

Edgar Filing: CENTRAL SECURITIES CORP - Form N-CSRS

CENTRAL SECURITIES CORP  
Form N-CSRS  
July 30, 2009

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

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES

Investment Company Act File Number 811-179

Name of registrant as specified in charter: Central Securities Corporation

Address of principal executive offices:

630 Fifth Avenue  
Suite 820  
New York, New York 10111

Name and address of agent for service:

Central Securities Corporation, Wilmot H. Kidd, President  
630 Fifth Avenue  
Suite 820  
New York, New York 10111

Registrant's telephone number, including area code: 212-698-2020

Date of fiscal year end: December 31, 2009

Date of reporting period: June 30, 2009

Item 1. Reports to Stockholders.

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CENTRAL SECURITIES CORPORATION

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SEMI-ANNUAL REPORT

JUNE 30, 2009

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CENTRAL SECURITIES CORPORATION

(Organized on October 1, 1929 as an investment company, registered as such with  
the Securities and Exchange Commission under the provisions of the Investment  
Company Act of 1940.)

TEN YEAR HISTORICAL DATA

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Year	Total net assets	Convertible Preference Stock (A)	Per Share of Common Stock			
			Net asset value	Net investment income (B)	Divi- dends (C)	Distribu- tions (C)
1998	\$476,463,575	\$8,986,125	\$31.43			
1999	590,655,679	--	35.05	\$.26	\$.26	\$2.34
2000	596,289,086	--	32.94	.32	.32	4.03
2001	539,839,060	--	28.54	.18	.22	1.58*
2002	361,942,568	--	18.72	.14	.14	1.11
2003	478,959,218	--	24.32	.09	.11	1.29
2004	529,468,675	--	26.44	.11	.11	1.21
2005	573,979,905	--	27.65	.28	.28	1.72
2006	617,167,026	--	30.05	.36	.58	1.64
2007	644,822,724	--	30.15	.38	.52	1.88
2008	397,353,061	--	17.79	.39	.36	2.10
Six mos. to June 30, 2009**	429,428,422	--	19.27	.15	.09	.01

A - At liquidation preference.

B - Excluding gains or losses realized on sale of investments and the dividend requirement on the Convertible Preference Stock which was redeemed on August 1, 1999.

C - Computed on the basis of the Corporation's status as a "regulated investment company" for Federal income tax purposes. Dividends are from undistributed net investment income. Distributions are from long-term investment gains.

\* Includes a non-taxable return of capital of \$.55.

\*\* Unaudited.

The Common Stock is listed on the NYSE-Amex under the symbol CET. On June 30, 2009 the market quotations were: \$15.12 low, \$15.35 high and \$15.28 last sale.

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To the Stockholders of

CENTRAL SECURITIES CORPORATION:

Financial statements for the six months ended June 30, 2009 reviewed by our independent registered public accounting firm and other pertinent information are submitted herewith.

Comparative net assets are as follows:

June 30,  
2009                      December 31,

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	(Unaudited)	2008
	-----	----
Net assets .....	\$429,428,422	\$397,353,061
Net assets per share of Common Stock .....	19.27	17.79
Shares of Common Stock outstanding ....	22,282,413	22,331,813

Comparative operating results are as follows:

Net investment income .....	\$
Per share of Common Stock .....	
Net realized gain (loss) on sale of investments .....	3
Increase (decrease) in net unrealized appreciation of investments .....	3
Increase (decrease) in net assets resulting from operations .....	

\* Per-share data are based on the average number of Common shares outstanding.

A distribution of \$.10 per share of Common Stock was paid on June 19, 2009. Stockholders will be sent a notice concerning the taxability of all 2009 distributions in January 2010.

During the first six months of 2009 the Corporation repurchased 49,400 shares of its Common Stock at an average price per share of \$11.99. The Corporation may from time to time purchase Common Stock in such amounts and at such prices as the Board of Directors deem advisable in the best interests of stockholders. Purchases may be made on the NYSE-Amex or in transactions directly with stockholders.

