

ADAMS RESOURCES & ENERGY, INC.  
Form DEF 14A  
April 08, 2014

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

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES  
EXCHANGE ACT OF 1934 (AMENDMENT No.)

Filed by the Registrant  [X]  
Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

- [ ] Preliminary Proxy Statement  
 [ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6 (e) (2))  
 [X] Definitive Proxy Statement  
 [ ] Definitive Additional Materials  
 [ ] Soliciting Material Pursuant to sec. 240.14a-11(c) or 240.14a-12

Adams Resources & Energy, Inc.  
(Name of Registrant as Specified in its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i) (1) and 0-11.

(1) Title of each class of securities to which transaction applies: N/A

(2) Aggregate number of securities to which transaction applies: N/A

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount of which the filing fee is calculated and state how it was determined): N/A

(4) Proposed maximum aggregate value of transaction: N/A

(5) Total fee paid: N/A

[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11 (a) (2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid: N/A

(2) Form, Schedule or Registration Statement No.: N/A

(3) Filing Party: N/A

(4) Date Filed: N/A

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ADAMS RESOURCES & ENERGY, INC.  
17 South Briar Hollow Lane, Suite 100  
Houston, Texas 77027

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
May 14, 2014

To Our Shareholders:

Notice is hereby given that the Annual Meeting of Shareholders of Adams Resources & Energy, Inc. will be held at 17 South Briar Hollow Lane, Suite 100, Houston, Texas, on Wednesday, May 14, 2014 at 11:00 a.m., Houston time, for the following purposes:

1. To elect a board of five directors to serve for the next year and until their successors are elected and qualified;
2. To consider and act upon an Advisory Resolution on Executive Compensation;
3. To conduct such other business as may properly come before the meeting or any adjournments thereof.

Further information regarding the meeting and the above proposals is set forth in the accompanying Proxy Statement. The close of business on April 1, 2014 has been fixed as the record date for the determination of shareholders entitled to receive notice of and to vote at the Annual Meeting or any adjournment(s) thereof.

By Order of the Board of Directors

/s/ David B. Hurst  
David B. Hurst  
Secretary  
Houston, Texas  
April 2, 2014

NOTICE REGARDING THE AVAILABILITY OF PROXY  
MATERIALS FOR THE SHAREHOLDER MEETING  
TO BE HELD ON MAY 14, 2014.

THE COMPANY'S PROXY STATEMENT AND THE 2013 ANNUAL REPORT  
ARE ALSO AVAILABLE AT [www.adamsresources.com](http://www.adamsresources.com)

YOU ARE INVITED TO ATTEND THE MEETING IN PERSON. EVEN IF YOU PLAN TO BE PRESENT, YOU ARE URGED TO SIGN, DATE AND MAIL THE ENCLOSED PROXY PROMPTLY. THE ENCLOSED RETURN ENVELOPE MAY BE USED FOR THAT PURPOSE. IF YOU ATTEND THE MEETING, YOU CAN VOTE EITHER IN PERSON OR BY PROXY.

ADAMS RESOURCES & ENERGY, INC.  
17 South Briar Hollow Lane, Suite 100,  
Houston, Texas 77027

PROXY STATEMENT

2014 ANNUAL MEETING OF SHAREHOLDERS  
To Be Held May 14, 2014

This Proxy Statement and accompanying proxy are being furnished to shareholders in connection with the solicitation of proxies by the Board of Directors of Adams Resources & Energy, Inc., a Delaware corporation (the "Company"), for use at the 2014 Annual Meeting of Shareholders to be held at 17 South Briar Hollow Lane, Suite 100, Houston, Texas, on Wednesday, May 14, 2014 at 11:00 a.m., Houston time, and any and all adjournments thereof, (such meeting or adjournment(s) thereof referred to as the "Annual Meeting"), for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. This Proxy Statement and the accompanying proxy are being mailed to shareholders on or about April 5, 2014.

The Company will pay the cost of solicitation of the proxies. In addition to solicitation by mail, proxies may be solicited personally or by telephone or e-mail by directors, officers and employees of the Company, and arrangements may be made with brokerage houses or other custodians, nominees and fiduciaries to send proxies and proxy material to their principals. Compensation and expenses of such firms, if any, which are not expected to exceed \$1,000, will be borne by the Company.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

At the close of business on April 1, 2014, the record date of those entitled to receive notice of and to vote at the Annual Meeting, the Company had outstanding 4,217,596 shares of common stock, \$0.10 par value per share ( "Common Stock" ). The presence, in person or by proxy, of a majority of the outstanding shares of Common Stock on the record date is necessary to constitute a quorum at the Annual Meeting. Abstentions and broker non-votes (which are shares represented by proxies, received from a bank or broker, that are not voted on a matter because the bank or broker did not receive voting instructions from the shareholder) will be treated the same as abstentions, which means they will be present at the Annual Meeting and counted toward the quorum, but they will not be counted as votes cast. Abstentions and broker non-votes will not have an effect on any of the proposals at this meeting because they will not be counted as votes cast. Each share of Common Stock is entitled to one vote on all issues requiring a shareholder vote at the Annual Meeting. Shareholders may not cumulate their votes for the election of directors.

