

DAXOR CORP  
Form 497  
October 31, 2018

Filed Pursuant to Rule 497  
Investment Company Act File No. 811-22684  
Securities Act File No. 333-224509

## **PROSPECTUS SUPPLEMENT**

**(to Prospectus dated August 23, 2018)**

### **Daxor Corporation**

### **Up to 490,000 Shares of Common Stock**

Daxor Corporation is an investment company with medical instrumentation and biotechnology operations. While the company is not primarily engaged in the business of investing, reinvesting, owning, holding or trading in securities, the company is dependent upon earnings from its investment portfolio to fund its medical instrumentation and biotechnology operations and has registered as a closed-end investment company under the Investment Company Act of 1940, as amended. While Daxor Corporation is registered as a closed-end investment company, it has always conducted its business as an operating company and has never been in, or held itself out to be in, the business of investing, reinvesting, owning, holding or trading in securities.

The company has entered into an Equity Distribution Agreement (the "Equity Distribution Agreement") with Roth Capital Partners, LLC ("Roth" or the "Sales Agent") relating to the shares of common stock, par value \$0.01 per share, offered by this prospectus supplement and the accompanying prospectus. Sales of common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933, as amended, or the Securities Act. Roth will make all sales using commercially reasonable efforts consistent with its normal trading and sales practices, on mutually agreed terms between Roth and us. Sales of the shares of our common stock, if any, through Roth or directly to Roth acting as principal will be made by means of ordinary brokers' transactions on the NYSE American or any other existing trading market in the United States for our common stock, sales made to or through a market maker other than on an exchange or otherwise, in privately-negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices agreed by Roth and us or any other method permitted by law. If we and Roth agree on any method of distribution other than sales of shares of our common stock into the NYSE American or another existing trading market in the United States at market prices, we will file a further prospectus supplement providing all information about such offering as required under the Securities Act. There is no arrangement for funds to be received in any escrow, trust or similar arrangement.

While we may offer up to 500,000 shares of common stock under the Equity Distribution Agreement, during any 12-month period, the aggregate market value of securities we may offer under this registration statement shall not exceed one third of the aggregate market value of voting and non-voting common equity held by persons who are not affiliates of our company, and this maximum amount is currently \$2,319,826, based on the last reported sale price of \$8.80 on October 30, 2018, which would limit the offering pursuant to this Prospectus Supplement to an aggregate of approximately 490,000 shares of common stock, assuming all shares are sold at \$4.71 per share, the last reported sale price on October 26, 2018.

Roth will receive from us a commission of up to 3% of the gross sales price of all shares sold through it under the Equity Distribution Agreement. In connection with the sale of the common stock on our behalf, Roth will be deemed to be an “underwriter” within the meaning of the Securities Act and the compensation of Roth will be deemed to be underwriting commissions or discounts.

*(continued on following page)*

**Investing in the Common Stock involves certain risks. See “Risk Factors” beginning on page 7 of the accompanying Prospectus. You should consider carefully these risks together with all of the other information contained in this Prospectus Supplement and the accompanying Prospectus before making a decision to purchase Common Stock.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus Supplement or the accompanying Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**Roth Capital Partners**

This Prospectus Supplement is dated October 31, 2018.

*(continued from previous page)*

As noted above, during any 12-month period, the aggregate market value of securities we may offer under this registration statement may not exceed one third of the aggregate market value of voting and non-voting common equity held by persons who are not affiliates of our company. The aggregate market value of our outstanding common stock held by non-affiliates, or public float, is approximately \$6,959,480, based on the closing price of our common stock as reported on the NYSE American on October 30, 2018, which was \$8.80, as calculated in accordance with applicable rules and regulations. In no event will we sell our common stock in a primary offering under this registration statement with a value exceeding one-third of our public float in any 12-month period, which amount is currently \$2,319,826, unless our public float subsequently rises to \$75.0 million or more. We have not offered any securities during the 12 calendar months prior to and including the date of this prospectus supplement.

As of October 26, 2018, the last reported sale price for the Common Stock on the NYSE American was \$4.71 per share. The net asset value (“NAV”) per share of the Common Stock as of the close of business on October 26, 2018 was \$3.48, representing a premium of market price to NAV of 35.3%. To the extent that the market price per share, less any distributing commission or discount, is less than the then current NAV per share on any given day, the company will instruct Roth not to make any sales on such day.

Our currently outstanding shares of Common Stock are, and the shares of Common Stock offered by this Prospectus Supplement and the accompanying Prospectus will be, listed on the NYSE American under the symbol “DXR”.

This Prospectus Supplement, together with the accompanying Prospectus, dated August 23, 2018, sets forth the information that you should know before investing in shares of Common Stock. You should read this Prospectus Supplement and the accompanying Prospectus, which contain important information about the company, before deciding whether to invest, and you should retain them for future reference. A Statement of Additional Information, dated August 23, 2018 (the “SAI”), as supplemented from time to time, containing additional information about the company, has been filed with the Securities and Exchange Commission (“SEC”) and is incorporated by reference in its entirety into the accompanying Prospectus. This Prospectus Supplement, the accompanying Prospectus and the SAI are part of a “shelf” registration statement filed with the SEC. This Prospectus Supplement describes the specific details regarding this offering, including the method of distribution. If information in this Prospectus Supplement is inconsistent with the accompanying Prospectus or the SAI, you should rely on this Prospectus Supplement. You may request a free copy of the SAI, the table of contents of which is on page 24 of the accompanying Prospectus, or request other information about the company (including the company’s annual and semi-annual reports) or make shareholder inquiries by calling (888) 774-3268 or by writing the company, or you may obtain a copy (and other information regarding the company) from the SEC’s web site (<http://www.sec.gov>). Free copies of the company’s reports and the SAI will also be available from the company’s website at [www.daxor.com](http://www.daxor.com).

The shares of Common Stock do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

Capitalized terms used herein that are not otherwise defined shall have the meanings assigned to them in the accompanying Prospectus.

#### CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement and the accompanying Prospectus contain or incorporate by reference forward-looking statements, within the meaning of the federal securities laws, that involve risks and uncertainties. These statements describe the company's plans, strategies, and goals and our beliefs and assumptions concerning future economic and other conditions and the outlook for the company, based on currently available information. In this Prospectus Supplement and the accompanying Prospectus, words such as "anticipates," "believes," "expects," "objectives," "goals," "future," "intends," "seeks," "will," "may," "could," "should," and similar expressions are used in an effort to identify forward-looking statements, although some forward-looking statements may be expressed differently. The company is not entitled to the safe harbor for forward-looking statements pursuant to Section 27A of the Securities Act of 1933, as amended.

PROSPECTUS SUPPLEMENT TABLE OF CONTENTS

	<b>Page</b>
<u>Prospect Supplement Summary</u>	S-5
<u>Summary of Expenses</u>	S-6
<u>Capitalization</u>	S-8
<u>Use of Proceeds</u>	S-9
<u>Plan of Distribution</u>	S-10
<u>Legal Matters</u>	S-11
<u>Additional Information</u>	S-11

PROSPECTUS TABLE OF CONTENTS

<u>FEE TABLE AND SYNOPSIS</u>	1
<u>FINANCIAL HIGHLIGHTS</u>	2
<u>PLAN OF DISTRIBUTION</u>	4
<u>SENIOR SECURITIES</u>	5
<u>SELLING SHAREHOLDER</u>	6
<u>USE OF PROCEEDS</u>	6
<u>GENERAL DESCRIPTION OF DAXOR CORPORATION</u>	6
<u>General</u>	6
<u>Investment Objectives and Policies</u>	7
<u>Risk Factors</u>	7
<u>Other Policies</u>	16
<u>Forward-Looking Statements Regarding Daxor Corporation</u>	16
<u>Investment Management</u>	17
<u>Daxor Corporation Common Stock</u>	18
<u>Directors and Executive Officers of Daxor Corporation</u>	19
<u>Additional Information about Daxor Corporation</u>	21
<u>TAX MATTERS</u>	21
<u>LEGAL MATTERS</u>	22
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	23
<u>PRIVACY PRINCIPLES OF THE COMPANY</u>	23
<u>ADDITIONAL INFORMATION</u>	23
<u>TABLE OF CONTENTS FOR THE STATEMENT OF ADDITIONAL INFORMATION</u>	24

You should rely only on the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus in making your investment decisions. The company has not and Roth has not authorized any other person to provide you with different or inconsistent information. If anyone provides you with different or

inconsistent information, you should not rely on it. The company and Roth take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This Prospectus Supplement and the accompanying Prospectus do not constitute an offer to sell or solicitation of an offer to buy any securities in any jurisdiction where the offer or sale is not permitted. The information appearing in this Prospectus Supplement and in the accompanying Prospectus is accurate only as of the respective dates on their front covers. The company's business, financial condition and prospects may have changed since such dates. The company will advise investors of any material changes to the extent required by applicable law.

S-3

This page intentionally left blank.

