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DAXOR CORP  
Form 10-Q  
May 15, 2002

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 MARCH 31, 2002  
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 MARCH 31, 2002
----- COMMON STOCK	
PAR VALUE: \$.01 per share	4,664,909

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DAXOR CORPORATION  
FIANNCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

	MARCH 31, 2002 ----	DECEMBER 31, 2001 ----
-----		
ASSETS		
-----		
CURRENT ASSETS		
Cash	\$ 300,850	\$ 431,949
Marketable Securities at Fair Value March 31, 2002 and December 31, 2001. (Notes 1 and 2)	45,231,112	42,271,902
Accounts receivable	177,099	174,242
Other current assets	315,825	312,310
	-----	-----
Total Current Assets	46,024,886	43,190,403
EQUIPMENT AND IMPROVEMENTS		
Storage tanks	125,815	125,815
Leasehold improvements, furniture and equipment	845,195	837,807
Laboratory equipment	290,104	288,087
	-----	-----
	1,261,114	1,251,709
Less: Accumulated depreciation and amortization	989,090	975,593
	-----	-----
Net equipment and improvements	272,024	276,116
Other Assets	73,051	73,634
Total Assets	\$ 46,369,961 =====	\$ 43,540,153 =====
-----		
LIABILITIES AND SHAREHOLDER' EQUITY		
-----		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 78,262	\$ 52,855
Loans payable (Notes 1 and 2)	719,485	1,000,000
Other Liabilities	51,472	22,885
Deferred Taxes (Note 1)	8,163,523	7,135,446
	-----	-----
Total Liabilities	9,012,742	8,211,186

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SHAREHOLDERS' EQUITY

Common stock, par value \$.01 per share: Authorized 10,000,000 shares: issued and outstanding shares 4,664,909 March 31, 2002 and 4,664,909 December 31,2001	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)	15,846,839	13,851,161
Retained earnings	16,472,581	16,440,007
Treasury Stock	(4,813,530)	(4,813,530)
	-----	-----
Total Shareholders' Equity	37,357,219	35,328,967
Total Liabilities and Shareholders' Equity	\$ 46,369,961	\$ 43,540,153
	=====	=====

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,

	2002	2001
	-----	-----
Revenues		
-----		
Operating revenues	\$ 193,063	\$ 140,077
Other revenues	\$ 11,986	\$ 42,334
Dividend income	455,986	473,919
Gains/(losses) on sale of securities	803	(8,704)
	-----	-----
Total Revenues	661,838	647,626
-----		
Costs and Expenses		
-----		
Operations of Laboratories & Costs of Production	202,748	220,240
Selling, General, and Administrative	399,198	333,197
Interest expense, net of interest income	11,572	34,409
	-----	-----
Total Costs and Expenses	613,518	587,846
-----		
Net Income Before Income Taxes	48,320	59,780
Provision for income taxes	15,746	19,269
	-----	-----
Net Income	\$ 32,574	\$ 40,511
	=====	=====
Weighted Average Number of Shares Outstanding	4,664,909	4,664,909
	=====	=====
Net Income per Common Equivalent Share	\$ 0.01	\$ 0.01

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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,

	2002	2001
	-----	-----
Cash flows from operating activities:		
-----		
Net Income or (loss)	\$ 32,574	\$ 40,511
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation & Amortization	14,080	11,519
(Gain) loss on sale of investments	(803)	8,704
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,857)	(16,881)
(Increase) decrease in other current assets	(3,515)	33,523
Increase (decrease) in accounts payable, accrued and other liabilities net of "short sales"	26,750	47,434
	-----	-----
Total adjustments	33,655	84,299
	-----	-----
Net cash provided by operating activities	66,229	124,810
	-----	-----
Cash flows from investing activities:		
Payment for purchase of equipment and improvements	(9,405)	(202)
Net cash provided or (used) in purchase and sale of investments	49,220	(277,510)
Net proceeds (repayments) of loans from brokers used to purchase investments	19,485	110,374
Proceeds from "short sales" not closed	43,372	81,101
	-----	-----
Net cash provided by/ (used in) investing activities	102,672	(86,237)
	-----	-----
Cash flows from financing activities		
Repayment of bank loan	(300,000)	0
	-----	-----
Net cash provided by/ (used in) financing activities	(300,000)	0
	-----	-----
Net increase (decrease) in cash and cash equivalents	(131,099)	38,573
Cash and cash equivalents at beginning of year	431,949	18,439
	-----	-----
Cash and cash equivalents at end of period	\$ 300,850	\$ 57,012
	-----	-----

See accompanying notes to consolidated financial statements

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## NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

THREE MONTHS ENDED MARCH 31, 2002 AND 2001

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, 2002, and December 31, 2001, the results of operations for the three months ended March 31, 2002 and 2001 and cash flows for the three months ended March 31, 2002 and 2001.

