

DAXOR CORP  
Form N-CSRS  
August 25, 2017

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

**FORM N-CSRS**

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

INVESTMENT COMPANY ACT FILE NUMBER 811-22684

**DAXOR CORPORATION**

(Exact name of registrant as specified in charter)

350 Fifth Avenue

Suite 4740

New York, NY 10118

(Address of principal executive offices) (Zip code)

Michael Feldschuh

350 Fifth Avenue

Suite 4740

New York, NY 10118

(Name and address of agent for service)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: 1-212-330-8500

DATE OF FISCAL YEAR END: DECEMBER 31

DATE OF REPORTING PERIOD: JANUARY 1, 2017 to JUNE 30, 2017

Item 1. Report to Shareholders

**Daxor Corporation**

**Financial Statements  
For the Period Ended  
June 30, 2017**

**Table of Contents**

<b>Title</b>	<b>Page</b>
<u>Shareholder Letter</u>	1 – 3
<u>Schedule of Investments</u>	4 – 7
<u>Summary of Options</u>	8
<u>Statement of Assets and Liabilities</u>	9
<u>Statement of Operations</u>	10
<u>Statements of Changes in Net Assets</u>	11
<u>Statement of Cash Flows</u>	12
<u>Financial Highlights</u>	13 – 14
<u>Notes to Financial Statements</u>	15 – 27
<u>Supplemental Data</u>	
<u>General</u>	28
<u>Privacy Policy</u>	29
<u>About the Company's Directors and Officers</u>	30

ITEM 1

Daxor Corporation

August 21, 2017

Dear Fellow Shareholder:

Daxor Corporation is an investment company with medical instrumentation and biotechnology operations. We have attached a report of our portfolio holdings and investment activity for the six months ended June 30, 2017. Please review this information carefully.

Daxor has been reporting as an investment company under the Investment Company Act of 1940 since January 1, 2012. During the first six months of 2017 our NAV declined from \$4.04 per share to \$3.87 per share.

Daxor has been actively engaged in a program of increasing operating efficiency and efforts to focus its marketing and sales efforts in its operating division on its key products in the blood volume measurement field. The year over year loss of the operating company has fallen while our kit sales have held steady, arresting the modest decline from previous reporting periods.

Management believes strongly that the technology of the operating company is significantly superior to current medical practices for detecting blood volume derangements and with proper physician education and outreach the adoption of our device should grow significantly. In addition to the company's own sales force, management also seeks to grow the business through strategic partnerships with other health care companies. Daxor continues to invest in further research and development as has an active development program focused on the next generation of our products.

The company also continues to explore the possibility of partnering with another company with the appropriate scientific expertise and financial assets to begin a more aggressive marketing program even as we have our own restructuring underway. Management believes the potential benefits for an acquiring or partnering company are significant because of our intellectual property as well as the technologic superiority of our device.

The Company's investment policy is to maintain a minimum of 80% of its portfolio in electric utilities (currently 79.04%). The Board of Directors has authorized this minimum to be temporarily lowered to 70% when management deems it to be necessary or advisable. Investments in non-utility stocks will generally not exceed 20% of the value of the portfolio. The company has benefited from the benign interest rate environment and dividends which have added to our bottom line, however a strong move in the long end of the yield curve represents a risk of loss to the company's investment strategy. The company has written covered calls on some of its interest-bearing stocks; however this risk has not been completely removed by such hedging activity.

The Company also engages in the short selling of stock and uncovered calls. When this occurs, the short position is marked to market, and this adjustment is recorded as an unrealized gain or loss in the statement of operations. The Company uses historical cost to determine all gains and losses. The fair market value is readily obtainable because all of the Company's marketable securities are classified as Level 1.

The Company also uses options as follows in order to increase yearly investment income:

The use of "Call" Options. Covered options can be sold up to a maximum of 20% of the value of the portfolio. This provides extra income in addition to dividends received from the Company's investments. The risk of this strategy is that investments may be called away, which the Company may have preferred to retain. Therefore, a limitation of 20% is placed on the amount of stock on which options can be written. The amount of the portfolio on which options are actually written is usually between 3-10% of the portfolio. The historical turnover of the portfolio is such that the average holding period is in excess of ten years for our securities.

The use of "Put" options. Put options are written on stocks which the Company is willing to purchase. While the Company does not have a high rate of turnover in its portfolio, there is some turnover; for example, due to preferred stocks being called back by the issuing Company, or stocks being called away because call options have been written. If the stock does not go below the put exercise price, the Company records the proceeds from the sale as income. If the put is exercised, the cost basis is reduced by the proceeds received from the sale of the put option. There may be occasions where the cost basis of the stock is lower than the market price at the time the option is exercised.

Speculative Short Sales/Short Options. The Company normally limits its speculative transactions to no more than 15% of the value of the portfolio. The Company may sell uncovered calls on certain stocks. If the stock price does not rise to the price of the call, the option is not exercised and the Company records the proceeds from the sale of the call as income. If the call is exercised, the Company will have a short position in the related stock. The Company then has the choice of covering the short position, or selling a put against it. If the put is exercised, then the short position is covered. The Company's current accounting policy is to mark to market at the end of each quarter any short positions and include it in the income statement. While the Company may have speculative positions equal to 15% of its accounts, in actual practice the net short stock positions usually account for less than 10% of the assets of the Company.

At June 30, 2017, the Company had net assets of \$14,683,612 or \$3.87 per share versus net assets of \$15,344,309 or \$4.04 per share at December 31, 2016. The Company had net dividend income of \$271,710, net realized gains from investments of \$155,639, net realized gains from options of \$219,520, and a net change in the unrealized appreciation on investments of \$683,345. These amounts were offset by realized losses on the sale of short positions of \$499,566 and realized losses from the operating division of \$1,304,115. The total realized and unrealized loss on investments for the six month period ending on June 30, 2017 was \$745,177.

The Company has benefited from its decision to focus primarily on its operating company operations and reduce its dependence on income from short term stock market investing. This focus on a more conservative investing style yielded rewards during this reporting period as the trend favoring utility stocks contributed positively to the NAV, and management plans to continue its scaled-down program, while making the primary focus of the Company its operational division. Because of its investing program, the SEC currently classifies Daxor as an investment company, and we understand why the SEC has required the Company to be designated as such. Our primary focus has always been on our operational objectives. The Company anticipates that as income from operations increases that it will, at a future time, request a change back to its previous designation as an operating company and report accordingly.

In addition to being selected by several clinical trials for inclusion as a metric of outcome in the past year, the company will seek to expand its use to further prove its value. The company has also seen remarkable research published using the BVA-100 device in the past year and anticipates that studies underway or in the planning stages will potentially yield more exciting research and clinical benefits from its use.

The strong trend of healthcare is toward individualized care and cost-effectiveness. Our instrument is a non-invasive, inexpensive, and rapid solution to the problem of how to accurately manage the fluid levels of patients, whether it is in the heart failure clinic or the ICU, and studies published and presented are proving just how exciting the potential for this approach is. Reducing mortality, lowering complications, reducing hospital resource use and length of stay with a non-invasive and 98% accurate test is achievable with our patented technology, and we are working hard to get that message out.

Any shareholder who is interested in learning more about our medical instrumentation and biotechnology operations should visit our website at [www.daxor.com](http://www.daxor.com) for more detailed information. We periodically issue press releases regarding research reports and placements of the BVA-100 Blood Volume Analyzer in hospitals.