S-4

## PROSPECTUS SUMMARY

*This is only a summary of information contained elsewhere in this Prospectus Supplement and the accompanying Prospectus. This summary does not contain all of the information that you should consider before investing in the shares of Common Stock. You should carefully read the more detailed information contained in this Prospectus Supplement and the accompanying Prospectus, dated August 23, 2018, especially the information set forth under the headings “Investment Objectives and Policies” and “Risk Factors” prior to making an investment in the company. You may also wish to request a copy of the company’s Statement of Additional Information, dated August 23, 2018 (the “SAI”), which contains additional information about the company. Capitalized terms used herein that are not otherwise defined shall have the meanings assigned to them in the accompanying Prospectus.*

**The Company** Daxor Corporation is an investment company with medical instrumentation and biotechnology operations. While Daxor Corporation is registered as a closed-end investment company, it has always conducted its business as an operating company and has never been in, or held itself out to be in, the business of investing, reinvesting, owning, holding or trading in securities. Our major focus is the development of the BVA-100 ® Blood Volume Analyzer, an instrument that rapidly and accurately measures human blood volume. This instrument is used in conjunction with Volumex ®, a single-use radiopharmaceutical diagnostic injection and collection kit. We also own the Daxor Oak Ridge Operations (DORO) facility in Oak Ridge, Tennessee, which manufactures, tests, and develops next-generation models of the BVA-100 ®. We are offering shares of our common stock, par value \$0.01 per share (the “Common Stock”), under this prospectus supplement, at prices and on terms to be determined by market conditions at the time of offering.

**Management of the Company** The responsibility of the company’s Board of Directors is to exercise corporate powers and to oversee management of the business of Daxor Corporation. The officers of the company are principally responsible for its operations. The company is not primarily engaged in the business of investing, reinvesting, owning, holding or trading in securities. As such, the company has no investment advisors, administrator, affiliated brokerage, dividend paying agent, non-resident managers, or portfolio managers. The nature of the instruments in which funds in excess of immediate capital needs are placed are consistent with capital preservation and liquidity. Subject to the oversight of the Board, the company’s Chief Executive Officer, Michael Feldschuh, is the only individual responsible for the day-to-day management of Daxor’s investments.

**Listing and Symbol** Our currently outstanding shares of Common Stock are, and the shares of Common Stock offered by this Prospectus Supplement and the accompanying Prospectus will be, listed on the NYSE American under the symbol “DXR”. As of October 26, 2018, the last reported sale price for the Common Stock on the NYSE American was \$4.71 per share. The net asset value (“NAV”) per share of the Common Stock as of the close of business on October 26, 2018 was \$3.48, representing a premium of market price to NAV of 35.3%.

**The Offering** The company has entered into an Equity Distribution Agreement (the “Equity Distribution Agreement”), with Roth Capital Partners, LLC (“Roth” or the “Sales Agent”) relating to the shares of Common Stock offered by this Prospectus Supplement and the accompanying Prospectus. In accordance with the terms of the Equity Distribution Agreement, the company may offer and sell up to 500,000 shares of



Common Stock, from time to time, through Roth as the company's agent for the offer and sale of the Common Stock. Sales of shares of Common Stock, if any, under this Prospectus Supplement and the accompanying Prospectus may be made in transactions that are deemed to be "at the market" as defined in Rule 415 under the Securities Act of 1933, as amended, or the Securities Act. See "Plan of Distribution" in this Prospectus Supplement.

Under the Investment Company Act of 1940, as amended, the company may not sell shares of Common Stock at a price below the then current NAV per share, after taking into account any commission or discount.

**Risks**

See "Risk Factors" beginning on page 7 of the accompanying Prospectus for a discussion of factors you should consider carefully before deciding to invest in the shares of Common Stock.

**Use of  
Proceeds**

We intend to use the net proceeds from the sale of the securities offered hereby for working capital and other general corporate purposes, including to develop our products, fund capital expenditures, make investments in or acquisitions of other businesses, solutions or technologies or repay a portion of our outstanding borrowings. We currently have no plan or proposal to make any particular such investment or acquisition. Pending these uses, we intend to invest the net proceeds in interest-bearing, investment-grade securities.

## SUMMARY OF EXPENSES

The following table contains information about the costs and expenses that shareholders will bear directly or indirectly. The table is based on the capital structure of the company as of June 30, 2018 (except as noted below), after giving effect to the anticipated net proceeds of the shares of Common Stock offered by this Prospectus Supplement and the accompanying Prospectus and assuming that the company incurs the estimated offering expenses. The purpose of the table and the example below is to help you understand the fees and expenses that you, as a holder of Common Stock, would bear directly or indirectly.

Shareholder Transaction Expenses	
Sales load (as a percentage of offering price)	3.00% <sup>(1)</sup>
Offering expenses borne by the company (as a percentage of offering price)	0.2 % <sup>(2)</sup>

Annual Expenses	Percentage of Net Assets Attributable to Common Shares <sup>(3)</sup>	
Management fees <sup>(4)</sup>	None	
Annualized Interest Payments on Borrowed Funds	0.73	%
Annualized Other Expenses	1.56	%
Total Annual Expenses before Taxes	2.29	%
Estimated Annualized Tax Expense	0.10	%
Total Annual Expense after Taxes <sup>(5)</sup>	2.39	%

Represents the estimated commission with respect to the Common Stock being sold in this offering. Roth will be (1) entitled to compensation of up to 3.00% of the gross proceeds of the sale of any shares of Common Stock under the Equity Distribution Agreement.

(2) Represents the costs associated with the company's registration statement and any offerings pursuant to such registration statement.

(3) Based upon average net assets applicable to shares of Common Stock during the period ended June 30, 2018 after giving effect to the anticipated net proceeds of the Common Stock offered by this Prospectus Supplement based on an assumed price per share of \$4.71 (the last reported sale price of the Common Stock on the NYSE American as of October 26, 2018). The price per share of any sale of Common Stock may be greater or less than the price assumed herein, depending on the market price of the Common Stock at the time of any sale. There is no guarantee that there will be any sales of Common Stock pursuant to this Prospectus Supplement. The number of shares of Common Stock actually sold pursuant to this Prospectus Supplement may be less than as assumed

herein.

(4) The company does not pay a management fee.

As explained in the company's Form N-CSR/A, dated March 7, 2018, the company has significant net operating loss and capital loss carry forwards and for the foreseeable future no adjustments to tax liabilities or operations is

(5) necessary. However, the company is subject to state and local taxes where the annualized impact to operations is approximately 0.10%.

S-6

**Example**

As required by relevant SEC regulations, the following Example illustrates the expenses that you would pay on a \$1,000 investment in shares of Common Stock, assuming (1) “Total annual expenses” of 2.39% of net assets attributable to shares of Common Stock, (2) the sales load of \$30 and estimated offering expenses of \$120,650, and (3) a 5% annual return\*:

	1	3	5	10
	Year	Years	Years	Years
Total Expenses Incurred	\$ 24	\$ 73	\$ 125	\$ 266

**The Example should not be considered a representation of future expenses or returns. Actual expenses may be higher or lower than those assumed. Moreover, the company’s actual rate of return may be higher or lower than the hypothetical 5% return shown in the Example.** The Example assumes that all dividends and distributions are reinvested at net asset value.

**CAPITALIZATION**

In accordance with the terms of the Equity Distribution Agreement, the company may offer and sell up to 500,000 shares of Common Stock, from time to time, through Roth as the company's agent for the offer and sale of Common Stock. However, during any 12-month period, the aggregate market value of securities we may offer under this registration statement may not exceed one third of the aggregate market value of voting and non-voting common equity held by persons who are not affiliates of our company, and this amount is currently \$2,319,826. So, this limits the offering pursuant to this Prospectus Supplement to an aggregate of approximately 490,000 shares of common stock, assuming shares are sold at the last reported sale price on October 26, 2018 of \$4.71 per share. Nonetheless, the capitalization table reflects the maximum amount that may be sold pursuant to the Equity Distribution Agreement.

The price per share of any shares of Common Stock sold hereunder may be greater or less than the price of \$4.71 (the last reported sale price for the Common Stock on the NYSE American as of October 26, 2018) assumed herein, depending on the market price of the Common Stock at the time of such sale. Furthermore, there is no guarantee that the company will sell all of the shares of Common Stock available for sale hereunder or that there will be any sales of Common Stock hereunder. To the extent that the market price per share of the shares of Common Stock, less any distributing commission or discount, is less than the then current NAV per share on any given day, the company will instruct Roth not to make any sales on such day.

The following table sets forth the company's capitalization at June 30, 2018:

i. on a historical basis; and

ii. on an as adjusted basis to reflect the assumed sale of 500,000 shares of Common Stock at a price of \$4.71 per share (the last reported sale price for the Common Stock on the NYSE American Exchange as of October 26, 2018), in an offering under this Prospectus Supplement and the accompanying Prospectus less the assumed commission of \$70,650 (representing a commission paid to Roth Capital Partners of 3.00% of the gross proceeds of the sale of Common Stock effected by Roth Capital Partners in this offering) and estimated offering expenses payable by the company of \$120,650.