The election of directors and the advisory resolution on executive compensation are not considered "routine matters." Thus, if a shareholder does not vote its shares with respect to any of these matters, such shareholder's bank or broker may not vote such shares and such shares will be left unvoted on the matter.

All shares represented by properly executed or submitted proxies, unless previously revoked, will be voted at the Annual Meeting in accordance with the directions on the proxies. If no direction is indicated, the shares will be voted FOR the election as directors of the nominees listed herein, FOR the advisory resolution on executive compensation, and in the discretion of the persons named in the proxy in connection with any other business that may properly come before the Annual Meeting. The enclosed proxy, even though executed and returned, may nevertheless be revoked at any time before it is voted by the subsequent execution and submission of a revised proxy, by written notice of revocation to the Secretary of the Company at the address set forth above or by voting in person at the Annual

Meeting. However, simply attending the Annual Meeting and not voting will not revoke a proxy.

## APPROVAL OF NOMINEES FOR DIRECTOR—ITEM 1

## ELECTION OF DIRECTORS

The persons named as proxy holders in the enclosed proxy have been selected by the Board of Directors to serve as proxies and will vote the shares represented by valid proxies at the Annual Meeting and any adjournments thereof. They have indicated that, unless otherwise specified in the proxy, they intend to vote for the election as director each of the persons named as a nominee listed below under "Nominees for Director" unless authority to vote in the election of directors is withheld on each proxy. Each nominee is currently a member of the Board of Directors. Each duly elected director will hold office until the 2015 Annual Meeting of Shareholders or until his successor shall have been elected and qualified. Although the Board of Directors of the Company does not contemplate that a nominee will be unable to serve, if such a situation arises prior to the Annual Meeting, the persons named in the enclosed proxy will vote for the election of such other person as may be nominated by the Board of Directors. Proxies cannot be voted in the election of directors for more than five persons, as that is the number of nominees named herein.

Directors shall be elected by a plurality of the votes of the shares present or represented by proxy and entitled to vote at the Annual Meeting. Withhold authority will have the effect of a vote cast "AGAINST" Item 1. Broker non-votes will not be counted in the tabulations of the votes cast on Item 1 and will have no effect on the outcome of the vote.

The Board of Directors unanimously recommends a vote for the election of the nominees listed below.

For each of the Company's directors, the following table sets forth their names, ages, principal occupations, other directorships of public companies held by them and length of continuous service as a director. Any directorship of public companies held by the nominees within the last five years is also presented below.

Nominee and Age	Principal Occupation and Directorship	Director Since
Thomas S. Smith (62)	President, KSA Industries, Inc.--Investments	2013
E. C. Reinauer, Jr. (78)	Retired--Former International Project Manager	1973
Frank T. Webster (65)	President, Chief Executive Officer and Chief Operating Officer of the Company	2004
Larry E. Bell (66)	Retired--Risk Manager	2006
Townes G. Pressler (78)	President and Owner--Pressler Petroleum Consultants, Inc.	2011

All of the nominees for director own less than one percent of the class of shares outstanding except Mr. Smith beneficially owns 46.9% of the Company's common stock. Mr. Smith became President of KSA Industries, Inc., an

affiliate of the Company, in November 2013 upon the death of the Company's founder and former chairman, K. S. Adams, Jr. Previously, Mr. Smith was an Executive Vice President with KSA Industries, Inc. for more than five years. All other directors have been engaged in the principal occupations indicated above for the last five years except Mr. Reinauer retired in January 2010 and Mr. Bell retired in 2012. Mr. Reinauer's previous position was International Project Manager with Development Alternatives, Inc. while Mr. Bell was employed as Risk Manager with Holly Frontier Corporation.

