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DAXOR CORP  
Form 10-Q  
November 14, 2001

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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FORM 10-Q

Quarterly Report Under Section 13 or 15(d)  
of the  
Securities Act of 1934

FOR QUARTER ENDED SEPTEMBER 30, 2001  
Commission File Number 0-12248

DAXOR CORPORATION  
(Exact Name as Specified in its Charter)

New York  
(State or Other Jurisdiction of  
Incorporation or Organization)

13-2682108  
(I.R.S. Employer  
Identification No.)

350 Fifth Ave  
Suite 7120  
New York, New York 10118

(Address of Principal Executive Offices & Zip Code)

Registrant's Telephone Number: (212) 244-0555  
(Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS	OUTSTANDING AT SEPTEMBER 30, 2001
----- COMMON STOCK	
PAR VALUE: \$.01 per share	4,664,909

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December 31, 2000 F-1

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DAXOR CORPORATION  
FINANCIAL STATEMENTS

DAXOR CORPORATION

CONSOLIDATED BALANCE SHEETS [UNAUDITED]

	September 30, 2001	December 31, 2000
	-----	-----
<b>ASSETS</b>		
=====		
<b>CURRENT ASSETS</b>		
Cash	\$ 55,525	\$ 18,439
Marketable Securities at Fair Value September 30, 2001 and December 31, 2000. (Notes 1 and 2)	42,379,751	48,722,403
Accounts receivable	185,949	107,927
Other current assets	383,183	363,758
	-----	-----
Total Current Assets	43,004,408	49,212,527
<b>EQUIPMENT AND IMPROVEMENTS</b>		
Storage tanks	125,815	125,815
Leasehold improvements, furniture and equipment	837,807	836,813
Laboratory equipment	278,087	278,087
	-----	-----
	1,241,709	1,240,715
Less: Accumulated depreciation and amortization	954,215	919,414
	-----	-----
Net equipment and improvements	287,494	321,301
Other Assets	40,190	41,290
Total Assets	\$ 43,332,092	\$ 49,575,118
	=====	=====
-----		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
=====		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 37,547	\$ 42,431
Loans payable (Notes 1 and 2)	1,968,281	1,775,363
Other Liabilities	10,866	73,741
Deferred Taxes (Note 1)	6,753,673	9,011,745
	-----	-----

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Total Liabilities	8,770,367	10,903,280
SHAREHOLDERS' EQUITY		
Common stock, par value \$.01 per share:		
Authorized 10,000,000 shares: issued and		
outstanding shares 4,664,909 September 30,		
2001 and 4,664,909 December 31, 2000	53,097	53,097
Additional Paid in capital	9,798,232	9,798,232
Net unrealized holding gains		
on available-for-sale securities (Note 1)	13,110,085	17,493,387
Retained earnings	16,413,841	16,140,652
Treasury stock	(4,813,530)	(4,813,530)
	-----	-----
Total Shareholders' Equity	34,561,725	38,671,838
Total Liabilities and Shareholders' Equity	\$ 43,332,092	\$ 49,575,118
	=====	=====

See accompanying notes to consolidated financial statements

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DAXOR CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	THREE MONTHS ENDED September 30,		NINE MONTHS ENDED September 30,	
	2001	2000	2001	2000
	----	----	----	----
REVENUES:				
Operating revenues	\$ 185,705	\$ 167,211	\$ 464,699	\$ 520,000
Other revenues	44,180	15,267	143,504	6,000
Dividend income	452,536	456,104	1,391,701	1,391,701
Gains (losses) on sale of securities	2,171	178,238	11,902	18,000
Total Revenues	684,592	816,820	2,011,806	2,175,701
	-----	-----	-----	-----
COSTS AND EXPENSES				
Operations of Laboratories	171,577	324,846	600,790	840,000
Selling, General, and Administrative	344,594	355,842	1,015,196	1,050,000
Interest expense, net of interest income	32,320	57,393	101,903	15,000
Total Costs and Expenses	548,491	738,081	1,717,889	2,005,000
	-----	-----	-----	-----
Net Income (Loss) Before Income Taxes	136,101	78,739	293,917	170,701