Go Paperless with E-Delivery

In order to sign up for electronic delivery of shareholder reports and prospectuses, please send an email to [info@daxor.com](mailto:info@daxor.com). If you do not hold your account directly with Daxor, please contact the firm that holds your account about electronic delivery.

Cordially Yours,

Michael Feldschuh

CEO and President



**Daxor Corporation****Schedule of Investments****June 30, 2017 (Unaudited)**

	Shares	Fair Value
COMMON STOCKS (United States) - 83.09%		
Banking - 0.43%		
KeyCorp	3,400	\$63,716
Investment Services - 0.01%		
Motors Liquidation Company GUC Trust	100	\$895
Materials - 2.74%		
Direxion Daily Gold Miners Bull 3X ETF	2,925	\$88,511
Enbridge Inc.	7,872	313,384
		\$401,895
Utilities - 79.91%		
Electric Utilities - 79.04%		
American Electric Power Company, Inc.	6,000	416,820
Avangrid, Inc.	7,000	309,050
Avista Corporation	7,000	297,220
CenterPoint Energy, Inc.	1,000	27,380
Centrus Energy Corp.	1	4
CMS Energy Corporation	16,000	740,000
DTE Energy Company	17,000	1,798,430
Duke Energy Corporation	500	41,795
Edison International	5,000	390,950
Energy Corporation	5,500	422,235
Eversource Energy	20,000	1,214,200
Exelon Corporation	18,300	660,081
FirstEnergy Corp.	36,500	1,064,340
Great Plains Energy Incorporate	1,500	43,920
National Grid plc	8,707	546,974
NiSource Inc.	19,000	481,840
PG&E Corporation	5,000	331,850
Pinnacle West Capital Corporation	3,000	255,480
PNM Resources, Inc.	35,500	1,357,875
WEC Energy Group, Inc.	1,128	69,237
Westar Energy, Inc.	14,500	768,790
Xcel Energy Inc.	8,000	367,040
		\$11,605,511

Natural Gas Utilities - 0.87%		
United States National Gas	8,125	55,088
Southwest Gas Holdings, Inc.	1,000	73,060
		\$ 128,148
Total Utilities		\$ 11,733,658
Total Common Stock (Cost \$4,159,156) - 83.09%		\$ 12,200,164

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation****Schedule of Investments (Continued)****June 30, 2017 (Unaudited)**

	Shares	Fair Value
Preferred Stocks (United States) - 8.51%		
Banking - 5.70%		
Bank of America Corp 7.250% Series L	300	378,597
Barclays Bank PLC ADR, 8.125% Series 5 Callable	2,500	66,475
Deutsche Bank Contingent Capital Trust III Preferred, Div 7.60%	10,000	261,600
Goldman Sachs Group, 6.20 % Series B Callable	1,000	26,170
Wells Fargo Company, 8.00% Series J Non-Cumulative	4,000	103,640
		\$836,482
Electric Utilities - 2.81%		
Duquesne Light Co Preferred 3.75% Callable	400	18,520
Pacific Gas & Electric, 6% Series A	4,200	136,080
Pacific Gas & Electric, 5% Series D	1,000	26,250
Pacific Gas & Electric, 5% Series E	1,100	29,118
Southern California Edison, 4.32% Callable	5,500	139,565
Southern California Edison, 4.78% Callable	2,500	63,650
		\$413,184
Total Preferred Stock (Cost \$780,334) - 8.51%		\$1,249,666
Total Investment in Securities (Cost \$4,939,490) - 91.60%		\$13,449,830
Investment in Operating Division (Cost \$3,547,013)(United States) - 34.73%		\$5,100,000
Receivable from Broker-Restricted Cash - 14.43%		\$2,118,166
Other Assets - 0.51%		\$74,262
Total Assets - 141.26%		\$20,742,258
Total Liabilities - 41.26%		(6,058,647 )
Net Assets - 100.00%		\$14,683,611

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Schedule of Investments (Continued)**  
**June 30, 2017 (Unaudited)**

At June 30, 2017, the net unrealized appreciation on investment in securities, options and securities borrowed of \$8,049,482 was composed of the following:

Net unrealized appreciation on investment in securities	\$8,510,340
Net unrealized (depreciation) on securities borrowed	(466,098 )
Net unrealized appreciation on options borrowed	5,240
Net unrealized appreciation on investment in securities, securities and options borrowed	\$8,049,482

At June 30, 2017, the net unrealized appreciation on investment in operating division was composed of the following:

Net unrealized appreciation on investment in operating division    \$1,552,988

**Portfolio Analysis**

**June 30, 2017 (Unaudited)**

	Percentage of Net Assets	
Common Stock (United States)		
Banking	0.43	%
Investment Services	0.01	%
Materials	2.74	%
Electric Utilities	79.04	%
Natural Gas Utilities	0.87	%
Total Common Stock	83.09	%
Preferred Stock (United States)		
Banking	5.70	%
Electric Utilities	2.81	%
Total Preferred Stock	8.51	%

Total Investment in Securities 91.60 %

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Schedule of Investments (Continued)**  
**June 30, 2017 (Unaudited)**

Name of Issuer	Number of Shares in  Short Position at June 30, 2017	Fair Value of Short  Position at June 30, 2017
Securities Borrowed at Fair Value (United States) - (12.90%)		
Intuitive Surgical, Inc.	(400 )	\$(374,148 )
KB Home	(5,500 )	(131,835 )
Netflix, Inc.	(500 )	(74,705 )
Simon Property Group, Inc.	(7,000 )	(1,132,320)
Tesla, Inc.	(500 )	(180,805 )
Securities Borrowed at Fair Value (proceeds \$1,427,715) - (12.90%)		\$(1,893,813)
Restricted Cash - 13.30%		1,953,538
Restricted Cash, Net of Securities Borrowed at Fair Value - 0.41%		\$59,725

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Summary of Options**  
**June 30, 2017 (Unaudited)**

**Open Options Written (United States) - (0.10%)**

**Call Options Written (United States) - (0.01%)**

DESCRIPTION	NUMBER OF UNITS	STRIKE PRICE	EXPIRATION DATE	FAIR VALUE
FirstEnergy Corp.	(30 )	37.00	7/21/2017	\$ (0 )
PNM Resources, Inc.	(10 )	40.00	11/17/2017	(857 )
Xcel Energy Inc.	(10 )	50.00	9/15/2017	(126 )
Total Call Options Written (proceeds \$2,245)				\$ (983 )

**Put Options Written (United States - (0.09%))**

DESCRIPTION	NUMBER OF UNITS	STRIKE PRICE	EXPIRATION DATE	FAIR VALUE
Intuitive Surgical, Inc.	(4 )	905.00	7/21/2017	\$(4,804 )
Netflix, Inc.	(5 )	162.50	6/30/2017	(6,475 )
Simon Property Group, Inc.	(25 )	140.00	7/21/2017	(325 )
Simon Property Group, Inc.	(10 )	160.00	7/21/2017	(2,042 )
Total Put Options Written (proceeds \$17,624)				\$(13,646 )
Total Call and Put Options Written (proceeds \$19,869)				\$(14,629 )
Margin loans payable - (27.71%)				(4,068,705)
Securities borrowed at fair value (proceeds \$1,427,715) - (12.90%)				(1,893,813)
Other Liabilities - (0.56%)				(81,500 )
<b>TOTAL LIABILITIES - (41.26%)</b>				<b>(6,058,647)</b>