## Independence

The Company's Board of Directors is comprised of a majority of independent directors as defined under NYSE MKT listing standards. There are no family relationships among any of the directors or executive officers of the Company. The directors determined by the Board to be independent are Messrs. Reinauer, Bell and Pressler. The Board has determined that none of the designated independent directors has any relationship that, under NYSE MKT rules, would preclude their service on any of the standing committees of the Board. In making its determination, the Board considered transactions and relationships between each director or his immediate family and the Company and its subsidiaries, including those reported under "Compensation Committee Interlocks and Insider Participation" and "Transactions with Related Persons" below. The purpose of this review was to determine whether any such relationships or transactions were material and, therefore, inconsistent with a determination that the director is independent. In addition, the Board requires each of its members and each of the director nominees to disclose in an annual questionnaire any relationship they or their family members may have had with the Company, its subsidiaries, its independent accountants, directors and officers within the past five years. The Board considers any such relationship in making its determination. Messrs. Frank T. Webster and Thomas S. Smith are considered inside directors because of their employment with the Company and KSA Industries, Inc., respectively. Mr. Smith also beneficially owns 46.9% of the Company's outstanding common stock.

## Meetings and Committees of the Board

In 2013, the Board met four times and all director nominees attended all of the meetings of the Board and the committees on which they served for the period in which they held office. Mr. Smith joined the Board in December 2013 and at that time was elected by the Board to serve as Chairman. It is the Company's policy that all persons nominated for election to the Board at the time of the annual meeting be present at such meeting. All directors at the time of the 2013 annual meeting attended the 2013 annual meeting. The Board has three standing committees – the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee.

Committees of the Board	Summary of Responsibilities	Committee Members	Meetings in 2013
Audit	Retains independent registered public accounting firm and pre-approves their services. Reviews and approves financial statements and internal controls.	Reinauer, Jr.* Bell** Pressler	Five
Compensation	Evaluates the performance of the Chief Executive Officer and establishes the compensation of the Chief Executive Officer and other executive officers.	Reinauer, Jr.* Bell Pressler	Two
Nominating and Corporate Governance	Identifies, considers and recommends to the Board nominees for directors. Periodically assesses corporate governance and makes	Reinauer, Jr.* Bell Pressler	Four



recommendations to the Board

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\*Mr. Reinauer was elected Chairman of the Board of Directors on May 15, 2013. Prior to such date, Mr. Reinauer was Chairman of the Audit, Compensation and the Nominating and Corporate Governance committees. Upon his election as Chairman of the Board, Mr. Reinauer was replaced as Chairman of the Audit Committee by Mr. Bell and of the Compensation and Nominating and Corporate Governance committees by Mr. Pressler.

\*\*Mr. Bell is an independent director and is the Company's designated Audit Committee financial expert under Item 407(d)(5) of Regulation S-K.

The responsibilities of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are described in each of the committees' respective charters, which were adopted by the respective committees and the Board. These committee charters are available on the Company's website at [www.adamsresources.com](http://www.adamsresources.com), under Investor Relations – Corporate Profile – Corporate Governance. Copies may also be obtained by writing to Investor Relations, Adams Resources & Energy, Inc., 17 South Briar Hollow Lane, Suite 100, Houston, Texas 77027.

## Nomination Policy

The Nominating and Corporate Governance Committee of the Board of Directors consists of current members Messrs. Reinauer, Bell and Pressler. Each of the members of the Nominating Committee is independent, as defined in Section 803A of the listing standards of the NYSE MKT.

The Nominating and Corporate Governance Committee identifies and recommends to the Board nominees for directors to be considered at the annual meeting of shareholders or to serve as replacements in the event of a vacancy on the Board. The Nominating and Corporate Governance Committee would also consider nominees submitted by shareholders to the Secretary of the Company if submitted in accordance with the procedures set forth in the Company's Bylaws. You may obtain a copy of the Bylaws by writing to Adams Resources & Energy, Inc., 17 South Briar Hollow Lane, Suite 101, Houston Texas 77027, Attention: Corporate Secretary, David Hurst. The Company's Bylaws can also be found on the Company's website at [www.adamsresources.com](http://www.adamsresources.com), under Investor Relations – Corporate Profile – Corporate Governance.

In identifying and evaluating candidates for nomination to the Board, the Nominating and Corporate Governance Committee considers several factors, including education, experience, knowledge, expertise, independence and availability to effectively carry out the duties of a Board member. The qualifications and backgrounds of prospective candidates are reviewed in the context of the current composition of the Board to ensure the Board maintains the proper balance of knowledge and experience to effectively manage the Company's business for the long-term interests of the shareholders. The Nominating and Corporate Governance Committee initially identifies candidates for nomination through its and management's general industry contacts. It has not been the practice of the Nominating and Corporate Governance Committee to consider for nomination any specific director candidates recommended by shareholders as no such request has ever occurred. The Nominating and Corporate and Governance Committee will review its policy position if such a request is received. Shareholders may communicate with the Board of Directors as described herein below.