Net asset value (10,000,000 shares authorized, , 5,316,530 issued and 3,728,719 outstanding 6/30/18)

	Actual 6/30/18 (Unaudited)	As Adjusted (Unaudited)
Capital paid in	10,811,476	13,166,476
Undistributed net investment income	8,023,912	8,023,912

Edgar Filing: DAXOR CORP - Form 497

Unrealized net appreciation on investments, securities and options borrowed	9,275,766	9,275,766
Treasury Stock	(14,998,851)	(14,998,851)
Net Assets	13,112,303	15,467,303

S-8

## USE OF PROCEEDS

Sales of shares of Common Stock, if any, under this Prospectus Supplement and the accompanying Prospectus may be made in transactions that are deemed to be “at the market” as defined in Rule 415 under the Securities Act. Assuming the sale of the 500,000 shares of Common Stock available for sale pursuant to the Equity Distribution Agreement, the net proceeds to the company from this offering will be approximately \$2,355,000 (assuming a price of \$4.71 per share, which was the last reported sales price of the Common Stock on the NYSE American on October 26, 2018) after deducting the estimated commission and estimated offering expenses. However, during any 12-month period, the aggregate market value of securities we may offer under this registration statement may not exceed one third of the aggregate market value of voting and non-voting common equity held by persons who are not affiliates of our company, and this amount is currently \$2,319,826.

There is no guarantee that there will be any sales of Common Stock pursuant to the Equity Distribution Agreement. The price per share of any Common Stock sold hereunder may be greater or less than the price assumed herein, depending on the market price of the Common Stock at the time of such sale. Furthermore, there is no guarantee that the company will sell all of the Common Stock available for sale hereunder or that there will be any sales of Common Stock hereunder. To the extent that the market price per share of the shares of Common Stock, less any distributing commission or discount, is less than the then current NAV per share on any given day, the Company will instruct Roth not to make any sales on such day. As a result, the actual net proceeds received by the company may be less than the amount of net proceeds estimated in this paragraph.

We intend to use the net proceeds from the sale of the securities offered hereby for working capital and other general corporate purposes, including to develop our products, fund capital expenditures, make investments in or acquisitions of other businesses, solutions or technologies or repay a portion of our outstanding borrowings. We currently have no plan or proposal to make any particular such investment or acquisition. Pending these uses, we intend to invest the net proceeds in, interest-bearing, investment-grade securities.

## PLAN OF DISTRIBUTION

Under the Equity Distribution Agreement with Roth Capital Partners, LLC (“Roth” or the “Sales Agent”) upon written instructions from the company, Roth will use its commercially reasonable efforts consistent with its sales and trading practices, to solicit offers to purchase the Common Stock under the terms and subject to the conditions set forth in the Equity Distribution Agreement. Roth’s solicitation will continue until the company instructs Roth to suspend the solicitations and offers. The company will instruct Roth as to the amount of Common Stock to be sold by Roth. The company may instruct Roth not to sell shares of Common Stock if the sales cannot be effected at or above the price designated by the company in any instruction. The company or Roth may suspend the offering of Common Stock upon proper notice.

Sales of common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in transactions that are deemed to be “at the market” offerings as defined in Rule 415 under the Securities Act of 1933, as amended, or the Securities Act. Sales of the shares of our common stock, if any, through Roth or directly to Roth acting as principal will be made by means of ordinary brokers’ transactions on the NYSE American or any other existing trading market in the United States for our common stock, sales made to or through a market maker other than on an exchange or otherwise, in privately-negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices agreed by Roth and us or any other method permitted by law. If we and Roth agree on any method of distribution other than sales of shares of our common stock into the NYSE American or another existing trading market in the United States at market prices, we will file a further prospectus supplement providing all information about such offering as required by Rule 424(b) under the Securities Act.

Roth will provide written confirmation to the company not later than the opening of the trading day on the NYSE American following any trading day on which shares of Common Stock are sold under the Equity Distribution Agreement. Each confirmation will include the number of shares sold on the preceding day, the net proceeds to the company and the compensation payable by the company to Roth in connection with the sales.

The company will pay Roth commissions for its services in acting as sales agent for the sale of Common Stock. Roth will be entitled to compensation of up to 3% of the gross proceeds of the sale of any Common Stock under the Equity Distribution Agreement. The company has also agreed to reimburse Roth the fees and disbursements of its legal counsel in an amount up to \$30,000. There is no guarantee that there will be any sales of Common Stock pursuant to this Prospectus Supplement.

Settlement for sales of shares of Common Stock will occur on the second trading day following the date on which such sales are made, or on some other date that is agreed upon by the company and Roth in connection with a particular transaction, in return for payment of the net proceeds to the company. There is no arrangement for funds to be deposited in escrow, trust or similar arrangement.



We will report at least quarterly the number of shares of our common stock sold through Roth under the Equity Distribution Agreement and the net proceeds to us.

In connection with the sale of Common Stock on behalf of the company, Roth will be deemed to be an “underwriter” within the meaning of the Securities Act, and the compensation paid to Roth may be deemed to be underwriting commissions or discounts. The company has agreed to provide indemnification and contribution to Roth against certain civil liabilities, including liabilities under the Securities Act. The company has also agreed to reimburse Roth for other specified expenses.

The offering of Common Stock pursuant to the Equity Distribution Agreement will terminate upon the earlier of (1) the sale of all shares of Common Stock subject to the Equity Distribution Agreement or (2) the termination of the Equity Distribution Agreement. The Equity Distribution Agreement may be terminated by the company in its sole discretion at any time by giving five days’ notice to Roth. Roth may terminate the Equity Distribution Agreement under the circumstances specified in the Equity Distribution Agreement by giving one or five days’ notice to the company, depending upon the circumstances related to Roth’s termination of the Equity Distribution Agreement.

Under the Investment Company Act of 1940, as amended, the company may not sell shares of Common Stock at a price below the then current NAV per share, after taking into account any commission or discount. To the extent that the market price per share of the Common Stock is less than the then current NAV per share, after taking into account any commission or discount, on any given day, the company will instruct Roth not to make any sales on such day.

The principal business address of Roth is 888 San Clemente Drive, Newport Beach, California 92660.

## LEGAL MATTERS

Certain legal matters will be passed on by Foley & Lardner LLP, New York, New York, as counsel to the company in connection with the offering of Common Stock. Certain legal matters will be passed on by Ellenoff Grossman & Schole LLP, New York, New York, as counsel to Roth Capital Partners, LLC in connection with the offering of Common Stock.

## ADDITIONAL INFORMATION

This Prospectus Supplement and the accompanying Prospectus constitute part of a Registration Statement filed by the company with the SEC under the Securities Act and the 1940 Act. The semi-annual report is hereby incorporated by reference from the company's Form N-CSR filed on August 24, 2018. This Prospectus Supplement and the accompanying Prospectus omit certain of the information contained in the Registration Statement, and reference is hereby made to the Registration Statement and related exhibits for further information with respect to the company and the Common Stock offered hereby. Any statements contained herein concerning the provisions of any document are not necessarily complete, and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the SEC. Each such statement is qualified in its entirety by such reference. The complete Registration Statement may be obtained from the SEC upon payment of the fee prescribed by its rules and regulations or free of charge through the SEC's web site (<http://www.sec.gov>).

This page intentionally left blank.

S-12

## **DAXOR CORPORATION**

### **BASE PROSPECTUS**

**\$28,000,000**

### **Daxor Corporation**

#### **Common Stock**

Daxor Corporation is an investment company with medical instrumentation and biotechnology operations. While the company is not primarily engaged in the business of investing, reinvesting, owning, holding or trading in securities, the company is dependent upon earnings from its investment portfolio to fund operations *and has registered as a closed-end investment company under the Investment Company Act of 1940, as amended*. While Daxor Corporation is registered as a closed-end investment company, it has always conducted its business as an operating company and has never been in, or held itself out to be in, the business of investing, reinvesting, owning, holding or trading in securities.

Our major focus is the development of the BVA-100<sup>®</sup> Blood Volume Analyzer, an instrument that rapidly and accurately measures human blood volume. This instrument is used in conjunction with Volumex<sup>®</sup>, a single-use radiopharmaceutical diagnostic injection and collection kit. We also own the Daxor Oak Ridge Operations (DORO) facility in Oak Ridge, Tennessee, which manufactures, tests, and develops next-generation models of the BVA-100<sup>®</sup>.

We may offer shares of our common stock, par value \$0.01 per share, from time to time under this prospectus, together with any applicable prospectus supplement, at prices and on terms to be determined by market conditions at the time of offering. This prospectus provides you with a description of the common stock we may offer. Each time we offer securities, we will provide a prospectus supplement that will describe the specific amounts, prices and other important terms of the offering. During any 12-month period, the aggregate market value of securities we may offer may not exceed one third of the aggregate market value of voting and non-voting common equity held by persons who are not affiliates of our company.