*The accompanying notes are an integral part of these financial statements.*



**Daxor Corporation**  
**Statement of Assets and Liabilities**  
**June 30, 2017 (Unaudited)**

Assets:	
Investments in securities, at fair value (cost of \$4,939,490)	\$ 13,449,830
Investment in operating division, at fair value (cost of \$3,547,013)	5,100,000
Receivables from Broker:	
Due from broker	164,628
Restricted cash	1,953,538
Dividends receivable	31,281
Prepaid taxes	42,981
Total Assets	20,742,258
Liabilities:	
Margin loans payable	4,068,705
Call and put options, at fair value (proceeds of \$19,869)	14,629
Securities borrowed, at fair value (proceeds of \$1,427,715)	1,893,813
Income taxes payable	34,000
Accounts payable and accrued expenses	47,500
Total Liabilities	6,058,647
Net Assets	\$ 14,683,611
Net Asset Value, (10,000,000 shares authorized, 5,316,530 issued and 3,790,754 shares outstanding of \$0.01 par value capital stock outstanding)	\$ 3.87
Net Assets consist of:	
Capital paid in	\$ 10,763,848
Undistributed net investment income	9,092,857
Unrealized net appreciation on investments, securities and options borrowed	9,602,470
Treasury Stock	(14,775,563)
Net Assets	\$ 14,683,612

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Statement of Operations**  
**For the Six Months Ended June 30, 2017 (Unaudited)**

Investment Income:	
Dividend income	\$271,710
Other income	4,398
Total Investment Income	276,108
Expenses:	
Investment administrative charges	53,907
Dividend expense	35,635
Professional fees	3,604
Transfer agent fees	4,616
Interest	29,544
Total Expenses	127,306
Net Investment Income	148,802
Realized and Unrealized Gain (Loss) on Investments and Other items:	
Net realized gain from investments	155,639
Net realized gain from options	219,520
Net realized loss from securities borrowed	(499,566 )
Net change in unrealized appreciation on investments, options and securities borrowed	683,345
Net change in unrealized appreciation on operating division	0
Realized loss on investment in operating division	(1,304,115)
Net Realized and Unrealized gain on investments and investment in operating division	(745,177 )
Income Tax Expense	7,184
Net Decrease in Net Assets Resulting From Operations	\$(603,559 )

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Statement of Changes in Net Assets**

**For the Six Months Ended June 30, 2017 (Unaudited) and the Year Ended December 31, 2016**

	<b>Six Months Ended June 30, 2017</b>	Year Ended December 31, 2016
Decrease in Net Assets from Operations		
Net investment income	\$ 148,802	\$ 128,335
Net realized gain from investments in securities	155,639	2,212,450
Net realized gain from options	219,520	270,210
Net realized loss from securities borrowed	(499,566 )	(4,353 )
Net change in unrealized appreciation on investments, options and securities borrowed	683,345	(348,368 )
Net change in unrealized appreciation on operating division	-	1,552,988
Realized loss on investment in operating division	(1,304,115 )	(2,343,886 )
Income tax expense	(7,184 )	(11,613 )
Net Increase in Net Assets Resulting From Operations	(603,559 )	1,455,763
Capital Share Transactions:		
Cost of treasury stock purchased	(57,138 )	(435,322 )
Increase in net assets resulting from stock-based compensation	-	10,325
Net Decrease in Net Assets Resulting From Capital Share Transactions	(57,138 )	(424,997 )
Distributions to shareholders from:		
Net investment income	-	(113,989 )
Total Net Increase (Decrease) in Net Assets	(660,697 )	916,777
Net Assets:		
Beginning of Period	15,344,309	14,427,532
End of Period (including undistributed net investment income of \$9,092,857 in 2017 and \$10,379,762 in 2016 included in net assets)	\$ 14,683,612	\$ 15,344,309

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Statement of Cash Flows**  
**For the Six months Ended June 30, 2017 (Unaudited)**

Cash flows from operating activities:	
Net Decrease in Net Assets Resulting From Operations	\$(603,559 )
Net realized gain from investments	(4,774 )
Net realized gain from options	(219,520 )
Net realized loss from short sales	499,566
Net change in unrealized depreciation on investments	(834,302 )
Net change in unrealized appreciation on Operating Division	(1,552,989)
Investment in/advances to Operating Division	248,873
Realized Loss on Operating Division	1,304,115
Sale of call and put options	84,253
Purchases of securities	(343,962 )
Proceeds from sales of securities	347,912
Changes in operating assets and liabilities:	
Decrease in restricted cash	230,328
Decrease in receivable from broker	224,642
Increase in securities borrowed at fair value	(634,893 )
Decreases in dividends receivable	14,592
Increase in prepaid taxes	(9,799 )
Increase in accounts payable	39,682
Net cash provided operating activities	\$(1,209,835)
Cash provided by financing activities	
Proceeds from margin loan payable	\$1,769,882
Repayment of margin loan payable	(502,909 )
Payment of dividend	-
Purchase of treasury stock	(57,138 )
Net cash used by financing activities	\$1,209,835
Net increase in cash	-
Cash at beginning of year	-
Cash at end of year	\$-

**Supplemental Disclosures of Cash Flow Information:**

Cash paid during the period for:

Income Taxes	\$4,500
Interest on margin loans payable	\$29,544

*The accompanying notes are an integral part of these financial statements.*



**Daxor Corporation**  
**Financial Highlights**

**For the Six Months Ended June 30, 2017 (Unaudited) and the Year Ended December 31, 2016**

The table below sets forth financial data for weighted average shares of stock outstanding for each year and for one share of capital stock outstanding throughout the years presented.

The annual financial information will be included in the Company's annual report to Shareholders, a copy of which is available at no charge on request by calling 1-212-330-8500.

	Period Ended June 30, 2017		Year Ended December 31, 2016	
Net Asset Value Per Share, Beginning of Year	\$4.04		\$3.74	
Income (loss) from operations:				
Net investment income	0.04		0.03	
Net realized and unrealized gain (loss) from investments, options and securities borrowed	0.15		0.56	
Net realized and unrealized loss from operating division	(0.34)	)	(0.21)	)
Income tax (expense) benefit	-		-	
Other	(0.02)	)	(0.05)	)
Total income (loss) from Investment Operations	(0.17)	)	0.33	
Less:				
Distributions to shareholders from net investment income	-		(0.03)	)
Increase (decrease) in Net Asset Value Per Share	(0.17)	)	0.30	
Net Asset Value Per Share, End of Year	\$3.87		\$4.04	
Market Price Per Share of Common Stock, Beginning of Year	\$8.24		\$7.60	
Market Price Per Share of Common Stock, End of Year	6.20		8.24	
Change in Price Per Share of Common Stock	\$(2.04)	)	\$0.64	
Total Investment Return	(24.76)	)%	8.42	%
Weighted Average Shares Outstanding	3,794,609		3,825,476	

Ratios/Supplemental Data

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Net assets, End of Year (in 000's)	\$14,684		\$15,344	
Ratio of total expenses to average net assets	0.85	%	2.44	%
Ratio of net investment income before income taxes to average net assets	0.99	%	0.86	%
Ratio of net investment (loss) income after income taxes to average net assets	0.94	%	0.78	%
Portfolio turnover rate	3.47	%	7.59	%

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Financial Highlights (continued)**