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Provision for income taxes	(2,864)	12,386	20,728	1
	-----	-----	-----	-----
Net Income (Loss)	\$ 138,965	\$ 66,353	\$ 273,189	\$ 9
	=====	=====	=====	=====
Weighted Average Number of Shares Outstanding	4,664,909	4,672,909	4,664,909	4,67
Net Income or (Loss) per Common Equivalent Share	\$ 0.03	\$ 0.01	\$ 0.06	\$
	=====	=====	=====	=====

See accompanying notes to financial statements

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DAXOR CORPORATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)  
FOR THE NINE MONTHS ENDED

	SEPTEMBER 30, 2001 ----	SEPTEMBER 30, 2000 ----
-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
-----		
Net income or (loss)	\$ 273,189	\$ 98,585
-----		
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation equipment and improvements	34,801	42,996
(Gain) loss on sale of investments	(11,902)	(184,243)
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(78,022)	(101,834)
(Increase) decrease in other current assets	(19,425)	181,886
(Increase) decrease in other assets	1,100	3,000
Increase (decrease) in accounts payable, accrued and other liabilities net of "short sales"	(3,784)	(78,603)
-----		
Total adjustments	(77,232)	(136,798)
-----		
Net cash provided by or (used in) operating activities	195,957	(38,213)
-----		
CASH FLOWS FROM INVESTING ACTIVITIES:		
-----		
Payment for purchase of equipment and improvements	(994)	(2,900)
Net cash provided or (used) in purchase and sale of investments	(354,404)	922,535

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Net proceeds (repayments) of loans from		
brokers used to purchase investments	192,918	(687,667)
Proceeds from "short sales" not closed	3,609	27,342
Net cash provided by or (used in) investing activities	(158,871)	259,310
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment for purchase of treasury stock		(269,813)
Net cash provided by or (used in) financing activities	--	(269,813)
Net increase (decrease) in cash and cash equivalents	37,086	(48,716)
Cash and cash equivalents at beginning of year	18,439	67,783
Cash and cash equivalents at end of period	\$ 55,525	\$ 19,067

See accompanying notes to financial statements

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### DAXOR CORPORATION

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

##### NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000

In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of September 30, 2001, and December 31, 2000, the results of operations for the three and nine months ended September 30, 2001 and 2000 and cash flows for the nine months ended September 30, 2001 and 2000. The consolidated financial statements include the accounts of the Company and its subsidiary. All significant intercompany transactions and balances have been eliminated in consolidation.

#### (1) MARKETABLE SECURITIES

Upon adoption of FASB No. 115, management has determined that the company's portfolio is best characterized as "Available-For-Sale". This has resulted in the balance sheet carrying value of the company's marketable securities investments, as of September 30, 2001 and December 31, 2000 being increased approximately 88.22% and 119.30% respectively over its historical cost. A corresponding increase in shareholders' equity has been effectuated. In accordance with the provisions of FASB No. 115, the adjustment in shareholders' equity to reflect the company's unrealized gains has been made net of the tax effect had these gains been realized.

The following tables summarize the company's investments as of :

September 30, 2001  
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Type of ----- security -----	Cost -----	Fair Value -----	Unrealized ----- holding gains -----	Unrealized ----- holding losses -----
Equity	\$22,501,134	\$47,378,851	\$20,805,341	\$ 927,624
Debt	14,859	900	-0-	13,959
Total	\$22,515,993 =====	\$42,379,751 =====	\$20,805,341 =====	\$ 941,583 =====

September 30, 2000  
-----

Type of ----- security -----	Cost -----	Fair Value -----	Unrealized ----- holding gains -----	Unrealized ----- holding losses -----
Equity	\$22,202,412	\$48,721,503	\$27,425,484	\$ 906,393
Debt	14,859	900	0	13,959
Total	\$22,217,271 =====	\$48,722,403 =====	\$27,425,484 =====	\$ 920,352 =====

At September 30, 2001 the securities held by the Company had a market value of \$ 42,379,751 and a cost basis of \$ 22,515,993 resulting in a net unrealized gain of \$ 19,863,758 or 88.22% of cost.