In addition, we are registering shares of our common stock for resale by the selling shareholder named in this prospectus, or its transferees, pledgees, donees or successors. We will not receive any proceeds from the sale of these shares, although we have paid the expenses of preparing this prospectus and the related registration statement.

Holders of our common stock are entitled to dividends as our board of directors may declare from time to time out of legally available funds. Each holder of our common stock is entitled to one vote per share. Our common stock is described in greater detail in this prospectus under “*Daxor Corporation Common Stock*”.

A prospectus supplement that we may authorize to be provided to you may also add, update or change information contained in this prospectus or in documents we have incorporated by reference. However, no prospectus supplement will offer a security that is not registered and described in this prospectus at the time of the effectiveness of the registration statement of which this prospectus is a part.

We may offer shares of common stock (1) directly to one or more purchasers, (2) through agents that we may designate from time to time or (3) to or through underwriters or dealers. We, and our underwriters or agents, reserve the right to accept or reject all or part of any proposed purchase of securities. If we do offer securities through underwriters or agents, we will include in the applicable prospectus supplement: (1) the names of those underwriters or agents; (2) applicable fees, discounts and commissions to be paid to them; (3) details regarding over-allotment options, if any; and (4) the net proceeds to us.

You should rely only on the information that we have provided or incorporated by reference in this prospectus, and any applicable prospectus supplement that we may authorize to be provided to you. We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus, and any applicable prospectus supplement. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus, and the accompanying prospectus supplement. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

This prospectus and the accompanying supplement to this prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor do this prospectus and the accompanying supplement to this prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. You should not assume that the information contained in this prospectus and any applicable prospectus supplement is accurate on any date subsequent to the date set forth on the front of the document or that any information we have incorporated by reference therein is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus and any applicable prospectus supplement is delivered or the applicable securities are sold on a later date.

Our common stock has continuously been traded since its initial public offering. The company's common stock is traded on the NYSE American Exchange under the symbol DXR.

**There are risks involved in investing in the Daxor Corporation's stock. See the "Risk Factors" section beginning on page 7 of this prospectus.**

This prospectus sets forth concisely the information about Daxor Corporation that a prospective investor ought to know before investing. This prospectus should be retained for future reference. Additional information about the company, in the form of a Statement of Additional Information, dated as of the date of this prospectus, is incorporated herein by reference. You may request a free copy of the Statement of Additional Information, the table of contents of which is on page 24 of this prospectus, or request other information about the company (including our annual and semi-annual reports) or make shareholder inquiries by calling (888) 774-3268 or by writing us at 350 Fifth Avenue (Empire State Building), Suite 4740, New York, New York 10118, Attention Corporate Secretary; or you may obtain a copy (and other information regarding the company) from the SEC's website ([www.sec.gov](http://www.sec.gov)). Free copies of our reports and the SAI will also be available from our website at [www.Daxor.com](http://www.Daxor.com).

The date of this prospectus is August 23, 2018.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense. This Prospectus is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**TABLE OF CONTENTS**

<u>FEE TABLE AND SYNOPSIS</u>	1
<u>FINANCIAL HIGHLIGHTS</u>	2
<u>PLAN OF DISTRIBUTION</u>	4
<u>SENIOR SECURITIES</u>	5
<u>SELLING SHAREHOLDER</u>	6
<u>USE OF PROCEEDS</u>	6
<u>GENERAL DESCRIPTION OF DAXOR CORPORATION</u>	6
<u>General</u>	6
<u>Investment Objectives and Policies</u>	7
<u>Risk Factors</u>	7
<u>Other Policies</u>	16
<u>Forward-Looking Statements Regarding Daxor Corporation</u>	16
<u>Investment Management</u>	17
<u>Daxor Corporation Common Stock</u>	18
<u>Directors and Executive Officers of Daxor Corporation</u>	19
<u>Additional Information about Daxor Corporation</u>	21
<u>TAX MATTERS</u>	21
<u>LEGAL MATTERS</u>	22
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	23
<u>PRIVACY PRINCIPLES OF THE COMPANY</u>	23
<u>ADDITIONAL INFORMATION</u>	23
<u>TABLE OF CONTENTS FOR THE STATEMENT OF ADDITIONAL INFORMATION</u>	24

**You should rely only on the information included or incorporated by reference in this prospectus. Daxor Corporation has not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information included in this prospectus is accurate as of any date other than the date on the front of this prospectus. The company's prospects and its business, financial condition and results of operations, each may have changed since the date on the front of this prospectus.**



**FEE TABLE AND SYNOPSIS**

The following table contains information about the costs and expenses that shareholders will bear directly or indirectly. The table is based on the capital structure of the company as of March 31, 2018 (except as noted below). The purpose of the table and the example below is to help you understand the fees and expenses that you, as a holder of common stock, would bear directly or indirectly.

Common Shareholder Transaction Expenses	
Sales load paid by you (as a percentage of offering price)	<del>—</del> %(1)
Offering expenses borne by shareholders (as a percentage of offering price)	<del>—</del> %(2)

<b>Annual Expenses</b>	<b>Percentage of Net Assets Attributable to Common Shares<sup>(3)</sup></b>	
Management Fees <sup>(4)</sup>	None	
Annualized Interest Payments on Borrowed Funds	0.74	%
Annualized Other Expenses	1.49	%
Total Annual Expenses before Taxes	2.23	%
Estimated Annualized Tax Expense	0.10	%
Total Annual Expenses after Taxes <sup>(5)</sup>	2.33	%

(1) If shares of common stock to which this prospectus relates are sold to or through underwriters, the prospectus supplement will set forth any applicable sales load and the estimated offering expenses borne by the company.

(2) The company will bear the costs of the offering expenses, and the prospectus supplement will set forth the estimated offering costs.

(3) Based upon average net assets applicable to shares of common stock during the period ended March 31, 2018.

(4) The company does not pay a management fee.

As explained in the company's Form N-CSR/A, dated March 7, 2018, the company has significant net operating loss and capital loss carry forwards and for the foreseeable future no adjustments to tax liabilities or operations is necessary. However, the company is subject to state and local taxes where the annualized impact to operations is approximately 0.10%.

“Other Expenses” are based on estimated amounts for the current fiscal year.

As required by relevant Securities and Exchange Commission regulations, the following example illustrates the expenses that you would pay on a \$1,000 investment in shares of common stock, assuming (1) “Total annual expenses” of 2.33% of net assets attributable to shares and (2) a 5% annual return. **The Example should not be considered a representation of future expenses or returns. Actual expenses may be higher or lower than those assumed. Moreover, the company’s actual rate of return may be higher or lower than the hypothetical 5% return shown in the example.** The example assumes that all dividends and distributions are reinvested at net asset value.

	1	3	5	10
	Year	Years	Years	Years
Total Expenses paid by Common Shareholders	\$ 24	\$ 73	\$ 125	\$ 267

The example above does not include sales loads or estimated offering costs. In connection with an offering of shares of common stock, the prospectus supplement will set forth an Example including sales load and estimated offering costs.

**FINANCIAL HIGHLIGHTS**

The financial highlights table is intended to help you understand the company's financial performance. The information in this table is derived from the company's financial statements audited by its independent registered public accounting firm for the company, whose report on such financial statements, together with the financial statements of the company, are included in the company's annual report to shareholders for the fiscal year ended December 31, 2017, and are incorporated by reference into the SAI.

	Year Ended December 31, 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	0.07		0.03	
Net realized and unrealized gain (loss) from investments, options and securities borrowed	0.23		0.56	
Net realized and unrealized loss from operating division	(0.62)	)	(0.21)	)
Income tax (expense) benefit	-		-	
Other	(0.01)	)	(0.05)	)
Total income (loss) from Investment Operations	(0.33)	)	0.33	
Less:				
Distributions to shareholders from net investment income	(0.03)	)	(0.03)	)
Increase (decrease) in Net Asset Value Per Share	(0.36)	)	0.30	
Net Asset Value Per Share, End of Year	\$3.68		\$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	4.57		8.24	
Change in Price Per Share of Common Stock	\$(3.67)	)	\$0.64	
Total Investment Return	(44.54)	)%	8.42	%
Weighted Average Shares Outstanding	3,767,756		3,825,476	
Ratios/Supplemental Data				
Net assets, End of Year (in 000's)	\$13,758		\$15,344	
Ratio of total expenses to average net assets	1.90	%	2.44	%

Edgar Filing: DAXOR CORP - Form 497

Ratio of net investment income before income taxes to average net assets	1.89	%	0.86	%
Ratio of net investment (loss) income after income taxes to average net assets	1.72	%	0.78	%
Portfolio turnover rate	3.63	%	7.59	%

	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 %		
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 %		

## **PLAN OF DISTRIBUTION**

We may sell the securities being offered hereby in one or more of the following ways from time to time:

through agents to the public or to investors;  
to underwriters for resale to the public or to investors; and  
directly to investors; or through a combination of any of these methods of sale.

