

Edgar Filing: ADAMS EXPRESS CO - Form N-Q

ADAMS EXPRESS CO  
Form N-Q  
October 22, 2007

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF  
REGISTERED MANAGEMENT INVESTMENT COMPANY

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) (Zip code)

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

Registrant's telephone number, including area code: 410-752-5900

Date of fiscal year end: December 31, 2007

Date of reporting period: September 30, 2007

Item 1: SCHEDULE OF INVESTMENTS.

SCHEDULE OF INVESTMENTS

-----  
September 30, 2007  
(unaudited)

Shares            Value (A)  
-----

Stocks and Convertible Securities -- 94.1%

Consumer -- 16.1%

Consumer Discretionary -- 6.1%

BJ's Wholesale Club, Inc. (B) (C)      415,000    \$ 13,761,400

Comcast Corp. (B)                      525,000    12,694,500

Edgar Filing: ADAMS EXPRESS CO - Form N-Q

Gannett Co., Inc.	112,500	4,916,250
Harley-Davidson, Inc.	120,000	5,545,200
Lowe's Companies, Inc.	575,000	16,111,500
Newell Rubbermaid Inc.	400,000	11,528,000
Ryland Group Inc.	343,500	7,361,205
Target Corp.	290,000	18,435,300
		-----
		90,353,355
		-----
Consumer Staples -- 10.0%		
Avon Products, Inc. (C)	418,400	15,702,552
Bunge Ltd.	133,000	14,290,850
Coca-Cola Co.	200,000	11,494,000
Dean Foods Co.	340,000	8,697,200
Del Monte Foods Co.	1,300,000	13,650,000
PepsiCo, Inc.	400,000	29,304,000
Procter & Gamble Co.	340,000	23,915,600
Safeway Inc.	390,000	12,912,900
Unilever plc ADR	550,000	17,418,500
		-----
		147,385,602
		-----
Energy -- 13.9%		
ConocoPhillips	345,000	30,280,650
ENSCO International, Inc.	209,150	11,733,315
Exxon Mobil Corp.	215,000	19,900,400
Marathon Oil Co.	240,000	13,684,800
Murphy Oil Corp.	38,500	2,690,765
Petroleum & Resources Corporation (D)	2,186,774	88,214,463
Schlumberger Ltd.	380,000	39,900,000
		-----
		206,404,393
		-----
Financials -- 15.8%		
Banking -- 12.7%		
BankAtlantic Bancorp, Inc.	880,000	7,629,600
Bank of America Corp.	710,000	35,691,700
Bank of New York Mellon Corp.	403,775	17,822,629
Fifth Third Bancorp	280,000	9,486,400
Morgan Stanley	180,000	11,340,000
PNC Financial Services Group Inc.	200,000	13,620,000
Prosperity Bancshares, Inc.	200,000	6,632,000
State Street Corp.	323,895	22,076,683
Wachovia Corp.	520,000	26,078,000
Wells Fargo & Co.	650,000	23,153,000
Wilmington Trust Corp.	363,000	14,120,700
		-----
		187,650,712
		-----
	Shares	Value (A)
	-----	-----
Insurance -- 3.1%		
AMBAC Financial Group, Inc. (C)	200,000	\$ 12,582,000
American International Group,		

Edgar Filing: ADAMS EXPRESS CO - Form N-Q

Inc.	500,000	33,825,000
		-----
		46,407,000
		-----
Health Care -- 11.7%		
Abbott Laboratories	320,000	17,158,400
Advanced Medical Optics, Inc. (B)(C)	325,000	9,941,750
Bristol-Myers Squibb Co.	345,000	9,942,900
CVS/Caremark Corp.	208,750	8,272,763
Genentech, Inc. (B)	220,000	17,164,400
Johnson & Johnson	255,000	16,753,500
Medtronic, Inc.	310,000	17,487,100
Pfizer Inc.	1,120,000	27,361,600
Senomyx, Inc. (B)(C)	560,000	6,860,000
Teva Pharmaceutical Industries Ltd. ADR	385,000	17,120,950
Wyeth Co.	325,000	14,478,750
Zimmer Holdings, Inc. (B)	125,000	10,123,750
		-----
		172,665,863
		-----
Industrials -- 14.6%		
Cintas Corp.	300,000	11,130,000
Curtiss-Wright Corp.	360,000	17,100,000
Emerson Electric Co.	400,000	21,288,000
General Electric Co.	1,421,000	58,829,400
Illinois Tool Works Inc.	250,000	14,910,000
Masco Corp. (C)	450,000	10,426,500
Oshkosh Truck Corp.	270,000	16,731,900
3M Co.	160,000	14,972,800
Spirit AeroSystems Holdings, Inc. (B)	400,000	15,576,000
United Parcel Service, Inc.	155,000	11,640,500
United Technologies Corp.	300,000	24,144,000
		-----
		216,749,100
		-----
Information Technology -- 11.8%		
Communication Equipment -- 0.8%		
Corning Inc.	500,000	12,325,000
		-----
Computer Related -- 8.6%		
Automatic Data Processing Inc.	300,000	13,779,000
BEA Systems, Inc. (B)	800,000	11,096,000
Cisco Systems, Inc. (B)	850,000	28,143,500
Dell Inc. (B)	585,000	16,146,000
Microsoft Corp.	1,180,000	34,762,800
Oracle Corp. (B)	1,100,000	23,815,000
		-----
		127,742,300
		-----
Electronics -- 2.4%		
Broadcom Corp. (B)	400,000	14,576,000
Intel Corp.	800,000	20,688,000
		-----
		35,264,000
		-----