We are very pleased to report that on June 15, 2009, Mr. David C. Colander was elected to the Board of Directors. He is a Professor of Economics at Middlebury College, and is the author of numerous books and articles including a widely used economics textbook which has been translated into several languages.

Stockholders' inquiries are welcome.

CENTRAL SECURITIES CORPORATION

WILMOT H. KIDD, President

630 Fifth Avenue  
New York, NY 10111  
July 23, 2009

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TEN LARGEST INVESTMENTS  
June 30, 2009  
(Unaudited)

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	Cost -----	Val -----
	(millions)	
The Plymouth Rock Company, Inc. ....	\$ 2.2	\$140
Brady Corporation .....	2.5	21
The Bank of New York Mellon Corporation .....	12.2	19
Murphy Oil Corporation .....	1.4	18
Agilent Technologies, Inc. ....	21.9	18
Coherent, Inc. ....	22.9	17
Convergys Corporation .....	24.8	15
Intel Corporation .....	0.3	13
Dover Corporation .....	13.0	13
Devon Energy Corporation .....	14.9	10

PRINCIPAL PORTFOLIO CHANGES  
April 1 to June 30, 2009  
(Unaudited)  
(Common Stock unless specified otherwise)

	Number of -----	
	Purchased -----	Sold -----
Abbott Laboratories.....	10,000	
AT&T Inc.....	200,000	
The Bank of New York Mellon Corporation.....		25,000
Convergys Corporation.....		30,800
Intel Corporation.....		9,600
Medtronic, Inc.....	100,000	
Murphy Oil Corporation.....		4,300
Nexen Inc.....		60,000
Roper Industries, Inc.....		20,000

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DIVERSIFICATION OF INVESTMENTS  
June 30, 2009  
(Unaudited)

	Issues -----	Cost -----	Value -----
Common Stocks:			
Insurance .....	2	\$ 2,610,297	\$140,357,600

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Electronics .....	9	90,038,152	82,140,500
Manufacturing .....	6	43,869,923	59,966,700
Energy .....	6	50,957,090	46,644,624
Information Technology .....	2	38,221,824	21,802,400
Banking and Finance .....	2	13,065,868	20,070,750
Other .....	8	29,131,387	23,554,238
Short-Term Investments .....	4	33,972,559	33,972,559

FINANCIAL HIGHLIGHTS

	Six Mos. Ended June 30, 2009 (Unaudited)	2008	2007	2006
	-----	----	----	----
Per Share Operating Performance				
Net asset value, beginning of period .....	\$17.79	\$30.15	\$30.05	\$27.6
Net investment income* .....	.15	.39	.38	.3
Net realized and unrealized gain (loss) on securities* .....	1.43	(10.29)	2.12	4.2
	-----	-----	-----	-----
Total from investment operations .....	1.58	(9.90)	2.50	4.6
Less:				
Dividends from net investment income .....	.09	.36	.37	.3
Distributions from capital gains .....	.01	2.10	2.03	1.8
	-----	-----	-----	-----
Total distributions .....	.10	2.46	2.40	2.2
	-----	-----	-----	-----
Net asset value, end of period .....	\$19.27	\$17.79	\$30.15	\$30.0
	=====	=====	=====	=====
Per share market value, end of period .....	\$15.28	\$14.40	\$26.84	\$26.6
Total investment return, market(%) .....	4.55	(39.63)	9.86	21.3
Total investment return, NAV(%) .....	8.88	(32.66)	9.35	18.5
Ratios/Supplemental Data:				
Net assets, end of period(000) .....	\$429,428	\$397,353	\$644,823	\$617,16
Ratio of expenses to average net assets(%) .....	.83+	.66	.59	.5
Ratio of net investment income to average net assets(%) .....	1.02+	1.43	1.21	1.2
Portfolio turnover rate(%) .....	2.53	11.04	19.58	17.5

\* Per-share data are based on the average number of shares outstanding during the period.

+ Annualized, not necessarily indicative of full year ratio.

See accompanying notes to financial statements.