We will set forth in a prospectus supplement the terms of that particular offering of securities, including:

the name or names of any agents or underwriters;  
the purchase price of the securities being offered and the proceeds we will receive from the sale;  
any over-allotment options under which underwriters may purchase additional securities from us;  
any agency fees or underwriting discounts and other items constituting agents' or underwriters' compensation; and  
any discounts or concessions allowed or reallocated or paid to dealers.

### **Agents**

We may designate agents who agree to use their reasonable efforts to solicit purchases of our securities for the period of their appointment or to sell our securities on a continuing basis.

### **Underwriters**

If we use underwriters for a sale of securities, the underwriters will acquire the securities for their own account. The underwriters may resell the securities in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase the securities will be subject to the conditions set forth in the applicable underwriting agreement. The underwriters will be obligated to purchase all the securities of the series offered if they purchase any of the securities of that series. We

may change from time to time any initial public offering price and any discounts or concessions the underwriters allow or reallow or pay to dealers. We may use underwriters with whom we have a material relationship. We will describe the nature of any such relationship in any prospectus supplement naming any such underwriter. Only underwriters we name in the prospectus supplement are underwriters of the securities offered by the prospectus supplement.

### **Direct Sales**

We may also sell securities directly to one or more purchasers without using underwriters or agents. Underwriters, dealers and agents that participate in the distribution of the securities may be underwriters as defined in the Securities Act of 1933, as amended (the "Securities Act"), and any discounts or commissions they receive from us and any profit on their resale of the securities may be treated as underwriting discounts and commissions under the Securities Act. We will identify in the applicable prospectus supplement any underwriters, dealers or agents and will describe their compensation. We may have agreements with the underwriters, dealers and agents to indemnify them against specified civil liabilities, including liabilities under the Securities Act. Underwriters, dealers and agents may engage in transactions with or perform services for us in the ordinary course of their businesses.

## **Stabilization Activities**

Any underwriter may engage in overallotment, stabilizing transactions, short covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Overallotment involves sales in excess of the offering size, which create a short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Short covering transactions involve purchases of the securities in the open market after the distribution is completed to cover short positions. Penalty bids permit the underwriters to reclaim a selling concession from a dealer when the securities originally sold by the dealer are purchased in a covering transaction to cover short positions. Those activities may cause the price of the securities to be higher than it would otherwise be. The underwriters may discontinue any of these activities, if commenced, at any time.

## **General**

Agents, underwriters, or dealers participating in an offering of Common Shares may be deemed to be underwriters, and any discounts and commission received by them and any profit realized by them on resale of the offered shares of common stock for whom they act as agent, may be deemed to be underwriting discounts and commissions under the Securities Act.

We may offer to sell securities either at a fixed price or at prices that may vary, at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices.

Under agreements entered into with us, underwriters and agents may be entitled to indemnification by us against certain civil liabilities, including liabilities under the Securities Act, or to contribution for payments the underwriters or agents may be required to make.

The underwriters, agents, and their affiliates may engage in financial or other business transactions with us in the ordinary course of business.

Pursuant to a requirement of the Financial Industry Regulatory Authority, or FINRA, the maximum compensation to be received by any FINRA member or independent broker-dealer may not be greater than eight percent (8%) of the gross proceeds received by us for the sale of any securities being registered pursuant to Rule 415 under the Securities Act.



The aggregate offering price specified on the cover of this prospectus relates to the offering of the shares of common stock not yet issued as of the date of this prospectus.

To the extent permitted under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder, the underwriters may from time to time act as a broker or dealer and receive fees in connection with the execution of portfolio transactions on behalf of the company after the underwriters have ceased to be underwriters and, subject to certain restrictions, each may act as a broker while it is an underwriter.

A prospectus and accompanying prospectus supplement in electronic form may be made available on the websites maintained by underwriters. The underwriters may agree to allocate a number of shares of common stock for sale to their online brokerage account holders. Such allocations of shares of common stock for internet distributions will be made on the same basis as other allocations. In addition, shares of common stock may be sold by the underwriters to securities dealers who resell shares of common stock to online brokerage account holders.

## **SENIOR SECURITIES**

We have no instruments that are senior securities. While we have margin loans, which could be considered senior securities if we did not take appropriate steps to segregate assets or otherwise “cover” the margin loan obligations, we have covered our commitments under the margin loans, and do not treat the margin loans as senior securities. Therefore we have not included a senior securities table.

**SELLING SHAREHOLDER**

We are registering certain of the shares covered by this prospectus on behalf of the selling shareholder named in the table below (including its donees, pledgees, transferees or other successors-in-interest who receive any of the shares covered by this prospectus), the Joseph Feldschuh Estate. We are registering the shares to permit the selling shareholder to offer these shares for resale from time to time. The selling shareholder may sell all, some or none of the shares covered by this prospectus. All information with respect to beneficial ownership has been furnished to us by the selling shareholder.

The estate of Joseph Feldschuh, M.D., controls more than 50% of the company's voting power, and shareholders and members of the company's board of directors submit nominees for election to the company's board to Mr. Michael Feldschuh, executor of the Joseph Feldschuh estate, for his consideration.

SELLING SHAREHOLDER	NUMBER OF SHARES OWNED PRIOR TO THIS OFFERING	NUMBER OF SHARES BEING OFFERED HEREBY	SHARES OWNED AFTER OFFERING (1)		
			NUMBER (2)	PERCENTAGE (2)	%
Joseph Feldschuh Estate	2,774,455	300,000	2,474,455	47	%

(1) Assumes that the shareholder disposes of all of the shares of common stock covered by this prospectus and does not acquire or dispose of any additional shares of common stock. However, the selling shareholder is not representing that any of the shares covered by this prospectus will be offered for sale, and the selling shareholder reserves the right to accept or reject, in whole or in part, any proposed sale of shares.

(2) The percentage of common stock beneficially owned is based on the shares of common stock outstanding on March 31, 2018. This prospectus also covers any additional shares of common stock that become issuable in connection with the shares being registered by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without the receipt of consideration which results in an increase in the number of outstanding shares of our common stock.

**USE OF PROCEEDS**

Except as described in any applicable prospectus supplement in connection with a specific offering, we currently intend to use the net proceeds from the sale of the securities offered hereby for working capital and other general corporate purposes, including to develop our products, fund capital expenditures, make investments in or acquisitions of other businesses, solutions or technologies or repay a portion of our outstanding borrowings. We currently have no plan or proposal to make any particular such investment or acquisition. Pending these uses, we intend to invest the net proceeds in, interest-bearing, investment-grade securities.

The selling shareholder will receive all of the proceeds from the sale of the common stock offered by this prospectus for the selling shareholder. We will not receive any of the proceeds from the sale of such common stock.

## **GENERAL DESCRIPTION OF DAXOR CORPORATION**

### **General**

Daxor Corporation is an investment company with medical instrumentation and biotechnology operations. Daxor Corporation was originally incorporated in New York State as Iatric Corporation in May 1971 for cryobanking services and discontinued these services through its wholly-owned subsidiary, Scientific Medical Systems in 2017. In October 1971, the name Iatric Corporation was changed to Idant Corporation. In May 1973, the name Idant Corporation was changed to Daxor Corporation.

Our principal executive offices are located at 350 Fifth Avenue, Suite 4740, New York, NY 10118.

While the company is not primarily engaged in the business of investing, reinvesting, owning, holding or trading in securities, the company is dependent upon earnings from its investment portfolio to fund operations. While Daxor Corporation is registering as a closed-end investment company, Daxor Corporation's major focus will remain the development of the BVA-100 ® Blood Volume Analyzer, an instrument that rapidly and accurately measures human blood volume. This instrument is used in conjunction with Volumex ® , a single-use radiopharmaceutical diagnostic injection and collection kit.

We also own the Daxor Oak Ridge Operations (DORO) facility in Oak Ridge, TN, which manufactures, tests, and develops next-generation models of the BVA-100 ®.

We maintain an internet website at [www.daxor.com](http://www.daxor.com). Except as expressly incorporated herein by reference, the information contained on the website is not incorporated by reference into this prospectus or into any other document filed by us with the Securities and Exchange Commission.

### **Investment Objectives and Policies**

Our objective is to support and expand our operating businesses, through organic growth (i.e., the rate of business expansion through internal enhancement of the business and operations as opposed to mergers, acquisitions and takeovers). The company is not primarily engaged in the business of investing, reinvesting, owning, holding or trading in securities. Funds in excess of the company's business needs are placed in instruments designed to maximize capital preservation and assure liquidity. The foregoing policies may be changed without a shareholder vote.

We concentrate our investments in the utility industry and has an investment policy that calls for a minimum of 80% of the company's investment portfolio to consist of electric utility stocks. The Board of Directors has authorized this minimum to be temporarily lowered to 70% when management deems it to be necessary. At least once a year, the company reviews its investment strategy, and more frequently as needed, at board meetings.

The investment portfolio primarily consists of electric utility companies which are publicly traded common and preferred stock. In addition to receiving income from dividends from the securities held in the investment portfolio, we also have an investment policy of selling puts on stocks that we are willing to own. Such options usually have a maturity of less than 1 year. The company will also sell covered calls on securities within its investment portfolio. Covered calls involve stocks, which usually do not exceed 15% of the value of the company's portfolio.