**For the Years Ended December 31, 2015, 2014 and 2013**

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013		
Net Asset Value Per Share, Beginning of Year	\$6.16	\$6.45	\$8.50		
Income (loss) from operations:					
Net investment income	0.11	0.23	1.26		
Net realized and unrealized gain (loss) from investments, options and securities borrowed	(2.12 )	(1.34 )	(3.26 )		
Net realized and unrealized loss from operating division	-	-	-		
Income tax (expense) benefit	(0.32 )	0.87	-		
Other	(0.05 )	(0.02 )	-		
Total income (loss) from Investment Operations	(2.36 )	(0.26 )	(2.00 )		
Less:					
Distributions to shareholders from net investment income	(0.04 )	(0.03 )	(0.05 )		
Increase (decrease) in Net Asset Value Per Share	(2.42 )	(0.29 )	(2.05 )		
Net Asset Value Per Share, End of Year	\$3.74	\$6.16	\$6.45		
Market Price Per Share of Common Stock, Beginning of Year	\$6.80	\$6.83	\$7.62		
Market Price Per Share of Common Stock, End of Year	7.60	6.98	6.83		
Change in Price Per Share of Common Stock	\$0.80	\$0.15	\$(0.79 )		
Total Investment Return (2015, 2014 only)	11.76 %	2.20 %	-		
Total Return on Average Net Assets (2013 only)	-	-	(27.40 )%		
Weighted Average Shares Outstanding	3,921,697	4,040,242	4,114,591		
Ratios/Supplemental Data					
Net assets, End of Year (in 000's)	\$14,427	\$24,580	\$26,370		
Ratio of total expenses to average net assets	3.06 %	2.70 %	2.04 %		
Ratio of net investment income before income taxes to average net assets	2.31 %	3.63 %	4.62 %		



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Ratio of net investment (loss) income after income taxes to average net assets	(4.18	)%	17.48	%	16.86	%
Portfolio turnover rate	7.43	%	3.34	%	8.90	%

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Notes to Financial Statements**

**June 30, 2017 (Unaudited)**

**1. Organization and Investment Objective**

Daxor Corporation (the “Company”) is registered under the Investment Company Act of 1940, as amended, as a non-diversified, closed-end management investment company.

The Company’s investment goals, objectives and principal strategies are as follows:

The Company’s investment goals and objectives are capital preservation, maintaining returns on capital with a high degree of safety and generating income from dividends and option sales to help offset operating losses from the Company’s Operating Division.

In order to achieve these goals, the Company maintains a diversified securities portfolio comprised primarily of electric utility company common and preferred stocks. The Company also sells covered calls on portions of its portfolio and also sells puts on stocks it is willing to own. It also sells uncovered calls and may have net short positions in common stock up to 15% of the value of the portfolio. The net short position is the total fair market value of the Company’s short positions reduced by the amount due to the Company from the Broker. If the amount due from the Broker is more than the fair market value of the short positions, the Company will have a net receivable from the Broker. The Company’s investment policy is to maintain a minimum of 80% of its portfolio in equity securities of utility companies. The Board of Directors has authorized this minimum to be temporarily lowered to 70% when Company management deems it to be necessary. Investments in utilities are primarily in electric companies. Investments in non-utility stocks will generally not exceed 20% of the value of the portfolio.

**2. Significant Accounting Policies**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”) required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

The following is a summary of significant accounting policies consistently followed by the Company in the preparation of its financial statements.

### *Valuation of Investments*

The Company carried its investments in securities at fair value and utilizes various methods to measure the fair value of its investments on a recurring basis. Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction costs. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Notes to Financial Statements**

**June 30, 2017 (Unaudited)**

**2. Significant Accounting Policies - (continued)**

**Level 1** Unadjusted quoted prices in active markets for identical assets and liabilities that the Company has the ability to access.

Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, **Level 2** either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Unobservable inputs for an asset or liability, to the extent relevant observable inputs are not available; representing the Company's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available. **Level 3**

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Investments in securities, securities borrowed and put and call options that are freely traded and are listed on a national securities exchange are valued at the last reported sales price on the last business day of the year; securities traded on the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the last reported bid and asked prices.

The Company establishes valuation processes and procedures to ensure that the valuation techniques for investments that are categorized within Level 3 of the fair value hierarchy are fair, consistent, and verifiable. At December 31, 2016 and at June 30, 2017, Level 3 investments consist solely of the Company's investment in its wholly owned Operating Division at fair value. The Company's Audit Committee oversees the valuation process of the Company's Level 3 investments. The Audit Committee is comprised of members of the Company's Board of Directors and is responsible for the valuation processes and procedures and evaluating the overall fairness and consistent application of the valuation policies. For this valuation process the Audit Committee meets semi-annually or as needed, and in conjunction with reports from an independent valuation company determines the valuations of the Company's Level 3 investments. Valuations determined by the Audit Committee are required to be supported by the independent valuation company whose reports may include information such as market data, third-party pricing sources, industry accepted pricing models, counterparty prices, or other appropriate methods. On an annual basis, the Company engages the services of an independent valuation company to perform an independent review of the valuation of the Company's investment in its wholly owned Operating Division, and may adjust its valuations based on the recommendations from the valuation firm.

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Notes to Financial Statements**

**June 30, 2017 (Unaudited)**

***Restricted Cash***

The restricted cash is cash held at broker for collateral for securities borrowed at fair value.

***Valuation of Derivative Instruments***

The Company accounts for derivative instruments under FASB ASC 815, "Derivatives and Hedging," which establishes accounting and reporting standards requiring that derivative instruments be recorded in the statements of financial condition at fair value. The changes in the fair values of derivatives are included in the statements of operations as a component of net realized and unrealized loss from investments.

***Investment Transactions and Income and Expenses***

Investment transactions are accounted for on the trade date. Realized gains and losses on sales of investments are calculated on the basis of identifying the specific securities delivered. Dividend income and expense are recorded on the ex-dividend date, and interest income is recognized on the accrual basis. Expenses are recorded on an accrual basis.

***Distributions***

Net investment income and net realized gains are accumulated within the Company and used to pay expenses, to make additional investments or held in cash as a reserve and at the discretion of the Company, to pay dividends to shareholders.

***Income Taxes***

The Company accounts for income taxes under the provisions of FASB ASC 740, "Income Taxes." This pronouncement requires recognition of deferred tax assets and liabilities for the estimated future tax consequences of events attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which the differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of changes in tax rates is recognized in the statement of operations in the period in which the enactment rate changes. Deferred tax assets and liabilities are reduced through the establishment of a valuation allowance at such time as, based on available evidence, it is more likely than not that the deferred tax assets will not be realized.

The Company accounts for uncertainties in income taxes under the provisions of FASB ASC 740-10-05, "Accounting for Uncertainties in Income Taxes" The ASC clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The ASC prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The ASC provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

### ***Treasury Stock***

Treasury stock is recorded under the cost method and shown as a reduction of net assets.

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Notes to Financial Statements**

**June 30, 2017 (Unaudited)**

**3. Fair Value Measurements of Investments, Financial Instruments and Related Risks**

The following tables summarize the inputs used as of June 30, 2017 for the Company's assets and liabilities measured at fair value on a recurring basis at June 30, 2017, categorized by the above mentioned fair value hierarchy and also by denomination:

Assets	Level 1	Level 2	Level 3	Total
Common Stocks	\$12,200,164	\$ -	\$-	\$12,200,164
Preferred Stocks	1,249,666	-	-	1,249,666
Investment in Operating Division	-	-	5,100,000	5,100,000
Total	\$13,449,830	\$ -	\$5,100,000	\$18,549,830

Liabilities	Level 1	Level 2	Level 3	Total
Securities borrowed at fair value	\$1,893,813	-	-	\$1,893,813
Call and Put Options	\$14,629	\$ -	\$ -	\$14,629

Purchased call and put options: When the Company purchases an option, an amount equal to the premium paid by the Company is recorded as an investment on the Statement of Assets and Liabilities, the value of which is marked-to-market to reflect the current market value of the option purchased. If the purchased option expires, the Company realizes a loss equal to the amount of premium paid. When an instrument is purchased or sold through the exercise of an option, the related premium paid is added to the basis of the instrument acquired or deducted from the proceeds of the instrument sold. The risk associated with purchasing put and call options is limited to the premium paid.