### (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, 2002 and December 31, 2001 being increased approximately 113.15 % and 98.60 % 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, 2002				
Type of security	Cost	Fair Value	Unrealized Holding gains	Unrealized holding losses
-----	-----	-----	-----	-----
Equity	\$21,205,891	\$45,230,212	\$24,134,750	\$ 110,429
Debt	14,859	900		13,959
Total	\$21,220,750	\$45,231,112	\$24,134,750	\$ 124,388
	=====	=====	=====	=====

December 31, 2001				
Type of security	Cost	Fair Value	Unrealized Holding gains	Unrealized holding losses
-----	-----	-----	-----	-----
Equity	\$21,270,436	\$42,271,002	\$21,182,144	\$ 181,578
Debt	14,859	900	0	13,959
Total	\$21,285,295	\$42,271,902	\$21,182,144	\$ 195,537
	=====	=====	=====	=====

At March 31, 2002 the securities held by the Company had a market value of \$45,231,112 and a cost basis of \$21,220,750 resulting in a net unrealized gain of \$24,010,362 or 113.15% of cost.

At December 31, 2001, the securities held by the Company had a market value of \$42,271,902 and a cost basis of \$21,285,295 resulting in a net unrealized gain of \$20,986,607 or 98.60% of cost.

At March 31, 2002 and December 31, 2001 marketable securities, primarily

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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, 2002 and December 31, 2001, the Company had loans outstanding aggregating \$700,000 and \$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 5.7%.

Short term margin debt due to brokers, secured by the Companies marketable securities, totaled \$19,485 at March 31, 2002 and \$-0- at December 31, 2001.

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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 AND ANALYSIS RESULTS OF OPERATIONS AND FINANCIAL CONDITION

### ITEM 2.

#### RESULTS OF OPERATIONS

Three months ended March 31, 2002 as compared with three months ended March 31, 2001.

For the three months ended March 31, 2002, total revenues were \$661,838 up from \$647,626 in 2001. Increased kit sales were a factor resulting in increased revenues. There were Capital gains in 2002 of \$803 vs. a loss of (\$8,704) in 2001. Operating revenues were \$193,063 in 2002 up from \$140,077 in 2001. The Company is now focusing on a lease or loaner plan for its Blood Volume Analyzer which results in less immediate income from instrument sales, but greater income from the kits. 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 was sold to a leasing company, then it would be recorded as a direct sale. Dividend income in 2002 was \$455,986 with a net interest expense of \$11,572, as compared to dividend income of \$473,919 with a net interest expense of \$34,409 in 2001. In 2002, the Company had a net profit before income taxes of \$48,320 versus \$59,780 in 2001. The Company anticipates that it's sales of instruments 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, 2002 the Company had total assets of \$46,369,961 and total liabilities of \$9,012,742 with shareholders' equity of \$37,357,219. The Company has a net pre-taxed unrealized gain of \$24,010,362 and \$ 15,846,839 of net after tax unrealized capital gains on available-for-sale securities in its portfolio.

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This amount is included in the calculation of Total Shareholders' Equity. The Company's stock portfolio had a market value of \$45,231,112 with short-term loans of \$719,485 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. 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 plan which requires use of the Company's reserves. Such plans, however, have the potential for an ultimate higher return for the Company. 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, but will begin to develop blood banking programs in conjunction with hospitals.

The Company did not file any reports on form 8-K during the first three months of 2002.

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

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(Registrant)

DATE: May 14,2002

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JOSEPH FELDSCHUH, M.D.  
President

DATE: May 14,2002

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GARY FISCHMAN, Ph.D.  
Vice President

DATE: May 14,2002

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OCTAVIA ATANASIU  
Treasurer

DATE: May 14,2002

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DIANE MEEGAN  
Secretary