We will, at times, sell naked or uncovered calls, as well as, engage in short sales as part of an income strategy, and to a lesser extent a strategy to mitigate risk. Our net short position will usually amount to less than 15% of the company's portfolio value.

At this time, investments in debt instruments and foreign securities are not a principal investment strategy, and we expect any such investments to be minimal.

## **Risk Factors**

### Investment Portfolio Risks

#### Market Risks

Loss of money is a risk of investing in the company. The net asset value of the company can be expected to change daily and you may lose money. There is no guarantee that the performance of our investment portfolio will be positive over any period of time, either short-term or long-term.

### Equity Investments

Because we invest in equity securities, fluctuations in the stock market in general, as well as in the value of particular equity securities held by us, can affect the performance of our investment portfolio. The value of equity securities will fluctuate due to many factors, including the past and predicted earnings of the issuer, the quality of the issuer's management, general market conditions, forecasts for the issuer's industry and the value of the issuer's assets.

### Industry Concentration

We concentrate our investments within the electric utility industry. Because of its narrow industry focus, the performance of our investment portfolio is tied closely to and affected by developments in the electric utility industry, such as competition and weather. The electric utility industry is also sensitive to increased interest rates because of the industry's capital intensive nature. Also, an increase in interest rates could cause some electric utilities to decrease dividends paid to shareholders which would reduce our investment income. The earnings of electric utility companies could also be negatively affected by power outages. Electric utilities operate in an environment of federal, state and local regulations, and these regulations may disproportionately affect an individual utility.

### Non-Diversification

We may own larger positions in a smaller number of securities in its investment portfolio. An investment portfolio that is less diversified may be more susceptible to adverse economic, political, or regulatory developments affecting a single issuer than a fund that is more broadly diversified.

### Short Sale Risks

Our investment portfolio will suffer a loss if it sells a security short and the value of the security rises rather than falls. It is possible that the investment portfolio's long positions will decline in value at the same time that the value of its short positions increase, thereby increasing potential losses to the portfolio. Short sales expose our investment portfolio to the risk that it will be required to buy the security sold short (also known as "covering" the short position) at a time when the security has appreciated in value, thus resulting in a loss to the portfolio. The investment performance of our investment portfolio will also suffer if it is required to close out a short position earlier than it had intended. In addition, our investment portfolio may be subject to expenses related to short sales that are not typically associated with investing in securities directly, such as costs of borrowing. These expenses may negatively impact the performance of the investment portfolio. Short positions introduce more risk to the investment portfolio than long

positions (purchases) because the maximum sustainable loss on a security purchased (held long) is limited to the amount paid for the security plus the transaction costs, whereas there is no maximum attainable price of the shorted security. Therefore, in theory, securities sold short have unlimited risk.

*Put and Call Options Risk*

Options transactions involve special risks that may make it difficult or impossible to close a position when we desire. These risks include: possible imperfect correlation between the price movements of the option and the underlying security; the potential lack of a liquid secondary market at any particular time; and possible price fluctuation limits.

*Operating Company Risks*

***Our business is at an early stage of commercial development and we may struggle to generate significant commercial uptake in our products with our current resources.***

Our business is at an early stage of commercial development. We have a base of installed devices at approximately 65 hospitals and clinics and approximately 40,000 kits have been used by clinicians. These sites are covered by a sales, marketing, technical, and clinical support team of 12 individuals composed of employees and consultants. Investment in expanding these resources will be required to reach larger target customers at hospitals and clinics across the country.

In addition, significant research and clinical studies on the potential benefits of blood volume analysis to guide therapeutic decisions will be required to gain acceptance into the guidelines of care and for broader clinical adoption. There is no guarantee that these studies will be successful or completed in a timely or cost-effective manner allowing the company to benefit commercially from their completion.

***We will need additional capital to conduct our operations and develop our products, and our ability to obtain the necessary funding is uncertain.***

We have used a significant amount of cash and retained earnings since inception to finance the continued development and testing of our BVA-100 system, and we expect to need additional capital resources in order to further commercialize the product as well as develop related products and updates to our existing device.

We may not be successful in maintaining operating cash flow, and the timing of our capital expenditures and other expenditures may impede our commercialization efforts if not sufficient. If financing is not sufficient and additional financing is not available or available only on terms that are detrimental to our long-term survival, it could have a material adverse effect on our ability to successfully commercialize our technology.

Additional financing through strategic collaborations, public or private equity or debt financings or other financing sources may not be available on acceptable terms for our operating company, or at all. Additional equity financing could result in dilution to our shareholders. Further, if we obtain additional funds through arrangements with collaborative partners, these arrangements may require us to relinquish rights to some of our technologies, product or products that we would otherwise seek to develop and commercialize on our own.

If sufficient capital is not available, we may be required to delay, reduce the scope of or eliminate one or more of our research or product development initiatives, any of which could have an adverse effect on our financial condition or business prospects.

***Our financial reporting reflects our status as a closed-end investment fund with a wholly owned operating medical device subsidiary whose financial performance is not broken out in detail and reported on a regular basis as is the case with traditional operating companies. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common stock.***

Shareholders seek detailed financial information in their investments and our reporting structure conforms to that of an investment fund. Investors may become dissatisfied with the level of reporting detail that our current fund structure



maintains and require greater transparency in the future or lose confidence in the management resulting in a negative impact on the stock price. While the company intends to file for a change of reporting structure in the future to a traditional operating company with the SEC as revenues from the operating subsidiary increase whether that will be achievable and at what date remains unknown at this point in time.

***If our efforts to protect our intellectual property related to our technologies are not adequate, we may not be able to compete effectively in our market and our business would be harmed.***

We rely upon a combination of patents, trade secret protection and confidentiality agreements to protect the intellectual property related to our technologies. Any disclosure to or misappropriation by third parties of our trade secrets or other confidential information could assist competitors in duplicating or surpassing our technological achievements, thus eroding the competitive advantage we may derive from these patents or know-how.

The strength of patents in the medical diagnostic field involves complex legal and scientific questions and can be uncertain. The patent applications we own may fail to result in issued patents in the United States or in foreign countries and existing patents on parts of our technology have entered the public domain. Third parties may challenge the validity, enforceability or scope of any issued patents we own or license or any applications that may issue as patents in the future, which may result in those patents being narrowed, invalidated or held unenforceable. Even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property or prevent others from developing similar products that do not fall within the scope of our patents. If the breadth or strength of protection provided by the patents we hold or pursue is threatened, our ability to commercialize any product candidates with technology protected by those patents could be threatened. Since patent applications in the United States and most other countries are confidential for a period of time after filing, we cannot be certain at the time of filing that we are the first to file any patent application related to our technology.

In addition to the protection afforded by patents, we seek to rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable, processes for which patents are difficult to enforce and any other elements of our discovery platform and drug development processes that involve proprietary know-how, information or technology that is not covered by patents or not amenable to patent protection. Although we endeavor that all of our employees and certain consultants and advisors to assign inventions to us, and all of our employees, consultants, advisors and any third parties who have access to our proprietary know-how, information or technology to enter into confidentiality agreements, our trade secrets and other proprietary information may be disclosed or competitors may otherwise gain access to such information or independently develop substantially equivalent information. Further, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we may encounter significant difficulty in protecting and defending our intellectual property both in the United States and abroad. If we are unable to prevent material disclosure of the trade secret intellectual property related to our technologies to third parties, we may not be able to establish or maintain the competitive advantage that we believe is provided by such intellectual property, which could materially adversely affect our market position and business and operational results.

***We may be involved in lawsuits to protect or enforce our patent, which could be expensive, time-consuming and unsuccessful.***

Competitors may infringe our patents. To attempt to stop infringement or unauthorized use, we may need to enforce one or more of our patents, which can be expensive and time-consuming and distract management. If we pursue any litigation, a court may decide that a patent of ours or our licensor's is not valid or is unenforceable, or may refuse to stop the other party from using the relevant technology on the grounds that our patents do not cover the technology in question. Further, the legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, which could reduce the likelihood of success of any infringement proceeding we pursue in any such jurisdiction. An adverse result in any infringement litigation or defense proceedings could put one or more of our patents at risk of being invalidated, held unenforceable, or interpreted narrowly and could put our patent applications at risk of not issuing, which could limit our ability to exclude competitors from directly competing with us in the applicable jurisdictions.

Interference proceedings provoked by third parties or brought by the U.S. PTO may be necessary to determine the priority of inventions with respect to our patents or patent applications or those of our licensors. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to use it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms, or at all. Litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees.

***If we are unsuccessful in obtaining or maintaining patent protection for intellectual property in development, our business and competitive position would be harmed.***

We are seeking patent protection for some of our technology and future products. Patent prosecution is a challenging process and is not assured of success. If we are unable to secure patent protection for our technology and product candidates, our business may be adversely impacted.