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STATEMENT OF INVESTMENTS  
June 30, 2009  
(Unaudited)

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PORTFOLIO SECURITIES 91.9%  
STOCKS (COMMON UNLESS SPECIFIED OTHERWISE)

Prin. Amt. or Shares -----		Value -----
	Banking and Finance 4.7%	
675,000	The Bank of New York Mellon Corporation.....	\$ 19,784,250
150,000	Newstar Financial, Inc. (a).....	286,500
		20,070,750
	Business Services 0.3%	
100,000	Heritage-Crystal Clean Inc. (a).....	1,215,000
	Communications 1.5%	
1,000,000	Arbinet-thexchange, Inc. (a).....	1,740,000
200,000	AT&T Inc.....	4,968,000
		6,708,000
	Electronics 19.1%	
920,000	Agilent Technologies, Inc. (a).....	18,685,200
370,000	Analog Devices, Inc.....	9,168,600
830,000	Coherent, Inc. (a).....	17,164,400
630,000	Flextronics International Ltd. (a).....	2,614,500
800,000	Intel Corporation.....	13,240,000
300,000	Maxim Integrated Products, Inc.....	4,707,000
350,000	Motorola, Inc. (a).....	2,320,500
1,000,000	Radisys Corporation (a).....	9,040,000
3,230,000	Sonus Networks, Inc. (a).....	5,200,300
		82,140,500
	Energy 10.8%	
300,000	Berry Petroleum Company Class A.....	5,577,000
200,000	Devon Energy Corporation.....	10,900,000
2,000,000	GeoMet, Inc. (a)(b).....	2,200,000
670,000	McMoRan Exploration Co. (a).....	3,993,200
345,700	Murphy Oil Corporation.....	18,778,424
240,000	Nexen Inc.....	5,196,000
		46,644,624
	Health Care 2.2%	
110,000	Abbott Laboratories.....	5,174,400
100,000	Medtronic, Inc.....	3,489,000
260,000	Vical Inc. (a).....	702,000
		9,365,400
	Information Technology Services 5.1%	
1,700,000	Convergys Corporation (a).....	15,776,000
930,000	Xerox Corporation.....	6,026,400
		21,802,400

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Prin. Amt. or Shares -----		Value -----
	Insurance 32.7%	
10,000	Erie Indemnity Co. Class A.....	\$ 357,600
70,000	The Plymouth Rock Company, Inc. Class A (b) (d).....	140,000,000
		----- 140,357,600 -----
	Manufacturing 14.0%	
870,000	Brady Corporation Class A.....	21,854,400
200,000	Carlisle Companies Inc.....	4,808,000
400,000	Dover Corporation.....	13,236,000
200,000	General Electric Company.....	2,344,000
100,000	Precision Castparts Corp.....	7,303,000
230,000	Roper Industries, Inc.....	10,421,300
		----- 59,966,700 -----
	Retailing 1.5%	
28,751	Aerogroup International, Inc. (a) (d).....	385,838
200,000	Walgreen Co.....	5,880,000
		----- 6,265,838 -----
	Total Portfolio Securities (cost \$267,894,539) (e).....	\$394,536,812 -----
	SHORT-TERM INVESTMENTS 7.9%	
	Money Market Fund 0.3%	
1,463,673	Fidelity Institutional Money Market Government Portfolio.....	1,463,673
	U.S. Treasury Bills 7.6%	
32,521,000	U.S. Treasury Bills 0.08% - 0.26% due 7/23/09 - 10/22/09 (c).....	32,508,886 -----
	Total Short-Term Investments (cost \$33,972,559) (e).....	33,972,559 -----
	Total Investments (99.8%).....	428,509,371
	Cash, receivables and other assets less liabilities (0.2%).....	919,051 -----
	Net Assets (100%).....	\$429,428,422 =====

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- (a) Non-dividend paying.
- (b) Affiliate as defined in the Investment Company Act of 1940.
- (c) Value based on Level 2 inputs - see Note 2.
- (d) Valued at estimated fair value based on Level 3 inputs - see Note 2.
- (e) Aggregate cost for Federal tax purposes is substantially the same.

See accompanying notes to financial statements.