The Nominating and Corporate Governance Committee views diversity expansively and considers, among other things, functional areas of business and financial expertise, educational and professional background, and those competencies that it deems appropriate to develop a cohesive board such as ethics, integrity, values, practical wisdom, mature judgment and the ability of the candidate to represent the interests of all shareholders and not those of a special interest group. Specifically with respect to the experience and qualifications of each of the persons nominated to serve on the Board of Directors, the Nominating and Corporate Governance Committee considered the following information to conclude that each such nominee should serve as a director of the Company. Mr. Reinauer was elected to the Company's Board at the time of the Company's initial public offering in 1973. He possesses extensive knowledge of the Company's history and has had direct management oversight in a variety of international projects throughout the world. Mr. Pressler has previously served as President of several independent oil and gas exploration entities and is a Registered Professional Engineer with extensive experience in evaluating oil and gas property interests. Mr. Webster has been associated with the Company in various capacities since 1975 when he provided corporate banking services to the Company with specialization in the oil and gas industry. Mr. Bell has extensive industry and risk management experience. His area of expertise includes commodity pricing risks, accounting and reporting internal controls as well as traditional property and casualty exposure management. Messrs. Bell, Reinauer, and Webster also have extensive securities experience with each of them previously holding a NASD Series 7 Registered Representative Securities License. Messrs. Pressler, Reinauer, Webster and Bell have previously stood for election to the Board of Directors.

Mr. Smith, Chairman of the Company and President of KSA Industries, Inc. is a 46.9%, beneficial owner the Company's common stock. Mr. Smith is the spouse of Susan Adams Smith, daughter of Company founder K. S. Adams, Jr.

In connection with the Annual Meeting, the Nominating and Corporate Governance Committee has recommended the Directors listed in this proxy.

#### Communications with the Board

Any shareholder may communicate with the Board, a committee of the Board or any individual director by sending written communication to them addressed to the Board of Directors of Adams Resources & Energy, Inc., a committee or such individual director or directors, 17 South Briar Hollow Lane, Suite 100, Houston, Texas 77027, Attention: Investor Relations Manager. All communications will be forwarded to the Board, a committee of the Board or such individual director or directors in accordance with the request of the shareholder.

### Board's Role in Risk Oversight

The Board's role in the Company's risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal and regulatory, and strategic risks. The Audit Committee is responsible for oversight of risks relating to the Company's accounting matters, financial reporting and legal and regulatory compliance. To satisfy these oversight responsibilities, the Audit Committee meets regularly with management, the Company's internal auditor and independent registered public accounting firm. The Compensation Committee is responsible for overseeing risks relating to employment policies and the Company's policies on structuring compensation programs. To satisfy these oversight responsibilities, the Compensation Committee meets regularly with management to understand the implications of compensation decisions, particularly the risks the Company's compensation policies pose to the Company's finances, human resources and shareholders.

### EXECUTIVE OFFICERS

The following table provides information regarding the executive officers of the Company as of April 2, 2014. The officers of the Company serve at the discretion of the Board of Directors of the Company.

Name	Age	Position
Frank T. Webster	65	President, Chief Executive Officer and Chief Operating Officer
Richard B. Abshire	61	Vice President and Chief Financial Officer
Sharon C. Davis	54	Treasurer and Chief Accounting Officer

T. Chip" Webster was elected President and Chief Operating Officer of the Company in May 2004 and was Frank elected Chief Executive Officer in September 2012. Mr. Webster was previously President and Chief Executive Officer of Duke Capital Partners, a business unit of Duke Energy. Prior to joining Duke, he was a partner and managing director of Andersen's energy corporate finance group. He also spent 20 years in energy and corporate banking with First City Bank-Houston where he was Executive Vice President. He is a member of the Independent Petroleum Association of America and the Houston Producers' Forum.

B. Abshire joined the Company in 1985 and was previously employed by Arthur Andersen & Co. Mr. Richard Abshire is a Certified Public Accountant in the State of Texas and he serves as the Company's principal financial officer. Mr. Abshire also is employed as the Chief Financial Officer for the Company's affiliate KSA Industries, Inc.

C. Davis joined the Company in 1992 and was previously employed by Arthur Andersen & Co. Ms. Davis is Sharon a Certified Public Accountant in the State of Texas and she serves as the Company's principal accounting officer.

### SUMMARY COMPENSATION TABLE

The following table sets forth the total compensation of the Company's Chief Executive Officer, Chief Financial Officer and each of the Company's other most highly compensated executive officers during the fiscal years ended December 31, 2013, 2012 and 2011, whose total annual salary and bonus for fiscal 2013 exceeded \$100,000 (the named executive officers"). There were no pension plans, stock options, shares of restricted stock, or other equity awards granted by the Company during the periods presented.



