       | \$500.00    |
| Minimum optional investment (existing holders) | \$50.00     |
| Electronic Funds Transfer<br>(monthly minimum) | \$50.00     |
| Maximum per transaction                        | \$25,000.00 |
| Maximum per year                               | NONE        |

A brochure which further details the benefits and features of INVESTORS CHOICE as well as an enrollment form may be obtained by contacting AST.

**For Non-Registered Stockholders**

For stockholders whose stock is held by a broker in street name, the AST INVESTORS CHOICE Direct Stock Purchase and Sale Plan remains available through many registered investment security dealers. If your shares are currently held in a street name or brokerage account, please contact your broker for details about how you can participate in AST's Plan or contact AST.

**The Company**

**The Adams Express Company**

Lawrence L. Hooper, Jr.

Vice President, General Counsel and Secretary

Seven St. Paul Street, Suite 1140, Baltimore, MD 21202

(800) 638-2479

**Website:** [www.adamsexpress.com](http://www.adamsexpress.com)

**E-mail:** [contact@adamsexpress.com](mailto:contact@adamsexpress.com)

**The Transfer Agent**

**American Stock Transfer & Trust Company**

**Address Stockholder Inquiries to:**

Stockholder Relations Department

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

59 Maiden Lane

New York, NY 10038

(877) 260-8188

**Website:** www.amstock.com

**E-mail:** info@amstock.com

**Investors Choice Mailing Address:**

Attention: Dividend Reinvestment

P.O. Box 922

Wall Street Station

New York, NY 10269-0560

**Website:** www.amstock.com

**E-mail:** info@amstock.com

\*The year-end dividend and capital gain distribution will usually be made in newly issued shares of common stock. There are no fees or commissions in connection with this dividend and capital gain distribution when made in newly issued shares.

15

**THE ADAMS EXPRESS COMPANY**

**Board of Directors**

Enrique R. Arzac<sup>2,4</sup>

Phyllis O. Bonanno<sup>2,4</sup>

Kenneth J. Dale<sup>3,4</sup>

Daniel E. Emerson<sup>1,3,5</sup>

Frederic A. Escherich<sup>2,3</sup>

1. Member of Executive Committee

2. Member of Audit Committee

3. Member of Compensation Committee

4. Member of Retirement Benefits Committee

5. Member of Nominating and Governance Committee

Roger W. Gale<sup>1,4,5</sup>

Thomas H. Lenagh<sup>2,3</sup>

Kathleen T. McGahran<sup>1,3,5</sup>

Douglas G. Ober<sup>1</sup>

Craig R. Smith<sup>1,4,5</sup>

34

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

### Officers

|                         |  |
|-------------------------|--|
| Douglas G. Ober         | <i>Chairman and Chief Executive Officer</i>          |
| Joseph M. Truta         | <i>President</i>                                     |
| David D. Weaver         | <i>Executive Vice President</i>                      |
| Lawrence L. Hooper, Jr. | <i>Vice President, General Counsel and Secretary</i> |
| David R. Schiminger     | <i>Vice President Research</i>                       |
| D. Cotton Swindell      | <i>Vice President Research</i>                       |
| Brian S. Hook           | <i>Treasurer</i>                                     |
| Christine M. Sloan      | <i>Assistant Treasurer</i>                           |
| Geraldine H. Paré       | <i>Assistant Secretary</i>                           |

### Stock Data

|                           |         |
|---------------------------|---------|
| Market Price (6/30/09)    | \$8.40  |
| Net Asset Value (6/30/09) | \$10.10 |
| Discount:                 | 16.8%   |

New York Stock Exchange ticker symbol: ADX

NASDAQ Mutual Fund Quotation Symbol: XADEX

Newspaper stock listings are generally under the abbreviation: AdaEx

### Distributions in 2009

|   |                |
|---|----------------|
| From Investment Income (paid or declared) | \$ 0.13        |
| From Net Realized Gains                   | 0.02           |
| <b>Total</b>                              | <b>\$ 0.15</b> |

### 2009 Dividend Payment Dates

March 1, 2009

June 1, 2009

September 1, 2009

December 28, 2009\*

\*Anticipated

ITEM 2. Code of Ethics.