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STATEMENT OF ASSETS AND LIABILITIES  
June 30, 2009  
(Unaudited)

ASSETS:

Investments:

General portfolio securities at market value (cost \$252,035,621).....	\$2
Securities of affiliated companies (cost \$15,858,918) (Notes 6 and 7).....	1
Short-term investments (cost \$33,972,559).....	---

Cash, receivables and other assets:

Cash.....	---
Dividends and interest receivable.....	---
Receivable for securities sold.....	---
Office equipment and leasehold improvements, net.....	---
Other assets.....	---

Total Assets.....

LIABILITIES:

Accrued expenses and reserves.....

Total Liabilities.....

NET ASSETS.....

NET ASSETS are represented by:

Common Stock \$1 par value: authorized  
30,000,000 shares; issued 22,336,013 (Note 3).....

Surplus:

Paid-in.....	\$2
Accumulated net loss on sales of investments.....	---
Undistributed net investment income.....	---

Net unrealized appreciation of investments.....

Treasury stock, at cost (53,600 shares of Common Stock)  
(Note 3).....

NET ASSETS.....

NET ASSET VALUE PER COMMON SHARE

(22,282,413 shares outstanding).....

See accompanying notes to financial statements.

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STATEMENT OF OPERATIONS  
For the six months ended June 30, 2009  
(Unaudited)

INVESTMENT INCOME

Income:

Dividends (net of foreign withholding taxes of \$3,519).....  
Interest.....

Expenses:

Investment research.....  
Administration and operations.....  
Occupancy costs.....  
Franchise and miscellaneous taxes.....  
Insurance.....  
Directors' fees.....  
Stationery, supplies, printing and postage.....  
Listing, software and sundry fees.....  
Legal, auditing and tax fees.....  
Travel and telephone.....  
Transfer agent and registrar fees and expenses.....  
Custodian fees.....  
Miscellaneous.....

Net investment income.....

NET REALIZED AND UNREALIZED GAIN (LOSS)

ON INVESTMENTS

Net realized loss from investment transactions.....  
Net increase in unrealized appreciation of investments.....

Net gain on investments.....

NET INCREASE IN NET ASSETS RESULTING FROM

OPERATIONS.....

See accompanying notes to financial statements.

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STATEMENTS OF CHANGES IN NET ASSETS  
For the six months ended June 30, 2009  
and the year ended December 31, 2008

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FROM OPERATIONS:

Net investment income .....	\$
Net realized gain (loss) on investments .....	
Net increase (decrease) in unrealized appreciation of investments .....	3
-----	
Increase (decrease) in net assets resulting from operations .....	3

DISTRIBUTIONS TO STOCKHOLDERS FROM:

Net investment income .....	(
Net realized gain from investment transactions .....	
-----	
Decrease in net assets from distributions .....	(

FROM CAPITAL SHARE TRANSACTIONS: (Note 3)

Distribution to stockholders reinvested in Common Stock .....	
Cost of shares of Common Stock repurchased .....	
-----	
Increase (decrease) in net assets from capital share transactions .....	
-----	
Total increase (decrease) in net assets .....	3

NET ASSETS:

Beginning of period .....	39
-----	
End of period (including undistributed net investment income of \$2,474,140 and \$961,640, respectively) .....	\$ 42
=====	

See accompanying notes to financial statements.

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STATEMENT OF CASH FLOWS  
For the six months ended June 30, 2009  
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES:

Net increase in net assets from operations.....	
Adjustments to net increase in net assets from operations:	
Purchase of securities.....	
Proceeds from securities sold.....	
Net purchase of short-term investments.....	
Net realized loss from investments.....	
Increase in unrealized appreciation.....	
Depreciation and amortization.....	
Changes in operating assets and liabilities:	
Decrease in dividends and interest receivable.....	
Increase in office equipment and	

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leasehold improvements.....  
Increase in other assets.....  
Increase in receivable for securities sold.....  
Decrease in accrued expenses and reserves.....  
  
Total adjustments.....  
  
Net cash used by operating activities.....  
CASH FLOWS FROM FINANCING ACTIVITIES:  
Dividends paid.....  
Treasury shares repurchased.....  
  