Written call and put options: When the Company writes (sells) an option, an amount equal to the premium received by the Company is recorded as an obligation on the Statement of Assets and Liabilities, the value of which is marked-to-market to reflect the current market value of the written option. If the written option expires, the Company realizes a gain equal to the amount of premium received. When an instrument is purchased or sold through the exercise of an option, the related premium received is adjusted to the basis of the instrument acquired or the instrument sold. The risk associated with writing options is based on the difference between the strike price of the option and current market price of the underlying security less premium received. See Note 7 for further discussion of



Investment and Market Risk Factors and risks of written call and put options.

Securities borrowed: The Company sells securities that it does not own, and it will therefore be obligated to purchase such securities at a future date. The value of the open short position is recorded as a liability, and the Company records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of the open short position. The Company records a realized gain or loss when a short position is closed out. By entering into short sales, the Company bears the market risk of increases in the value of the security sold short in excess of the proceeds received. Possible losses from short sales differ from losses that could be incurred from purchases of securities because losses from short sales may be unlimited whereas losses from purchases cannot exceed the total amount invested. See Note 1 regarding the Company's investment goals and its use of covered positions and Note 7 for further discussion of Investment and Market Risk Factors.

During the period ended June 30, 2017, the Company realized proceeds of \$347,912 from the sale of investment securities and \$84,253 from writing call and put options. During the same period, the Company spent \$343,962 to purchase investment securities and did not purchase any call and put options.

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Notes to Financial Statements**

**June 30, 2017 (Unaudited)**

The following table is a reconciliation of the beginning and ending balances for the Company's assets measured at fair value on a recurring basis using significant unobservable inputs (level 3) during the period ended June 30, 2017:

	Balance at June 30, 2017
Balance, December 31, 2016	\$5,100,000
Investment in/advances to Operating Division	1,304,115
Realized Loss on Investment in Operating Division	(1,304,115)
Balance, June 30, 2017	\$5,100,000

The Company's Level 3 asset consists of its investment in its wholly owned Operating Division at fair value and requires significant judgment due to the absence of quoted market prices, inherent lack of liquidity, heavy reliance on Level 3 inputs, and the long-term nature of such investments. Since its inception, the Operating Division has not generated significant revenue and has incurred substantial operating losses. Due to these substantial losses, the Operating Division has been completely dependent on funding from the Company to sustain its operations. Investment in Operating Division is primarily located in Oak Ridge, Tennessee and was initially valued at transaction value for identified assets (property and equipment, land, buildings and laboratory equipment), less accumulated depreciation adjusted for investment in/advances to operating division, business operations and activity and realized losses. Based on Company initiatives during 2016 related to potential partnerships, joint ventures, product development, marketing and other operations of the Operating Division, the Company hired an independent valuation company to perform a valuation of the Operating Division. The independent valuation company performed valuations at December 31, 2016 using the Income Approach and Market Approaches as defined in SFAS 157 (ASC 820). Based on the valuation approaches, the valuation ranges were \$4,400,000 to \$5,400,000 for the Income Approach. In determining the Income Approach value range the Gordon Growth Model valuation technique was used with discount rates ranging from 20.0% to 21.0% and long-term growth rates ranging from 2.5% to 3.5%. Significant increases (decreases) in these unobservable inputs in isolation could result in significant changes in fair value measurements. The Income Approach was weighted 100% given the current financial performance and expectations as to longer-term revenue growth and profitability resulting in a midpoint of value range of \$5,100,000. This independent valuation will be updated at year end.

**4. Derivative Instruments**

The Company writes call and put options in order to generate additional investment income as part of its investment strategy. In the opinion of management, the use of financial derivative instruments in its investment program is appropriate and customary for the investment strategies employed reducing certain investment risks.

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Notes to Financial Statements**

**June 30, 2017 (Unaudited)**

**4. Derivative Instruments - (continued)**

The following table summarizes the Company's activity in call and put options for the period ended June 30, 2017.

Total Proceeds Received on open positions at 01/01/17	Sale of Options from 01/01/17-06/30/17	Expirations, Purchases and Assignments of Options from 01/01/17-06/30/17	Proceeds Received on open positions at 06/30/17	Market Value at 06/30/17	Unrealized Gain at 06/30/17
\$314,362	\$ 879,851	\$ 219,520	\$ 19,869	\$ 14,629	\$ 5,240

The derivatives are shown at market value of \$14,629 on the Statement of Assets and Liabilities at June 30, 2017 as "Call and Put Options."

The following table summarizes the value of all derivatives as reported on the Statement of Assets and Liabilities at June 30, 2017:

Description	Market Value	Proceeds	Net Gain	Unrealized Gain	Unrealized (Loss)
Call Options	\$983	\$2,245	\$1,262	\$ 1,281	\$ (19 )
Put Options	13,646	17,624	3,978	8,688	(4,710 )
Total Options	\$14,629	\$19,869	\$5,240	\$ 9,969	\$ (4,729 )

For the period ended June 30, 2017, the Company recorded a realized gain of \$219,520 on call and put options and a net unrealized gain of \$5,240 on call and put options.

**5. Income Taxes**

The net income tax expense for the six month period ended June 30, 2017 is comprised of the following:

State and Local Franchise Taxes	\$ 17,500
Foreign Tax Withheld on Dividends	889
Total current income tax expense	18,389
Deferred income tax expense	-
Net income tax expense	\$ 18,389

The Company has a net operating loss carry forward of approximately \$14,500,000 which will expire in 2035. The Company also has a capital loss carry forward of approximately \$2,300,000 which will expire in 2020.

At June 30, 2017, the Company had no material unrecognized tax benefits and no adjustments to liabilities or operations were required. The Company does not expect that its unrecognized tax benefits will materially increase within the next twelve months. The Company recognizes interest and penalties related to uncertain tax positions in investment administrative expenses. As of June 30, 2017, the Company has not recorded any provisions for accrued interest and penalties related to uncertain tax positions.

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Notes to Financial Statements**

**June 30, 2017 (Unaudited)**

**5. Income Taxes - (continued)**

In certain cases, the Company's uncertain tax positions are related to tax years that remain subject to examination by the relevant tax authorities. The Company files federal, state and local income tax returns in jurisdictions with varying statutes of limitations. The 2012 through 2016 tax years generally remain subject to examination by federal, state and local tax authorities.

Under Internal revenue code section 542, a company is defined as a Personal Holding Company ("PHC") if it meets both an ownership test and an income test. The ownership test is met if a company has five or fewer shareholders that own more than 50% of the company, which is applicable to Daxor. The income test is met if PHC income items such as dividends, interest and rents exceed 60% of adjusted ordinary gross income. Adjusted ordinary income is defined as all items of income except capital gains. For the year six month period ended June 30, 2017, more than 60% of Daxor's adjusted gross income came from items defined as PHC income.

Determining the PHC tax liability requires computing Daxor's "undistributed PHC income" and taxing such PHC income at the statutory rate of 20%. Undistributed PHC income is current year taxable income of the Company, exclusive of the net operating loss carry forward deduction that is allowed for regular tax purposes. The Company incurred no liability for PHC for the six month period ended June 30, 2017 due to the net operating losses applied to realized gains incurred during the year.

