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DAXOR CORP
Form 10-Q
May 15, 2001

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR QUARTER ENDED MARCH 31, 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.)
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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 MARCH 31, 2001
COMMON STOCK PAR VALUE: \$.01 per share	4,664,909

PART I. FINANCIAL INFORMATION

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DAXOR CORPORATION FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	March 31, 2001 ----	December 31, 2000 ----
ASSETS		
CURRENT ASSETS		
Cash	\$ 57,012	\$ 18,439
Marketable Securities at Fair Value March 31, 2001 and December 31, 2000, (Notes 1 and 2)	46,660,425	48,722,403
Accounts receivable	124,808	107,927
Other current Assets	330,235	363,758
	-----	-----
Total Current Assets	47,172,480	49,212,527
EQUIPMENT AND IMPROVEMENTS		
Storage tanks	125,815	125,815
Leasehold improvements, furniture and equipment	837,015	836,813
Laboratory equipment	278,087	278,087
	-----	-----
	1,240,917	1,240,715
Less: Accumulated depreciation and amortization	930,933	919,414

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Net equipment and improvements	309,984	321,301
Other Assets	41,290	41,290
Total Assets	\$ 47,523,754	\$ 49,575,118
=====		
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 89,265	\$ 42,431
Loans payable (Notes 1 and 2)	1,885,737	1,775,363
Other Liabilities	87,858	73,741
Deferred Taxes (NOTE 1)	8,242,257	9,011,745
Total Liabilities	10,305,117	10,903,280
SHAREHOLDERS' EQUITY		
Common stock, par value \$.01 per share: Authorized 10,000,000 shares: issued and Outstanding shares 4,664,909 March 31, 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)	15,999,675	17,493,387
Retained earnings	16,181,163	16,140,652
Treasury stock	(4,813,530)	(4,813,530)
Total Shareholders' Equity	37,218,637	38,671,838
Total Liabilities and Shareholders' Equity	\$ 47,523,754	\$ 49,575,118
=====		

See accompanying notes to consolidated financial statements

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DAXOR CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31,

	2001	2000
	----	----
Revenues:		
Operating revenues	\$ 140,077	\$ 211,559
Other revenues	\$ 42,334	\$ 24,441
Dividend income	473,919	473,494
Gains/(losses) on sale of securities	(8,704)	8,242
Total revenues	647,626	717,736

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Costs and expenses:		
Operations of Laboratories & Costs of Production	220,240	206,594
Selling, General, and Administrative	333,197	370,707
Interest expense, net of interest income	34,409	45,082
	-----	-----
Total Costs and Expenses	587,846	622,383
	-----	-----
Net Income Before Income Taxes	59,780	95,353
Provision for income taxes	19,269	1,360
	-----	-----
Net Income	\$ 40,511	\$ 93,993
	=====	=====
Weighted Average Number of Shares Outstanding	4,664,609	4,685,576
	=====	=====
Net Income per Common Equivalent Share	\$ 0.01	\$ 0.02
	=====	=====

See accompanying notes to consolidated financial statements

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DAXOR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31,

	2001	2000
	----	----
Cash flows from operating activities:		
Net income or (loss)	\$ 40,511	\$ 93,993
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation Equipment and improvements	11,519	14,332
(Gain) loss on sale of investments	8,704	(8,242)
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(16,881)	(1,796)
(Increase) decrease in other current assets	33,523	133,372
Increase (decrease) in accounts payable, accrued and other liabilities net of "short sales"	47,434	(19,882)
	-----	-----
Total adjustments	84,299	117,784
	-----	-----
Net cash (used in) operating activities	124,810	211,777
	-----	-----
Cash flows from investing activities		
Payment for purchase of equipment and improvements	(202)	(2,899)

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Net cash provided or (used) in purchase and sale of investments	(277,510)	(243,664)
Net proceeds (repayments) of loans from brokers used to purchase investments	110,374	114,366
Proceeds from "short sales" not closed	81,101	56,998
	-----	-----
Net cash provided by/(used in) investing activities	(86,237)	(75,199)
	-----	-----
Cash flows from financing activities		
Payment for purchase of treasury stock	0	(106,063)
	-----	-----
Net cash provided by/(used in) financing activities	0	(106,063)
	-----	-----
Net increase (decrease) in cash and cash equivalents	38,573	30,515
Cash and cash equivalents at beginning of year	18,439	67,783
	-----	-----
Cash and equivalents at the end of period	\$ 57,012	\$ 98,298
	-----	-----

See accompanying notes to consolidated financial statements

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DAXOR CORPORATION

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

THREE MONTHS ENDED MARCH 31, 2001 AND 2000

In the opinion of the Company, the accompanying unaudited financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of March 31, 2001, and December 31, 2000, the results of operations for the three months ended March 31, 2001 and 2000 and cash flows for the three months ended March 31, 2001 and 2000.