In addition, issued patents and pending international applications require regular maintenance. Failure to maintain our portfolio may result in loss of rights that may adversely impact our intellectual property rights, for example by rendering issued patents unenforceable or by prematurely terminating pending international applications.

***If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.***

In addition to seeking patents for some of our technology and product candidates, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We currently, and expect in the future to continue to, seek to protect these trade secrets, in part, by entering into confidentiality agreements with parties who have access to them, such as our employees, collaborators, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for any such disclosure. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they disclose the trade secrets, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

***We will have to hire additional executive officers and employees to expand our business. If we are unable to hire qualified personnel, we may not be able to implement our business strategy.***

The loss of the services of any of our key product or business development employees could delay our product development programs and our research and development efforts. We do not maintain key person life insurance on any of our officers, employees or consultants. In order to develop our business in accordance with our business strategy, we will have to hire additional qualified personnel, including in the areas of sales, physician education, manufacturing, clinical trials management, regulatory affairs, and business development. We will need to raise sufficient funds to hire the necessary employees and have commenced our search for additional key employees.

***We depend on key personnel for our continued operations and future success, and a loss of certain key personnel could significantly hinder our ability to move forward with our business plan.***

Because of the specialized nature of our business, we are highly dependent on our ability to identify, hire, train and retain highly qualified scientific and technical personnel for the research and development activities we conduct or sponsor. The loss of one or more key executive officers, or scientific officers, would be significantly detrimental to us. In addition, recruiting and retaining qualified scientific personnel to perform research and development work is critical to our success. Our anticipated growth and expansion into areas and activities requiring additional expertise will require the addition of new management personnel and the development of additional expertise by existing management personnel.

***Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could cause our business to suffer.***

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with regulations of governmental authorities, such as the FDA or the European Medicines Agency, or EMA, to provide accurate information to the FDA or EMA, to comply with manufacturing standards we have established, to comply with federal, state and international healthcare fraud and abuse laws and regulations as they may become applicable to our operations, to report financial information or data accurately or to disclose unauthorized activities to us. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter employee misconduct, and the precautions we currently take and the procedures we may establish in the future as our operations and employee base expand to detect and prevent this type of activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure by our employees to comply with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and results of operations, including the imposition of significant fines or other sanctions.

***If we experience delays or difficulties in clinical outcome studies or lack the funding to conduct them, receipt of necessary outcome data could be delayed or prevented.***

Clinical trials using our BVA-100 depend upon the successful funding, enrollment, and initiation of studies in coordination with research institutions and hospitals. The company does not have sufficient funds to fully sponsor as many outcome studies as may be warranted for adoption of our diagnostic as a standard of care. As such, the company depends upon a combination of grants and research agreements with sponsoring institutions for many of the studies that have been conducted with its technology and anticipates continuing to do so for the foreseeable future.

***We and our suppliers are subject to extensive FDA regulation, which can be costly and time consuming and can subject us to unanticipated business costs or difficulties. Even though regulatory approval for products may have been granted, those products may still face regulatory difficulties.***

All of our current and potential products, as well as those supplied to Daxor by third parties, processing and manufacturing activities, are subject to comprehensive regulation by the FDA in the United States and by comparable authorities in other countries. The company has spent considerable resources and time obtaining FDA and other required regulatory approvals but is still subject to regulatory action from the FDA if it chooses to revoke or enforce an interpretation of the regulations that would make distribution or manufacture of our products disallowed.

If we or third-party manufacturers we may contract with, violate regulatory requirements at any stage the FDA may take enforcement action(s) against us, which could include issuing a warning or untitled letter, placing a clinical hold on an ongoing clinical trial, product seizure, enjoining our operations, refusal to consider our applications for pre-market approval, refusal of an investigational new drug application, fines, or even civil or criminal liability, any of which could materially harm our reputation and financial results. In addition, if manufacturing problems occur, regulators may withdraw their approval or demand additional changes in product manufacture or marketing practices.

Enforcement actions we and our suppliers are subject to include:

warning letters or other actions requiring changes in product manufacturing processes or restrictions on product marketing or distribution;

product recalls or seizures or the temporary or permanent withdrawal of a product from the market;

suspending any ongoing clinical trials;

temporary or permanent injunctions against our production operations; and

finer, restitution or disgorgement of profits or revenue, the imposition of civil penalties or criminal prosecution.

The occurrence of any of these actions would likely cause a material adverse effect on our business, financial condition and results of operations.

Any difficulties or failures that we encounter regarding regulatory approval for our products or those of third-party suppliers would likely have a substantial adverse impact on our ability to generate product sales, and could make any search for a collaborative partner more difficult.

***For some of our products, we currently lack sufficient manufacturing capabilities to produce our products in-house and rely upon third party suppliers. Disruption in our manufacturing supply, could negatively impact our ability to meet any future demand for the product.***

We expect that we would need to significantly expand our manufacturing capabilities to meet potential demand for our diagnostic devices and Volumex kits. In addition we depend upon a single manufacturer for components of our products and a disruption in that supply could materially impact our business disrupting our ability to meet demand.

We currently manufacture our BVA-100 device in a 20,000 square foot facility in Oak Ridge, Tennessee. If our facilities where our products are currently being manufactured or equipment were significantly damaged or destroyed, or if there were other disruptions, delays or difficulties affecting manufacturing capacity, including if such facilities are deemed not in compliance with current Good Manufacturing Practice, or GMP, requirements, future clinical studies and commercial production for our products would likely be significantly disrupted and delayed. It would be both time-consuming and expensive to replace this capacity with third parties, particularly since any new facility would need to comply with the regulatory requirements.

Ultimately, if we are unable to supply our products to meet commercial demand, whether because of processing constraints or other disruptions, delays or difficulties that we experience, our production costs could dramatically increase and sales of our products and their long-term commercial prospects could be significantly damaged.

***To be successful, our diagnostic products must be broadly accepted by the healthcare community, which can be very slow to adopt or unreceptive to new technologies and products.***

The products that we manufacture represent substantial departure from more established methods of volume assessment and compete with a number of more conventional therapies based upon measures of pressure or hemodynamics manufactured and marketed by major medical device companies. The degree of market acceptance and uptake of our products depends on a number of factors, including:

our establishment and demonstration to the medical community the clinical efficacy and safety of our proposed products;

our ability to demonstrate that our products are superior to alternatives currently on the market in accuracy and ease of use;

our ability to establish in the medical community the potential advantage of our diagnostic over alternative diagnostic methods; and



reimbursement policies of government and third-party payers.

If the healthcare community does not accept our products for any of these reasons, or for any other reason, our business would be materially harmed.

***Our competition includes diagnostic companies that have significant advantages over us.***

The market for medical diagnostic products is highly competitive. We expect that our most significant competitors will be fully integrated and more established medical device companies with extensive product lines and distribution networks. These companies may seek to develop similar products, and they have significantly greater capital resources and research and development, manufacturing, testing, regulatory compliance, and marketing capabilities. As a result, our competitors may develop more competitive or affordable products, or achieve earlier patent protection or product commercialization than we are able to achieve. Competitive products may render our products or future products that we develop obsolete.

***We may be subject to litigation that will be costly to defend or pursue and uncertain in its outcome.***

Our business may bring us into conflict with our licensees, licensors or others with whom we have contractual or other business relationships, or with our competitors or others whose interests differ from ours. If we are unable to resolve those conflicts on terms that are satisfactory to all parties, we may become involved in litigation brought by or against us. That litigation is likely to be expensive and may require a significant amount of management's time and attention, at the expense of other aspects of our business. The outcome of litigation is always uncertain, and in some cases could include judgments against us that require us to pay damages, enjoin us from certain activities, or otherwise affect our legal or contractual rights, which could have a significant adverse effect on our business.

***We are exposed to the risk of liability claims, for which we may not have adequate insurance.***

Since we participate in the health care industry, we may be subject to liability claims by employees, customers, end users and third parties for past products and services as well as current or future products. While the company carries liability insurance there can be no assurance that the liability insurance we carry will be adequate to cover claims asserted against us or that we will be able to maintain such insurance in the future

***We currently have a marketing and sales force of approximately 12 employees and consultants. If we are unable to establish effective marketing and sales capabilities or enter into agreements with third parties to market and sell our product candidates, we may not be able to effectively market and scale our sales to a significant scale.***

We currently have a marketing and sales team for the marketing, sales and distribution of our BVA-100 device and kits. In order to fully commercialize our products, we must expand our territory-by-territory basis marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so.

Any failure or delay in the further development of our internal sales, marketing and distribution capabilities would adversely impact the commercialization of any of our products that we obtain approval to market. We may choose to collaborate, either globally or on a territory-by-territory basis, with third parties that have direct sales forces and established distribution systems, either to augment our own sales force and distribution systems or in lieu of our own sales force and distribution systems. If we are unable to enter into such arrangements when needed on acceptable terms or at all this will adversely affect our ability to rapidly scale the sale of our products.