At December 31, 2000 the securities held by the Company had a market value of \$48,722,403 and a cost basis of \$ 22,217,271 resulting in a net unrealized gain of \$26,505,132 or 119.30% of cost.

At September 30, 1999 and December 31, 1998 marketable securities, primarily consisting of preferred and common stocks of utility companies, are valued at fair value.

(2) LOANS PAYABLE

As at September 30, 2001 and December 31, 2000, the Company had loans outstanding aggregating \$1,000,000 borrowed on a short term basis from a bank, which are secured by certain marketable securities of the Company. The loans bear interest at approximately 7.1875%.

Short term margin debt due to brokers, secured by the Companies marketable securities, totaled \$968,281 at September 30, 2001 and \$775,363 at December 31, 2000.

Part II OTHER INFORMATION

Item 1.

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Legal Proceedings

None

### MANAGEMENT'S DISCUSSION AND ANALYSIS RESULTS OF OPERATIONS AND FINANCIAL CONDITION

ITEM 2.

#### RESULTS OF OPERATIONS

Three months ended September 30, 2001 as compared with three months ended September 30, 2000.

For the three months ended September 30, 2001 total revenues were \$684,592 down from \$816,820 in 2000. Operating revenues were \$185,705 in 2001 up from \$167,211 in 2000. Dividend income was \$452,536 with a net interest expense of \$32,320 in 2001, as compared to dividend income of \$456,104 with a net interest expense of \$57,393 in 2000. In 2001, the Company had a net income of \$136,101 before income taxes versus a net income of \$78,739 before income taxes in 2000. The Company anticipates that it's sales of equipment and kits will become the major source of income for the Company.

Nine months ended September 30, 2001 as compared with nine months ended September 30, 2000.

For the nine months ended September 30, 2001, total revenues were \$2,011,806 down from \$2,174,599 in 2000. Operating revenues were \$464,699 down from \$529,208 in 2000. Dividend income was \$1,391,701 with a net interest expense of \$101,903, as compared to the dividend income of \$1,395,649 with a net interest expense of \$157,567 in 2000. In 2000, the Company had \$184,243 in capital gains vs. \$11,902 in 2001. In 2001, the Company had a net income of \$293,917 before income taxes versus \$112,331 before income taxes in 2000. Operations income in 2000 was greater than in 2001 because of direct sales of the BVA-100. The Company has adopted a policy that encourages leasing or renting of equipment to enable hospitals to test the equipment. This results in a sale of kits but a slower recognition of operating income from BVA sales.

#### LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2001 the Company had total assets of \$43,332,092 and total liabilities of \$8,770,367 with shareholders' equity of \$34,561,725. The Company has a net pre-taxed unrealized gain of \$19,863,758 and \$13,110,085 of net after tax unrealized capital gains on available-for-sale securities in its portfolio. This amount is included in the calculation of Total Shareholders' Equity. The Company's stock portfolio had a market value of \$42,379,751 with short-term loans of \$1,968,281 with 4,664,909 shares outstanding.

The Company has adequate resources for the current marketing level of its Blood Volume Analyzer as well as capital to sustain its localized semen and blood banking services. The Company is reviewing various options in regard to establishing a nationwide sales force as opposed to utilizing independent local dealer distribution networks for marketing the Blood Volume Analyzer. The Company is currently negotiating a possible agreement in the near future for distribution of the Blood Volume Analyzer in Japan. The Company has an instrument loaner reagent plan which requires use of the Company's reserves.

Under a sale or a lease plan, the Company receives income immediately on its equipment. The equipment loaner reagent plan permits a user to make a minimal initial capital commitment. This results in a slower return on capital expenditure for the Company. The Company is currently leasing its equipment

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directly. If the leasing program becomes more widely accepted, then the Company will attempt to arrange for leases through independent leasing companies, to whom it will sell the BVA-100. The Company is evaluating blood volume instrumentation management programs for hospitals. Under such a plan, the Company would provide equipment and personnel on a sub-contract basis. The Company will use its current financial reserves primarily for developing and marketing the Blood Volume Analyzer. The Company is evaluating various options to expand blood banking services in conjunction with the use of the Blood Volume Analyzer.

The Company did not file any reports on form 8-K.