Computed expected provision at statutory rates	(34.0)%
Valuation allowance	32.5 %
Dividend received deduction	4.5 %
State franchise taxes	(0.2 )%
Non-deductible and other items	(2.8 )%
Effective income tax rate	- %

The Company is currently being audited by the New York State Department of Finance. Certain allocation percentages are being audited for the years ended December 31, 2010 and 2011. Since the audit has not been completed, the Company cannot determine if any additional taxes, interest and penalties will be assessed.

The Company is currently undergoing two audits. Certain allocation percentages are being audited by the New York City Department of Finance and The New York State Department of Finance for the years ended December 31, 2012 and 2013. Since neither audit has been completed, the Company cannot determine if any additional taxes, interest and penalties will be assessed.

## **6. Deferred Income Taxes**

Deferred income taxes result from differences in the recognition of gains and losses on marketable securities; stock options and mark to market on short positions, as well as from carry forwards of the Company's net operating losses of approximately \$14,500,000, net capital losses of approximately \$2,300,000 and tax credits of \$1,090,700 for tax purposes.

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Notes to Financial Statements**

**June 30, 2017 (Unaudited)**

**6. Deferred Income Taxes - (continued)**

The significant components of deferred tax assets and liabilities are reflected in the following table:

Fair value adjustment for available-for-sale securities	\$(2,895,297)
Unrealized losses on short positions	158,473
Unrealized gain on Investment in Operating Division	(528,016 )
Net Operating Loss-carry forward	4,945,959
Net Capital Loss-carry forward	803,544
Tax Credits carried forward	1,090,700
Others	582
Deferred Income Tax Available for use	\$3,575,945
Valuation allowance	(3,575,945)
Net Deferred Tax Asset	-

Realization of deferred tax assets is dependent on future earnings. Due to the uncertainty of the realization of its net deferred tax assets, the Company has provided a valuation allowance. In assessing the potential to realize the deferred tax asset, management considers whether it is more likely than not that some or perhaps all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which these temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making their assessment. The Company recorded a valuation allowance of \$3,575,945 at June 30, 2017. The operating loss carry forwards expire in 2035 and the capital loss carry forwards expire in 2020. If the Company becomes profitable before the expiration of the loss carry forwards, it would have the ability to utilize them in order to offset any taxable income. The valuation allowance decreased from December 31, 2016 to June 30, 2017 by \$230,479.

**7. Investment and Market Risk Factors**

The Company enters into investments in securities, call and put options and securities borrowed and/or financial instruments that may have off balance sheet risks, where the potential loss due to changes in the market (market risk), failure of counterparty to perform on the transaction risk (credit risk) and other risk elements, such as interest rate risk, exceeds the value and/or obligations of such financial instruments. It is the Company's general policy to mitigate such



risks by transacting with established counterparties. The main counterparties that the Company transacts with and custodies investment assets at are UBS and TD Ameritrade (“Brokers”).

The Company investments in securities arise from investments in long common and preferred stocks, selling common stocks short and transacting in put and call (naked and covered) options. These investments are subject to equity risks of increases and decreases in market exchange prices such as on the NASDAQ.

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Notes to Financial Statements**

**June 30, 2017 (Unaudited)**

**7. Investment and Market Risk Factors - (continued)**

The Company is subject to certain inherent risks arising from its investing activities of selling securities short and writing put and call options. Selling securities short creates an obligation to purchase the securities at an unknown future date, subject to the Company's discretion, at the then prevailing future market prices. Securities borrowed create the risk that the ultimate obligation may exceed the liability reflected in these financial statements.

The Company collects premiums and the opportunity to create option premium income when writing put and call options if the options expire out-of-the-money. Writing put and call options gives the option buyer the right to exercise the option against the option writer. Writing put options obligates the writer to purchase the stock at the strike price if the stocks' current market price is below the strike price prior to expiration of the put option. The potential loss in writing a put option is the strike price less the premium collected if the stock price falls to zero. Writing call options obligates the writer to sell the stock at the strike price if the stock's current market price is greater than the strike price prior to expiration of the call option. The potential loss in writing a naked call option is unlimited as the rise of a stock price is unlimited. The potential loss in writing a covered call is limited to the strike price less the cost of the underlying security the Company holds in the portfolio. The Company endeavors to write covered calls but may also write naked calls.

Due from broker, restricted cash and margin loans payable reflect accounts with the Company's Brokers. Due from broker represents amounts receivable from brokers that are available for investing but have not been invested. Restricted cash represents proceeds from sales of securities borrowed and the change in market values of the securities borrowed. Restricted cash is collateral for securities borrowed and is not available for investing, leveraging or margining. Margin loan payable represents obligations to the Brokers for leveraging investments in securities. Investments in securities are collateral for the margin loan payable. The Company does not have the right of setoff nor netting agreements between brokers.

The Company's investments may be subject to changes in interest rates as they may affect equity and option markets. Interest rate risk refers to the fluctuations in value of fixed-income securities resulting from the inverse relationship between price and yield. For example, an increase in general interest rates will tend to reduce the market value of already issued fixed-income investments, and a decline in general interest rates will tend to increase their value. In addition, debt securities with longer maturities, which tend to have higher yields, are subject to potentially greater fluctuations in value from changes in interest rates than obligations with shorter maturities.

The Company is subject to volatility risk which refers to the magnitude of the movement, but not the direction of the movement, in a financial instrument's price over a defined time period. Large increases or decreases in a financial instrument's price over a relative time period typically indicate greater volatility risk, while small increases or decreases in its price typically indicate lower volatility risk.

Legal, tax and regulatory changes continue to occur in the United States and globally, additionally, regulatory environments, as a whole, continue to evolve and change. The effect of any future legal, tax and/or regulatory changes are unknown and could be substantial and adverse.

## **8. Related Party Transactions**

The Company reported \$53,907 of investment administrative charges on the Statement of Operations for the period ended June 30, 2017. These charges represent a portion of the payroll and related expenses of three employees of the Operating Division for services performed for the Company.

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Notes to Financial Statements**

**June 30, 2017 (Unaudited)**

**9. Margin Loans**

The Company has total margin loans payable at June 30, 2017 of \$4,068,705. These loans are secured by the Company's investments in marketable securities. The interest expense on the margin loans for the period ended June 30, 2017 was \$29,544. The ability of the Company to incur margin debt at any given time is based on the current amount outstanding and the market value of the portfolio of marketable securities. There are no set repayment terms for any of the Company's margin loans.

The following table summarizes the margin loan activity for the period ended June 30, 2017:

Balance at 06/30/17	Weighted average interest rate at 06/30/17	Maximum amount outstanding during the period	Average amount outstanding during the period	Weighted average interest rate during the period
\$4,068,705	1.86 %	\$4,068,705	\$3,464,057	1.64 %

**10. Capital Stock**

At June 30, 2017, there were 10,000,000 shares of \$0.01 par value capital stock authorized. The paid in capital of \$10,763,848 at June 30, 2017 consists of the following amounts:

Additional Paid in Capital in excess of par value of common stock	\$ 10,710,682
Common Stock	53,166
Total Paid in Capital	\$ 10,763,848

**11. Treasury Stock**

The Company's Board of Directors from time to time has authorized the repurchase of shares of the Company's common stock in the open market usually as funds are available and if the stock is trading at a price which management feels is undervalued. During the period ended June 30, 2017, the Company repurchased 7,709 shares at a total cost of \$57,137. During the year ended December 31, 2016, the Company repurchased 54,025 shares at a total cost of \$435,322. Treasury stock at June 30, 2017:

Treasury Stock at repurchase price	\$14,775,563
Treasury Stock shares	1,525,776

## 12. Dividends

In 2008, management instituted a policy of paying dividends when funds are available. There have been no dividends declared during the period ended June 30, 2017. The Company paid a dividend of \$0.03 per share on December 29, 2016. The total dividends paid amounted to \$113,989 for the year ended December 31, 2016.