Cash flows used in financing activities.....  
  
Net decrease in cash.....  
Cash at beginning of period.....  
  
Cash at end of period.....

See accompanying notes to financial statements.

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### NOTES TO FINANCIAL STATEMENTS -- (unaudited)

1. Significant Accounting Policies -- Central Securities Corporation (the "Corporation") is registered under the Investment Company Act of 1940, as amended, as a non-diversified, closed-end management investment company. The following is a summary of the significant accounting policies consistently followed by the Corporation in the preparation of its financial statements. These policies are in conformity with generally accepted accounting principles. Subsequent events have been evaluated through July 23, 2009, the date the financial statements were available to be issued.

Security Valuation -- Marketable securities are valued at the last or closing sale price or, if unavailable, at the closing bid price. Investments in money market funds are valued at net asset value per share. Other short-term investments are valued at amortized cost, which approximates market value. Securities for which no ready market exists are valued at estimated fair value by the Board of Directors.

Federal Income Taxes -- It is the Corporation's policy to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its stockholders. Therefore, no Federal income taxes have been accrued.

Use of Estimates -- The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported. Actual results may differ from such estimates.

Other -- Security transactions are accounted for as of the trade date, and cost of securities sold is determined by specific identification. Dividend income and distributions to stockholders are recorded on the ex-dividend date. Interest income is accrued daily.

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2. Fair Value Measurements -- The Corporation's investments are categorized below in three broad hierarchical levels based on market price observability as follows:

- o Level 1 -- Quoted prices in active markets for identical investments. The Corporation's Level 1 investments consist of securities listed on a national securities exchange or NASDAQ national market and money market funds;
- o Level 2 -- Other significant observable data obtained from independent sources; for example quoted prices for similar investments or the use of models or other valuation methodologies. The Corporation's Level 2 investments consist of short-term investments, carried at amortized cost;
- o Level 3 -- Significant unobservable inputs including the Corporation's own assumptions based upon the best information available. Investments categorized as Level 3 include securities in which there is little, if any, market activity. The Corporation's Level 3 investments consist of The Plymouth Rock Company, Inc. and Aerogroup International, Inc.

The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities.

The Corporation's investments as of June 30, 2009 are classified as follows:

Valuation Inputs	Investments in Securities
Level 1	\$255,614,647
Level 2	32,508,886
Level 3	140,385,838
	-----
Total	\$428,509,371
	=====

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### NOTES TO FINANCIAL STATEMENTS -- continued (unaudited)

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance as of December 31, 2008	\$126,385,838
Net increase in unrealized appreciation of investments	14,000,000
	-----
Balance as of June 30, 2009	\$140,385,838
	=====

No Level 3 investments were purchased, sold or transferred to Level 1 or Level 2 during the six months ended June 30, 2009. The Corporation's Level 3 investments are valued by the Board of Directors. This valuation is primarily based on a comparable company valuation analysis and review of independent appraisals. In addition, consideration is given to corporate governance, private transactions, company and industry outlooks and general market conditions.

3. Common Stock -- The Corporation repurchased 49,400 shares of its Common Stock in the first six months of 2009 at an average price of \$11.99 per share, representing an average discount from net asset value of 23.6%. It may from time

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to time purchase Common Stock in such amounts and at such prices as the Board of Directors deem advisable in the best interests of the stockholders. Purchases will only be made at less than net asset value per share, thereby increasing the net asset value of shares held by the remaining stockholders. Shares so acquired may be held as treasury stock available for optional stock distributions, or may be retired.

4. Investment Transactions -- The aggregate cost of securities purchased and the aggregate proceeds of securities sold during the six months ended June 30, 2009, excluding short-term investments, were \$8,894,331 and \$13,817,451, respectively.

As of June 30, 2009, based on cost for Federal income tax purposes, the aggregate gross unrealized appreciation and depreciation for all securities were \$213,647,047 and \$87,004,774, respectively.