Item not applicable to semi-annual report.

ITEM 3. Audit Committee Financial Expert.

Item not applicable to semi-annual report.

ITEM 4. Principal Accountant Fees and Services.

Item not applicable to semi-annual report.

ITEM 5. Audit Committee of Listed Registrants.

Item not applicable to semi-annual report.

ITEM 6. Investments.

(a) This schedule is included as part of the report to stockholders filed under Item 1 of this form.

(b) Not applicable.

ITEM 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

Item not applicable to semi-annual report.

## ITEM 8. Portfolio Managers of Closed-End Management Investment Companies.

Item not applicable to semi-annual report.

## ITEM 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

|                  | Total Number of<br>Shares (or Units<br>Purchased) | Average Price<br>Paid per Share<br>(or Unit) | Total Number of<br>Shares (or Units)<br>Purchased as Part<br>of Publicly<br>Announced Plans<br>or Programs | Maximum<br>Number of<br>Shares (or Units)<br>That May Yet Be<br>Purchased Under<br>the Plans or<br>Programs |
|------------------|---|--|--|---|
| January 2009     | 206,800   | \$7.64                                       | 206,800  | 3,817,424   |
| February<br>2009 | 81,100  | \$6.87                                       | 81,100   | 3,736,324   |
| March 2009       | 388,775   | \$7.08                                       | 388,775  | 3,347,549   |
| April 2009       | 88,500  | \$8.05                                       | 88,500   | 3,259,049   |
| May 2009         | 268,826   | \$8.35                                       | 268,826  | 2,990,223   |
| June 2009        | 223,648   | \$8.49                                       | 223,648  | 2,766,575(2)  |
| Total            | 1,257,649(1)                                      | \$7.75                                       | 1,257,649(2)   |   |

(1) There were no shares purchased other than through a publicly announced plan or program.

(2.a) The Plan was announced on December 11, 2008.

(2.b) The share amount approved in 2008 was 5% of outstanding shares, or 4,275,332 shares, of which 251,108 shares were purchased in December 2008.

(2.c) Unless reapproved, the Plan will expire on or about December 11, 2009.

(2.d) None.

(2.e) None.

## ITEM 10. Submissions of Matters to a Vote of Security Holders.

There were no material changes to the procedures by which shareholders may recommend nominees to the registrant's board of directors made or implemented after the registrant last provided disclosure in response to the requirements of Item 407(c)(2)(iv) of Regulation S-K (17 CFR 229.407) (as required by Item 22(b)(15) of Schedule 14A (17 CFR 240.14a-101)), or this Item.

ITEM 11. Controls and Procedures.

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) are effective based on their evaluation of the disclosure controls and procedures as of a date within 90 days of the filing date of this report.

(b) There have been no significant changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of that occurred during the registrant's second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. Exhibits.

(a)

(1) Not applicable. See registrant's response to Item 2 above.

(2) Separate certifications by the registrant's principal executive officer and principal financial officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and required by Rule 30a-2 under the Investment Company Act of 1940, are attached.

(3) Written solicitation to purchases securities: not applicable.

(b) A certification by the registrant's principal executive officer and principal financial officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and required by Rule 30a-2(b) under the Investment Company Act of 1940, is attached.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The Adams Express Company **By:** /s/ Douglas G. Ober Douglas G. Ober Chairman, President, and Chief Executive Officer (Principal Executive Officer) **Date:** July 16, 2009 Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. **By:** /s/ Douglas G. Ober Douglas G. Ober Chairman, President, and Chief Executive Officer (Principal Executive Officer) **Date:** July 16, 2009 **By:** /s/ Brian S. Hook Brian S. Hook Treasurer (Principal Financial Officer) **Date:** July 16, 2009