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Notes to Financial Statements**

**June 30, 2017 (Unaudited)**

**13. Stock Options**

In June 2004, the Company created the 2004 Stock Option Plan in an effort to provide incentive to employees, officers, agents, consultants, and independent contractors through proprietary interest. The Board of Directors shall act as the Plan Administrator, and may issue these options at its discretion. The maximum number of shares that may be issued under this Plan is 200,000 or 5% of the Company's outstanding shares, whichever is greater. Under the provisions of the Option Plan, the exercise price of any stock options issued is a minimum of 110% of the closing market price of the Company's stock on the grant date of the option. Prior to June 2004, the Company issued options to various employees under the previous Stock Option Plan that was also administered by the Board of Directors. All issuances have varying vesting and expiration timelines. There has been no employee option activity for the period ended June 30, 2017. As at December 31, 2016, 55,050 options were outstanding and 26,087 were exercisable.

At December 31, 2016, there was \$88,684 of unvested stock-based compensation expense to recognize. The Company recognized \$10,325 of share-based compensation expense recognized in the Statement of Operations for the year ended December 31, 2016. The aggregate intrinsic value at December 31, 2016 was \$0 and was calculated based on the difference between the closing market price of the Company's common stock and the exercise price of the underlying options.

To calculate the option-based compensation, the Company used the Black-Scholes option-pricing model. The Company's determination of fair value of option-based awards on the date of grant using the Black-Scholes model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables. These variables include, but are not limited to, the Company's expected stock price volatility over the term of the awards, risk-free interest rate, and the expected life of the options. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected life of the stock options. The expected volatility, holding period, and forfeitures of options are based on historical experience.

In 2016, 15,800 stock options were issued to employees and outside consultants with a weighted average exercise price of \$8.80. The 15,800 stock options issued during 2016 are still outstanding but have not vested as of December 31, 2016.

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The fair values of stock options granted were estimated using the Black-Sholes option-pricing model with the following assumptions for the years ended December 31:

	2016	2015
Risk free rates	.98 %	.49% - 2.09 %
Expected life (in years)	3 - 7	5 - 7
Expected volatility	38 %	27% - 34 %
Dividend yield	0 %	0 %
Weighted Average grant date fair value per share	\$1.87	\$2.32

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Notes to Financial Statements**

**June 30, 2017 (Unaudited)**

**13. Stock Options - (continued)**

The details of employee option activity for the year ended December 31, 2016 is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding and Exercisable, January 1, 2016	49,250	\$ 8.96
Granted	15,800	8.80
Cancelled	3,000	8.41
Expired	7,000	11.91
Outstanding at December 31, 2016	55,050	\$ 9.08

The following tables summarize information concerning currently outstanding and exercisable options at December 31, 2016:

Range of Exercise Prices	Number Outstanding at December 31, 2016	Weighted Average Remaining Contractual Life at December 31, 2016	Weighted Average Exercise Price at December 31, 2016
Below - \$16.00	55,050	3.61 years	\$ 9.08

Range of Exercise Prices	Number Exercisable at December 31, 2016	Weighted Average Exercise Price at December 31, 2016
-----------------------------	---	---



Below - \$16.00    26,087    \$ 9.28

#### 14. Commitment

On January 20, 2016, the Company signed a new lease which commences on January 22, 2016 and expires on June 30, 2021 for 3,112 square feet of office space in New York City. The Company has a one-time right under the new lease to exercise "Tenant's Termination Right" by giving notice to "Landlord" not earlier than March 1, 2018 and no later than June 1, 2018 to terminate the new lease effective as of May 31, 2019. The Company's prior lease for office, laboratory and storage space expired on December 31, 2015. As part of the new lease, the prior lease was extended through March 31, 2016 under the same terms and conditions in order to facilitate an orderly transition to the new office space. The Company received a payment of \$275,000 in 2016 from the landlord as consideration for vacating the prior storage spaces by January 10, 2016. The Rent Commencement Date under the new lease is June 22, 2016 which means the Company will receive five (5) months of free rent.

Assuming the Company does not exercise their one-time right to terminate the lease as of May 31, 2019, the future minimum lease payments exclusive of future cost of living and tax escalation increases are \$834,016:

*The accompanying notes are an integral part of these financial statements.*

**Daxor Corporation**  
**Notes to Financial Statements**

**June 30, 2017 (Unaudited)**

**14. Commitment – (Continued)**

Period Covered:	Number of Months	Commitment
July 1, 2017 through December 31, 2017	6	101,140
January 1, 2018 through December 31, 2018	12	202,280
January 1, 2019 through December 31, 2019	12	208,504
January 1, 2020 through December 31, 2020	12	214,728
January 1, 2021 through June 30, 2021	6	107,364
Total Commitment		\$ 834,016

The rent expense is allocated to and reflected in the Operating Division's results of operations which are not a part of these financial statements.

**15. Fees Payable to Directors**

There are no fees payable to members of the Board of Directors at June 30, 2017.

**16. Contingency**

Idant Labs, a wholly owned subsidiary of the Company is currently defending against a civil complaint in Federal District Court in the State of Illinois in relation to the sale of anonymous donor semen that allegedly led to the birth of two children with alleged autism. The Company, previously a named defendant, filed and won a motion to dismiss the case on a variety of grounds. Management is of the opinion that the plaintiff's claims are without merit. Management is also of the opinion that a reserve against assets regarding this claim is not appropriate at this time.

### **17. Recently Issued Accounting Pronouncement**

There have been no recent accounting pronouncements that are deemed relevant to the Company.

### **18. Subsequent Events**

The Company has evaluated subsequent events through the filing date of the financial statements. Based upon this evaluation, the Company has the following items to disclose:

Dr. Joseph Feldschuh, Daxor's founder and Chairman, passed away on January 31, 2017. Daxor's President Michael Feldschuh was named Chairman on February 14, 2017. Jonathan Feldschuh, Chief Scientific Officer, was elected to the Board of Directors on February 14, 2017.

*The accompanying notes are an integral part of these financial statements.*

## **Daxor Corporation Supplemental Data**

### **General**

#### Investment Products Offered

Are not FDIC Insured  
May Lose Value  
Are Not Bank Guaranteed

The investment return and principal value of an investment in Daxor Corporation will fluctuate in part as the prices of the individual securities in which it invests fluctuate, so that your shares, when sold, may be worth more or less than their original cost. You should consider the investment objectives, risks, charges and expenses of Daxor and Daxor's operating business carefully before investing. For a free copy of the Company's definitive prospectus (when available), which contains this and other information, call the Company at 1-212- 330-8500 .

This shareholder report must be preceded or accompanied by the Company's prospectus for individuals who are not current shareholders of the Company.

#### **Voting Proxies on Fund Portfolio Securities**

A description of the policies and procedures that the Corporation uses to determine how to vote proxies relating to the Company's portfolio securities, as well as information relating to portfolio securities during the 12 month period ended June 30, 2017 (i) is available, without charge and upon request, by calling 1-212-330-8500; and (ii) on the U.S. Securities and Exchange Commission's website.