5. Operating Expenses -- The aggregate remuneration paid during the six months ended June 30, 2009 to officers and directors amounted to \$829,500, of which \$80,750 was paid as fees to directors who were not officers. Employees also participate in a profit sharing retirement plan. Contributions to the plan are made at the discretion of the Board of Directors, and each participant's benefits vest after three years of employment. No contributions were made to the plan for the six months ended June 30, 2009.

6. Affiliates -- The Plymouth Rock Company, Inc. and GeoMet, Inc., are affiliates as defined in the Investment Company Act of 1940. During the six months ended June 30, 2009, the Corporation received dividends of \$2,970,800 from affiliates. Unrealized appreciation related to affiliates increased by \$12,760,000 for the six months ended June 30, 2009 to \$126,341,082. The President of the Corporation is a director of Plymouth Rock.

7. Restricted Securities -- The Corporation from time to time invests in securities the resale of which is restricted. On June 30, 2009 such investments had an aggregate value of \$140,385,838, which was equal to 32.7% of the Corporation's net assets. Investments in restricted securities at June 30, 2009, including acquisition dates and cost, were:

Company	Shares	Security	Date Acquired	Co
-----	-----	-----	-----	-----
Aerogroup International, Inc.	28,751	Common Stock	6/21/05	\$ 1
The Plymouth Rock Company, Inc.	60,000	Class A Stock	12/15/82	1,50
The Plymouth Rock Company, Inc.	10,000	Class A Stock	6/9/84	69

The Corporation does not have the right to demand registration of the restricted securities.

8. Operating Lease Commitment -- The Corporation has entered into an operating lease for office space which expires in 2014 and provides for future minimum rental payments in the aggregate amount of approximately \$1.9 million. The lease agreement contains escalation clauses relating to operating costs and real property taxes. Future minimum rental commitments under the lease are \$170,903 remaining for 2009 and \$341,806 annually thereafter.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF  
CENTRAL SECURITIES CORPORATION

We have reviewed the accompanying statement of assets and liabilities, including the statement of investments, of Central Securities Corporation as of June 30, 2009, and the related statements of operations, changes in net assets, cash flows and financial highlights for the six-month period ended June 30, 2009. These interim financial statements and financial highlights are the responsibility of Central Securities Corporation's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the interim financial statements and financial highlights referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the statement of changes in net assets for the year ended December 31, 2008 and financial highlights for each of the years in the five-year period ended December 31, 2008, and in our report dated February 2, 2009 we expressed an unqualified opinion on such statement of changes in net assets and financial highlights.

KPMG LLP

New York, NY  
July 23, 2009

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### OTHER STOCKHOLDER INFORMATION

#### Direct Registration

The Corporation utilizes direct registration, a system that allows for book-entry ownership and the electronic transfer of the Corporation's shares. Stockholders may find direct registration a convenient way of managing their investment. Stockholders wishing certificates may request them.

A pamphlet which describes the features and benefits of direct registration, including the ability of shareholders to deposit certificates with our transfer agent, can be obtained by calling Computershare Trust Company at 1-800-756-8200, calling the Corporation at 1-866-593-2507 or visiting our website: [www.centalsecurities.com](http://www.centalsecurities.com) under Contact Us.

Annual Meeting of Stockholders

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The annual meeting of stockholders of the Corporation was held on March 11, 2009. At the meeting all of the directors of the Corporation were reelected by the following vote of the holders of the Common Stock: Simms C. Browning, 20,312,173 shares in favor, 606,414 withheld; Donald G. Calder, 20,313,992 shares in favor, 604,595 shares withheld; Jay R. Inglis, 20,301,700 shares in favor, 616,887 shares withheld; Dudley D. Johnson, 20,314,331 shares in favor, 604,256 shares withheld; Wilmot H. Kidd, 20,311,008 shares in favor, 607,579 shares withheld; and C. Carter Walker, Jr., 20,310,217 shares in favor, 608,370 shares withheld.

In addition, the selection of KPMG LLP as independent auditors of the Corporation for the year 2009 was ratified by the following vote of the holders of the Common Stock: 20,356,349 shares in favor, 487,583 shares against, 74,655 shares abstaining.