Edgar Filing: ADAMS EXPRESS CO - Form N-Q

SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2007  
(unaudited)

	Shares/ Prin. Amt	Value (A)
	-----	-----
Materials -- 5.1%		
Air Products and Chemicals, Inc.	230,000	\$ 22,484,800
du Pont (E.I.) de Nemours and Co.	360,000	17,841,600
Lubrizol Corp	200,000	13,012,000
Rohm & Haas Co.	400,000	22,268,000
		-----
		75,606,400
		-----
Telecom Services -- 1.6%		
Alltel Corp.	40,000	2,787,200
AT&T Corp.	400,000	16,924,000
Windstream Corp.	310,178	4,379,713
		-----
		24,090,913
		-----
Utilities -- 3.5%		
Aqua America, Inc. (C)	499,000	11,317,320
Duke Energy Corp.	611,560	11,430,056
MDU Resources Group, Inc.	562,500	15,660,000
Northeast Utilities	180,000	5,142,600
Spectra Energy Corp.	305,780	7,485,494
		-----
		51,035,470
		-----
Total Stocks and Convertible Securities (Cost \$916,483,131) (E)		
		1,393,680,108
		-----
Short-Term Investments -- 5.5%		
U.S. Government Obligations -- 1.1%		
U.S. Treasury Bills, 4.65%, due 11/15/07	\$16,500,000	16,404,094
		-----
Time Deposit -- 0.0%		
Citibank, N.A., 4.37%, due 10/1/07		297,327
		-----
Commercial Paper -- 4.4%		
American Express Credit Corp., 4.78%, due 11/1/07	\$10,300,000	10,257,604
		-----
	Prin. Amt.	Value (A)
	-----	-----

Edgar Filing: ADAMS EXPRESS CO - Form N-Q

American General Finance, Inc., 5.03 - 5.25%, due 10/18/07-10/23/07	\$12,400,000	\$ 12,364,976
Chevron Funding Corp., 5.22%, due 10/2/07	5,800,000	5,799,159
General Electric Capital Corp., 4.68 - 5.23%, due 10/4/07-10/9/07	10,400,000	10,392,120
General Electric Capital Services Corp., 4.77%, due 10/30/07	2,100,000	2,091,931
Prudential Funding, LLC, 4.69 - 5.23%, due 10/11/07-10/25/07	10,000,000	9,974,090
Toyota Motor Credit Corp., 5.21 - 5.25%, due 10/2/07-10/16/07	11,100,000	11,080,055
United Parcel Service of America, Inc., 4.40%, due 10/30/07	3,200,000	3,188,658
		-----
		65,148,593
		-----
Total Short-Term Investments (Cost \$81,850,014)		81,850,014
		-----
Total Securities Lending Collateral -- 4.7% (Cost \$70,070,900)		
Brown Brothers Investment Trust, 5.24%, due 10/1/07		70,070,900
		-----
Total Investments -- 104.3% (Cost \$1,068,404,045)		1,545,601,022
Cash, receivables, prepaid pension cost, prepaid expenses and other assets, less liabilities -- (4.3)%		(64,455,942)
		-----
Net Assets -- 100%		\$1,481,145,080
		=====

Notes:

- (A) See note 1 to financial statements. Securities are listed on the New York Stock Exchange, the American Stock Exchange or the NASDAQ.
- (B) Presently non-dividend paying.
- (C) Some of the shares of this company are on loan. See note 8 to financial statements.
- (D) Non-controlled affiliate, a closed-end sector fund, registered as an investment company under the Investment Company Act of 1940.
- (E) The aggregate market value of stocks held in escrow at September 30, 2007 covering open call option contracts written was \$11,479,730. In addition, the aggregate market value of securities segregated by the Company's custodian required to collateralize open put option contracts written was \$10,575,000.