#### **Disclosure of Portfolio Holdings**

The SEC has adopted the requirement that all investment companies file a complete schedule of investments with the SEC for their first and third fiscal quarters on Form N-Q. The Company's Form N-Q for March 31, 2017, reporting

portfolio securities held by the Company, is available on the Commission's website at <http://www.sec.gov>, and may be reviewed and copied at the Commission's Public Reference Room in Washington, DC. Information on the operation of the public reference room may be obtained by calling 800-SEC-0330.

## **Daxor Corporation**

### **Privacy Policy**

#### **The Company and Your Personal Privacy-**

Daxor Corporation is an investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940.

#### **What Kind of Non-Public Information do we Collect About you if you Become a Shareholder?**

Daxor Corporation does not collect non-public information about our shareholders.

#### **What Information do we disclose and to whom do we disclose it?**

We do not disclose any non-public personal information about our customers or former customers of our operating division to anyone, other than our service providers who need to know such information and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, [www.sec.gov](http://www.sec.gov).

#### **What do we do to protect Your Personal Information?**

We restrict access to non-public personal information about our customers or former customers to the people who need to know that information in order to perform their jobs or provide services to you. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

**Daxor Corporation****About the Corporation's Directors and Officers**

The Corporation is governed by a Board of Directors that meets to review investments, performance, expenses and other business matters, and is responsible for protecting the interests of shareholders. The majority of the Corporation's directors are independent of Daxor Corporation.; the only "inside" directors is an officer and a director of Daxor Corporation. The Board of Directors elects the Corporation's officers, who are listed in the table. The business address of each director and officer is 350 Fifth Avenue, Suite 4740, New York, NY 10118.

**Independent Directors**

<b>Name Date of Birth Year Elected</b>	<b>Principal Occupations(s) During Past 5 Years and Other Directorships of Public Companies</b>
James Lombard December 26, 1934 1989	Director of Administrative Services Division, New York City Council (Retired) No Directorships
Martin S. Wolpoff September 25, 1942 1989	Educational Consultant, Director Administration Community School District (Retired) No Directorships
Edward Feuer June 15, 1955 2016	Partner, Feuer & Orlando, LLP No Directorships
Bernhard Saxe, Esq. November 2, 1938 2008	Partner, Foley & Lardner LLP (retired 02/04) Registered Patent Attorney No Directorships

**Inside Directors**

<b>Name Date of Birth Year Elected</b>	<b>Principal Occupations(s) During Past 5 Years and Other Directorships of Public Companies</b>
Michael Feldschuh November 6, 1969	President and CEO of Daxor Corporation No Directorships

2013

Jonathan Feldschuh

Chief Scientific Officer of Daxor Corporation

September 1, 1964

No Directorships

2017

## Officers

**Name**

**Principal Occupations(s) During Past 5 Years  
and Other Directorships of Public Companies**

**Date of Birth**

**Title**

John Wilkens

Chief Financial Officer of Daxor Corporation, appointed May 15, 2017.

March 30, 1961

No Directorships

Chief Financial Officer

The Fund's Statement of Additional Information includes additional information about the Directors and is available free of charge, upon request, by calling toll-free at 1-212-330-8500.



**Daxor Corporation**

**June 30, 2017 (Unaudited)**

ITEM 2. CODE OF ETHICS

The registrant has adopted a code of ethics that applies to the registrant’s principal executive officer and principal financial officer. The registrant has not made any amendments to its code of ethics during the period covered by this report. The registrant has not granted any waivers from any provisions for the code of ethics during the period covered by this report. A copy of the registrant’s Code of Ethics is available on the Company’s website at <http://www.daxor.com/wp-content/uploads/2014/10/DAXOR-CORPORATION-CODE-OF-ETHICS.pdf>

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

The registrant’s board of directors has determined that there is at least one audit committee financial expert serving on its audit committee. Edward Feuer is the “audit committee financial expert” and is considered to be “independent” as each term is defined in Item 3 of Form N-CSR.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The registrant has engaged its principal accountant to perform audit services, audit-related services, tax services and other services during the past fiscal year. “Audit Services” refer to performing an audit of the registrant’s annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years. “Audit-Related Services” refer to the assurance and related services by the principal accountant in order to assure the Company is in compliance with Rule 17f-2 under the Investment Company Act of 1940. “Tax Services” refer to professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning. The following table details the aggregate fees billed or expected to be billed for the current fiscal year for audit fees, audit-related fees, tax fees and other fees by the principal accountant.

Anticipated  
Year  
Ending  
December  
31, 2017

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Audit Services	\$ 55,000
Audit-Related Services	20,000
Tax Services	15,000
Total Fees and Services	\$ 90,000

The audit committee has adopted pre-approval policies and procedures that require the audit committee to pre-approve all audit and non-audit services of the registrant, including services provided to any entity affiliated with the registrant.

There were no fees billed for tax services or other non-audit services by our auditors during the reporting period that required pre-approval by the Audit Committee.

All of the principal accountant's hours spent on auditing the registrant's financial statements were attributed to work performed by full-time permanent employees of the principal accountant.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant has a separately designated standing audit committee. The members are: Edward Feuer, James A. Lombard and Martin S. Wolpoff.

ITEM 6. SCHEDULE OF INVESTMENTS

Included herein under Item 1.

**Daxor Corporation**

**June 30, 2017 (Unaudited)**

**ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.**

Daxor Corporation is involved in many matters of corporate governance through the proxy voting process. We exercise our voting responsibilities with the primary goal of maximizing the long term value of our investments. Our consideration of proxy issues is focused on the investment implications of each proposal.

Our management evaluates and votes each proxy ballot that we receive. We do not use a proxy voting service. We recognize that a company's management is entrusted with the day to day operations of the company, as well as long term strategic planning, subject to the oversight of the company's board of directors. Our guidelines are based on the belief that a company's shareholders have a responsibility to evaluate company performance and to exercise the rights and duties pertaining to ownership.

Due to the nature of our business and our size, it is unlikely that conflicts will arise in our voting of proxies of public companies. We do not engage in investment banking nor do we have private advisory clients. In the highly unlikely event that a conflict of interest does arise on a proxy voting issue, we will defer that vote to our independent directors.

**ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES**

Since Daxor does not have a portfolio manager, the Chief Executive Officer of the Company manages Daxor's portfolio.

**ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.**

For information related to share repurchases, see Footnote 11 in the Notes to Financial Statements in the Period Report for the six months ended June 30, 2017.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the company's Board of Directors.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The certifying officers, whose certifications are included herewith, have evaluated the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") within 90 days of this report and determined these controls provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

(b) There were no significant changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal half-year that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting as required under the 1940 Act.

**Daxor Corporation**

**June 30, 2017 (Unaudited)**

ITEM 12. EXHIBITS.

(a)(2) A separate certification for the principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Investment Company Act of 1940, as amended (17 CFR 270.30a-2(a)) is filed herewith.

(b) Officer certifications as required by Rule 30a-2(b) under the Investment Company Act of 1940, as amended (17 CFR 270.30a-2(b)) also accompany this filing.

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.

By: */s/ Michael Feldschuh*  
Name: Michael Feldschuh, President  
Title: (Chief Executive Officer/ Principal Executive Officer)

Date: August 25, 2017

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 capacities and on the dates indicated.

By: */s/ John Wilkens*  
Name: John Wilkens  
Title: Chief Financial Officer(Principal Financial Officer/Principal Accounting Officer)

Date: August 25, 2017

33