(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 March 31, 2001 and December 31, 2000 being increased approximately 108.13% 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:

March 31, 2001

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Type of Security	Cost	Fair Value	Unrealized Holding gains	Unrealized Holding gains
-----	----	-----	-----	-----
Equity	\$22,403,634	\$ 46,659,525	\$25,250,566	\$
Debt	14,859	900		
	-----	-----	-----	-----
Total	\$22,418,493	\$46,660,425	\$25,250,566	\$
	=====	=====	=====	=====

December 31, 2000

Type of Security	Cost	Fair Value	Unrealized Holding gains	Unrealized Holding gains
-----	----	-----	-----	-----
Equity	\$22,202,412	\$48,721,503	\$27,425,484	\$
Debt	14,859	900	0	
	-----	-----	-----	-----
Total	\$22,217,271	\$48,722,403	\$27,425,484	\$
	=====	=====	=====	=====

At March 31, 2001 the securities held by the Company had a market value of \$46,660,425 and a cost basis of \$22,418,493 resulting in a net unrealized gain of \$24,241,932 or 108.13% 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 \$25,505,132 or 119.30% of cost.

At March 31, 2001 and December 31, 2000 marketable securities, primarily consisting of preferred and common stocks of utility companies, are valued at fair value.

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(2) LOANS PAYABLE

As at March 31, 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

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securities, totaled \$885,737 at March 31, 2001 and \$775,363 at December 31, 2000.

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PART II. OTHER INFORMATION

ITEM 1.

Legal Proceedings

There are no current legal proceedings. The Company is not aware of any pending legal proceedings.

MANAGEMENT'S DISCUSSION ANALYSIS RESULTS OF OPERATIONS AND FINANCIAL CONDITION

ITEM 2.

RESULTS OF OPERATIONS

Three months ended March 31, 2001 as compared with three months ended March 31, 2000.

For the three months ended March 31, 2001, total revenues were \$647,626 down from \$717,636 in 2000. Capital gains in 2000 contributed \$8,242 and was a loss of \$8,704 in 2001. Operating revenues in the first quarter of 2000 included the sale of 3 Blood Volume Analyzers. The Company is now focusing on a lease or loaner plan for its Blood Volume Analyzer which results in less immediate income. The Company may elect to directly lease its own equipment. Under such plans, income would be recorded over the term of the lease. If equipment is sold to a leasing company, then it would be recorded as a direct sale. Dividend income in 2001 was \$473,919 with a net interest expense of \$34,409, as compared to dividend income of \$473,494 with a net interest expense of \$45,082 in 2000. In 2001, the Company had a net profit of \$59,780 before income taxes versus \$95,353 before income taxes in 2000. In 2001, the Company had a net profit of \$59,780 before income taxes versus \$95,353 before income taxes in 2000. The Company received in the first quarter of 2000 its first income from the Blood Volume Analyzer. The Company anticipates that it's sales of equipment and kits will become the major source of income for the Company. The Company is currently initiating distribution networks but no income has yet been received from sales by non-Company personnel.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2001 the Company had total assets of \$47,523,754 and total liabilities of \$10,305,117 with shareholders' equity of \$37,218,637. The Company has a net pre-taxed unrealized gain of \$24,241,932 and \$15,999,675 of net after tax unrealized capital gains on available-for-sale securities in its portfolio. This amount is included in the calculation of Total Shareholder's Equity. The Company's stock portfolio had a market value of \$46,660,425 with short-term loans of \$1,885,737 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

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dealer distribution networks. The Company is evaluating the possibility of acquiring additional capital, which would enable it to undertake a more rapid marketing program nationally as well as internationally. The Company has an instrument loaner reagent plan which requires use of the Company's reserves. Because of higher reagent cost, such plans have the potential for an ultimate higher return for the Company. The Company's experience to date on equipment sales has been too limited to evaluate whether sales or loaner reagent plans will predominate. The Company will arrange some 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 financial reserves primarily for developing and marketing the Blood Volume Analyzer.

The Company did not file any reports on form 8-K during the first three months of 2001.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DAXOR CORPORATION
(Registrant)

Date:	May 14, 2001	/s/ ----- JOSEPH FELDSCHUH, M.D. President
Date:	May 14, 2001	/s/ ----- DAN WELLINGTON Vice President
Date:	May 14, 2001	/s/ ----- OCTAVIA ATANASIU Treasurer
Date:	May 14, 2001	/s/ ----- VIRGINIA FITZPATRICK Secretary