Name and Principal Position	Year	Annual Compensation			Total
		Salary	Bonus	All Other(1)	
Frank T. Webster President, Chief Executive Officer(2) and Chief Operating Officer	2013	\$396,550	\$400,000	\$28,863	\$826,413
	2012	\$396,550	\$500,000	\$32,696	\$929,246
	2011	\$385,000	\$250,000	\$27,588	\$662,588
Richard B. Abshire Vice President and Chief Financial Officer	2013	\$200,000	\$200,000	\$11,614	\$411,614
	2012	\$154,500	\$200,000	\$10,170	\$364,670
	2011	\$150,000	\$150,000	\$8,682	\$308,682
Sharon C. Davis Treasurer and Chief Accounting Officer	2013	\$225,000	\$250,000	\$19,179	\$494,179
	2012	\$180,250	\$250,000	\$19,889	\$450,139
	2011	\$175,000	\$150,000	\$17,658	\$342,658

(1) Other compensation includes employer matching contributions to the Company's 401(K) savings plan, a car allowance, reimbursement for club dues and life and disability insurance premiums. The named executive officers receive no other perquisites or personal benefits. In 2013, Mr. Webster received \$14,960 in cash reimbursement for club dues including a tax "gross-up" of \$3,878. Life and disability insurance premiums paid on behalf of Messrs. Webster, Abshire and Ms. Davis totaled \$4,704, \$4,597 and \$3,779, respectively for 2013.

(2) Mr. Webster became the Company's Chief Executive Officer on September 26, 2012.

#### Potential Payments upon Termination or Change in Control

##### Employment Agreements

Mr. Frank T. Webster entered into an employment agreement with the Company in May 2004. The agreement has been amended on various dates to extend its term and modify the base salary provisions. Currently, the termination date is May 13, 2017 with all other terms remaining as described herein. Currently, Mr. Webster serves as President, Chief Executive Officer and Chief Operating Officer of the Company and received \$396,550 as base salary through December 31, 2013 with an increase to \$500,000 effective January 1, 2014 through May 13, 2017. Mr. Webster is eligible to participate in any leave, insurance and other employee benefit plans of the Company that may be in effect from time to time for management-level employees. In addition, he is eligible to earn annual performance bonuses at the sole discretion of the Board of Directors and separately the Compensation Committee. In the event Mr. Webster's employment is terminated due to his death, his estate will be entitled to receive: (i) any earned and unpaid salary accrued through the date of his death; (ii) any benefits due to applicable plans and programs of the Company; and (iii) if applicable, any benefits due under or pursuant to workers' compensation. In the event Mr. Webster becomes disabled to the extent that he is unable to perform his duties and responsibilities under his employment agreement and such disability continues for a period of 90 days or an aggregate of 120 days during any calendar year, the Company will have the right to terminate the employment agreement upon 10 days' prior written notice. In the event Mr. Webster's employment is terminated due to his disability, Mr. Webster will be entitled to receive: (i) any earned and unpaid salary accrued through the date of termination; (ii) any benefits due to applicable plans and programs of the Company; and (iii) any benefits available to him pursuant to applicable law. In the event Mr. Webster is terminated for Cause (as defined) he will be entitled to receive: (i) any earned and unpaid salary accrued through the date of termination of his employment; (ii) any benefits due to applicable plans and programs of the Company; and (iii) any benefits available to him pursuant to applicable law. In the event Mr. Webster voluntarily resigns, he will be entitled to receive only any earned and unpaid salary accrued through the actual date of acceptance of his resignation by the

Board of Directors. In the event Mr. Webster's employment is terminated without Cause, he will be entitled to receive the balance of his salary due under the employment agreement in a lump sum within 30 days from the termination date. If there is a Change of Control of the Company (as defined) and as a result of such Change of Control, Mr. Webster's employment agreement is terminated, then he will receive the greater of: (i) the remaining salary due to him under his employment agreement or (ii) a sum equal to \$385,000 less applicable withholdings and deductions. Mr. Webster is also eligible for three years of uninterrupted participation in the Company's or its successor's medical and dental plans provided Mr. Webster pays for such plans at the then prevailing employee rate. Mr. Webster's original employment agreement was scheduled to terminate May 13, 2007. Based upon a hypothetical termination date of December 31, 2013, the severance benefits for Mr. Webster would have been as follows:

Termination due to change of control	Termination due to	Termination for cause or	Termination without
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