### Proxy Voting Policies and Procedures

The policies and procedures used by the Corporation to determine how to vote proxies relating to portfolio securities and the Corporation's proxy voting record for the twelve-month period ended June 30, 2009 are available: (1) without charge, upon request, by calling us at our toll-free telephone number (1-866-593-2507), (2) on the Corporation's website at [www.centalsecurities.com](http://www.centalsecurities.com) and (3) on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

### Quarterly Portfolio Information

The Corporation files its complete schedule of portfolio holdings with the SEC for the first and the third quarter of each fiscal year on Form N-Q. The Corporation's Form N-Q filings are available on the SEC's website at [www.sec.gov](http://www.sec.gov). Those forms may be reviewed and copied at the SEC's Public Reference Room in Washington D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

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### BOARD OF DIRECTORS

Simms C. Browning, Chairman  
Donald G. Calder  
David C. Colander  
Jay R. Inglis  
Dudley D. Johnson  
Wilmot H. Kidd  
C. Carter Walker, Jr.

### OFFICERS

Wilmot H. Kidd, President  
Charles N. Edgerton, Vice President and Treasurer  
Marlene A. Krumholz, Secretary

### OFFICE

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New York, NY 10111  
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866-593-2507 (toll-free)  
[www.centalsecurities.com](http://www.centalsecurities.com)

### TRANSFER AGENT AND REGISTRAR

# Edgar Filing: CENTRAL SECURITIES CORP - Form N-CSRS

Computershare Trust Company, N.A.  
P.O. Box 43069, Providence, RI  
02940-3069  
800-756-8200  
www.computershare.com

CUSTODIAN

UMB Bank, N. A.  
Kansas City, MO

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP  
New York, NY

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Item 2. Code of Ethics. The information required by this Item is only required in an annual report on this Form N-CSR.

Item 3. Audit Committee Financial Experts. The information required by this Item is only required in an annual report on this Form N-CSR.

Item 4. Principal Accountant Fees and Services. The information required by this Item is only required in an annual report on this Form N-CSR.

Item 5. Audit Committee of Listed Registrants. The information required by this Item is only required in an annual report on this Form N-CSR.

Item 6. Schedule of Investments. Schedule is included as a part of the report to shareholders filed under Item 1 of this Form.

Item 7. Disclose Proxy Voting Policies and Procedures for Closed-End Management Companies. The information required by this Item is only required in an annual report on this Form N-CSR.

Item 8. Portfolio Managers of Closed-End Management Investment Companies. The information required by this Item is only required in an annual report on this Form N-CSR.

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

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Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs
Month #1 (January 1 through January 31)	0	NA	NA
Month #2 (February 1	0	NA	NA

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through February 28)

Month #3 (March 1 through March 31)	28,600	\$10.913	NA
Month #4 (April 1 through April 30)	20,800	\$13.461	NA
Month #5 (May 1 through May 31)	0	NA	NA
Month #6 (June 1 through June 30)	0	NA	NA
Total	49,400	\$11.986	NA

Item 10. Submission of Matters to a Vote of Security Holders. There have been no changes to the procedures by which shareholders may recommend nominees to the registrant's board of directors since such procedures were last described in the Corporation's proxy statement dated February 5, 2009.

Item 11. Controls and Procedures.

(a) The Principal Executive Officer and Principal Financial Officer of Central Securities Corporation (the "Corporation") have concluded that the Corporation's Disclosure Controls and Procedures (as defined in Rule 30a-2(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 changes in the Corporation's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Item 12. Exhibits. (a) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit. The information required by this Item is only required in an annual report on this Form N-CSR.

(b) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Act. Attached hereto.

(c) Any written solicitation to purchase securities under Rule 23c-1 under the Act sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons. Not Applicable.

### 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.

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Central Securities Corporation

By: /s/ Wilmot H. Kidd  
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Wilmot H. Kidd  
President

July 30, 2009  
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Date

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 capabilities and on the dates indicated.

By: /s/ Wilmot H. Kidd  
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Wilmot H. Kidd  
President

July 30, 2009  
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Date

By: /s/ Charles N. Edgerton  
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Charles N. Edgerton  
Treasurer

July 30, 2009  
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Date