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

## PORTFOLIO SUMMARY

September 30, 2007  
(unaudited)

### Ten Largest Portfolio Holdings

	Market Value	% of Net Assets
Petroleum & Resources Corporation*	\$ 88,214,463	6.0
General Electric Co.	58,829,400	4.0
Schlumberger Ltd.	39,900,000	2.7
Bank of America Corp.	35,691,700	2.4
Microsoft Corp.	34,762,800	2.3
American International Group, Inc.	33,825,000	2.3
ConocoPhillips	30,280,650	2.0
PepsiCo, Inc.	29,304,000	2.0
Cisco Systems, Inc.	28,143,500	1.9
Pfizer Inc.	27,361,600	1.8
Total	\$406,313,113	27.4%

\* Non-controlled affiliate

### Sector Weightings

[CHART]

Consumer	16.1%
Energy	13.9%
Financials	15.8%
Health Care	11.7%
Industrials	14.6%
Information Technology	11.8%
Materials	5.1%
Telecom Services	1.6%
Utilities	3.5%
Short-Term Investments	5.5%

11

### SCHEDULE OF OUTSTANDING OPTION CONTRACTS

September 30, 2007  
(unaudited)

Contracts

Contract

Edgar Filing: ADAMS EXPRESS CO - Form N-Q

(100 shares each)	Security	Strike Price	Expiration Date	Appreciation/ (Depreciation)
COVERED CALLS				
250	AMBAC Financial Group, Inc.....	\$ 90	Feb 08	\$ 17,299
200	Avon Products, Inc.....	45	Oct 07	22,399
250	BJ's Wholesale Club, Inc.....	45	Dec 07	16,750
100	Bunge Ltd.....	95	Oct 07	(117,200)
100	Bunge Ltd.....	100	Oct 07	(77,300)
240	Marathon Oil Co.....	62.50	Oct 07	5,640
200	Rohm & Hass Co.....	55	Oct 07	(8,075)
250	Ryland Group Inc.....	47.50	Oct 07	23,000
200	Target Corp.....	70	Oct 07	23,800
150	Target Corp.....	80	Jan 08	7,999
100	3M Corp.....	100	Jan 08	(1,300)
-----				-----
2,040				(86,988)
-----				-----
COLLATERALIZED PUTS				
200	AMBAC Financial Group, Inc.....	50	Jan 08	(14,601)
200	Exxon Mobil Corp.....	65	Jan 08	16,399
100	Harley-Davidson, Inc.....	52.50	Nov 07	(55,300)
250	Lowe's Companies, Inc.....	30	Oct 07	(28,875)
200	Lubrizol Corp.....	55	Dec 07	9,399
200	Lubrizol Corp.....	60	Dec 07	(11,600)
200	Morgan Stanley.....	60	Oct 07	6,399
100	Procter & Gamble Co.....	60	Oct 07	10,200
150	Ryland Group Inc.....	25	Oct 07	(42,450)
250	Spirit Aerosystems Holdings, Inc.	35	Oct 07	13,355
100	State Street Corp.....	60	Oct 07	12,200
100	State Street Corp.....	55	Nov 07	7,700
100	State Street Corp.....	50	Jan 08	4,750
-----				-----
2,150				(72,424)
-----				-----
				\$ (159,412)
				=====

12

(SELECTED) NOTES TO FINANCIAL STATEMENTS (Unaudited)

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.

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) are valued at

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

amortized cost. Purchased and written options are valued at the last quoted asked price.

For federal income tax purposes, the identified cost of securities at September 30, 2007 was \$1,067,916,794 and net unrealized appreciation aggregated \$477,684,228, of which the related gross unrealized appreciation and depreciation were \$552,972,186 and \$75,287,958, respectively.

### 8. PORTFOLIO SECURITIES LOANED

The Company makes loans of securities to brokers, secured by cash deposits, U.S. Government securities, or bank letters of credit. 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. The loans are secured at all times by collateral of at least 102% of the fair value of the securities loaned plus accrued interest. 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 September 30, 2007, the Company had securities on loan of \$68,210,267 and held collateral of \$70,070,900, consisting of an investment trust fund which may invest in money market instruments, commercial paper, repurchase agreements, U.S. Treasury Bills, and U.S. agency obligations.

### Item 2. CONTROLS AND PROCEDURES.

Conclusions of principal officers concerning controls and procedures:

(a) As of October 17, 2007, an evaluation was performed under the supervision and with the participation of the officers of The Adams Express Company (the "Company"), including the principal executive officer ("PEO") and principal financial officer ("PFO"), of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Company's officers, including the PEO and PFO, concluded that, as of October 17, 2007, the Company's disclosure controls and procedures were reasonably designed so as to ensure: (1) that information required to be disclosed by the Company on Form N-Q is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission; and (2) that material information relating to the Company is made known to the PEO and PFO as appropriate to allow timely decisions regarding required disclosure.

(b) There have been no significant changes in the Company's internal control over financial reporting (as defined in Rule 30 a-3(d) under the Investment Company Act of 1940 (17 CFR 270.30a-3(d)) that occurred during the Company's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.



Edgar Filing: ADAMS EXPRESS CO - Form N-Q

Item 3. EXHIBITS.

The certifications of the principal executive officer and principal financial officer pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 are attached hereto as Form N-Q Certifications.

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  
Chief Executive Officer

Date: October 22, 2007

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  
Chief Executive Officer  
(Principal Executive Officer)

Date: October 22, 2007

BY: /s/ Maureen A. Jones

-----  
Maureen A. Jones  
Vice President, Chief Financial Officer and Treasurer  
(Principal Financial Officer)

Date: October 22, 2007