***Our business and operations would suffer in the event of system failures or natural and man-made disasters.***

Despite the implementation of security measures, our internal computer systems and those of our contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we have not experienced any such system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our operations. For example, a hurricane or severe flood could disrupt one of our key suppliers disrupting our supply chain for weeks or months causing material losses. If any disruption or security breach resulted in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and additional costs despite some insurance products that the company has purchased to mitigate such costs.

*We have incurred net operating losses in the past, and may incur them in the future.*

We have incurred cumulative net operating losses in the past. These losses have mainly resulted from ongoing expenses for marketing and research and development as the company attempts to build a market for its products. In the past, the company's cumulative net income from investments and other items exceeded the operating losses and provided the necessary funds for its continued research and development and marketing. It is the opinion of management that the financial health of the company would have been adversely affected if net income from investments had been substantially less than losses from operations. There is no guarantee that future net income from investments will continue to completely offset operating losses.

***The loss of any one customer could have an adverse effect on our consolidated operating business for a short period of time.***

In the past, the sale of Blood Volume Kits has accounted for a significant portion of the company's total consolidated operating revenue, and a small number of customers (hospitals) has comprised the majority of such sales. Management believes that the loss of any one customer would have an adverse effect on our consolidated operating business for a short period of time. The company continues to seek new customers, so that any one hospital will represent a smaller percentage of overall sales.

***If there is a decrease in the market value of our available for sale securities, this could have an adverse effect on our ability to fund research and development and marketing efforts.***

At December 31, 2017, 86.7% of the fair market value of Daxor Corporation's investment portfolio consisted of utility stocks whose market price can be sensitive to rising interest rates. At December 31, 2016, 78.7% of the fair market value of Daxor Corporation's investment portfolio consisted of utility stocks whose market price can be sensitive to rising interest rates. The company's investment policy calls for a minimum of 80% of the investment portfolio to consist of electric utility stocks. At December 31, 2017, 85.8% of the fair market value of Daxor Corporation's investment portfolio consisted of electric utility stocks. The Board of Directors has authorized this minimum to be temporarily lowered to 70% when management deems it to be necessary.

At December 31, 2017, the company's investment portfolio consisted of 37 separate stocks. The top five holdings as of this date in the investment portfolio were the common stock of DTE Energy, PNM Resources, Eversource Energy, FirstEnergy and Westar Energy. These five holdings comprised 47.3% of the value of the investment portfolio and accounted for 38.1% of the dividend income for the year ended December 31, 2017.

Daxor Corporation also receives significant income from option sales related to its investment portfolio. The income from options is variable, and less predictable than income from dividends from the company's portfolio, which have minor variations. The ability of the company to sell options is related to the market value of its available for sale securities. If there is a decrease in the market value of the company's available for sale securities, this could negatively impact income from option sales.

There is a risk that in an environment of rising interest rates that the market value of these stocks could decline and the utilities could reduce their dividend payments to compensate for increased interest expense. This could have an adverse effect on Daxor Corporation's ability to fund research and development and marketing efforts necessary to build a market for the company's products.

***The absence of patents or the inability to defend patents could negatively impact our ability to compete for and obtain new business.***

Daxor Corporation's patents for the BVA 100 expired in 2010. The company filed two additional patent applications for an automated instrument to measure human blood volume which were granted April 7, 2015. The filings describe innovations which will be or have been incorporated into the company's BVA-100 Blood Volume Analyzer, these patents expanded the capabilities of the analyzer to incorporate total body albumin measures and error correction software to improve accuracy. In addition, the company has filed additional patents on its blood volume technology in January of 2018, and has several more patents in various stages of development.

The blood volume analyzer, however, works most efficiently with the tracer injection kit system which has a separate patent and which expired in 2016. It is possible that another company could develop another version of the Blood Volume Analyzer which would use a different tracer injection kit. To the best of the company's knowledge, this has not happened yet and management views the development of a competing tracer injection kit as unlikely.

*If the current manufacturer were to cease filling the Volumex syringes for us for any reason before we had a chance to make alternative arrangements, this could have a material negative impact on our operating revenue.*

All of Daxor Corporation's orders for Volumex syringes are filled by a single FDA inspected radio pharmaceutical manufacturer. If this manufacturer were to cease filling the Volumex syringes for the company or were denied permission to do so by FDA for any reason before the company had a chance to make alternative arrangements, the effect on the company's operating revenue could be material. In January 2007, we purchased two 10,000 square foot buildings in Oak Ridge, Tennessee to expand its research, development, and manufacturing capabilities.

### **Other Policies**

Our management expects that our investment portfolio will continue to consist primarily of publicly traded common and preferred stocks of electric utilities. The percentage of investments other than electric utilities is expected to remain at less than 20% of the investment portfolio.

With regard to the non-principal investments for the investment portfolio, we are flexible in how we may allocate our investments. We may allocate the non-principal investments among the following types of securities, in proportions which reflect the judgment of our management of the potential returns and risks of such securities:

Common stocks and other equity securities (including common stocks, preferred stocks, convertible preferred stocks, warrants, options and American Depository Receipts);

Bonds and other debt securities (including U.S. Treasury Notes and Bonds, investment grade corporate debt securities, convertible debt securities and debt securities below investment grade); and

Money market instruments.

### **Forward-Looking Statements Regarding Daxor Corporation**

Statements made by Daxor Corporation in this prospectus that are not historical facts may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21 of the Exchange Act. These forward-looking statements are necessarily estimates reflecting the judgment of the company's senior management based on its current estimates, expectations, forecasts and projections and include comments that express the company's current opinions about trends and factors that may impact future operating results. Disclosures that use words such as "believe," "anticipate," "estimate," "intend," "could," "plan," "expect," "project" or the negative of these

as similar expressions, are intended to identify forward-looking statements. These statements are not guarantees of future performance, rely on a number of assumptions concerning future events, many of which are outside of the company's control, and involve known and unknown risks and uncertainties that could cause actual results, performance or achievement, or industry results, to differ materially from any future results, performance or achievements, expressed or implied by such forward-looking statements. These risks, uncertainties and other factors which could cause results to differ materially from management's expectations are discussed in this prospectus. Additional information regarding factors that could cause results to differ materially from management's expectations is found in the section entitled "Risk Factors". Any such forward-looking statements, whether made in this report or elsewhere, should be considered in the context of the various disclosures made by the company about its businesses including, without limitation, the risk factors discussed above.

Daxor Corporation intends that the forward-looking statements included herein be subject to the above-mentioned statutory safe harbor. Investors are cautioned not to rely on forward-looking statements. Except as required under the federal securities laws and the rules and regulations of the SEC, the company does not have any intention or obligation to update publicly any forward-looking statements, whether as a result of new information, future events, changes in assumptions, or otherwise.

## Investment Management

The responsibility of the Board of Directors is to exercise corporate powers and to oversee management of the business of Daxor Corporation. The officers of the company are principally responsible for its operations. The company is not primarily engaged in the business of investing, reinvesting, owning, holding or trading in securities. As such, the company has no investment advisors, administrator, affiliated brokerage, dividend paying agent, non-resident managers, or portfolio managers. The nature of the instruments in which funds in excess of immediate capital needs are placed are consistent with capital preservation and liquidity. Subject to the oversight of the Board, the company's Chief Executive Officer, Michael Feldschuh, is the only individual responsible for the day-to-day management of Daxor's investments.

We will enter into custodial arrangements for our securities with broker-dealers who are members of a national securities exchange in accordance with Section 17(f)(1)(B) and Rule 17f-1 of the Investment Company Act of 1940. We will evidence these arrangements in written contracts (ratified and approved annually by a majority of the board of directors), which will be filed with the SEC. These contracts require that (1) the securities be physically segregated and marked to show that they are the property of the company; (2) the securities and other investments must be verified three times annually by an independent accountant; (3) the broker-dealer not have the ability to hypothecate, pledge or sell the securities, except at the direction of the company and for its account; and (4) the securities and investments may not be subject to any lien or charge in favor of the broker-dealer. Our current broker-dealers are TD Ameritrade, located at 1005 North Ameritrade Place, Bellevue, NE 68005, and UBS Financial Services, located at 200 Park Avenue, New York, NY 10166.

The nature of the instruments in which funds in excess of immediate capital needs are placed are consistent with capital preservation and liquidity. We are dependent on income from our investment portfolio to support our manufacturing operations and our biotechnology. The Company's Chief Executive Officer, Michael Feldschuh, is primarily responsible for the day-to-day management of any such investments.

Michael Feldschuh has been president of Daxor since 2017. He earned his bachelor's degree in Pre-Med studies at Columbia College, Columbia University in 1991. Prior to joining Daxor's executive team in December of 2014 as Executive Vice President, he served as a member of the board of directors for one and a half years prior. Mr. Feldschuh headed his own hedge fund, Aristarc Capital, from 2009 to 2013 specializing in quantitative equity strategies. Prior to founding his own fund, Mr. Feldschuh was a Managing Director at Morgan Stanley Investment Management from 2005 to 2009 and also served as a Managing Director and Portfolio Manager at Millennium Partners in New York from 1997-2005. Mr. Feldschuh was a proprietary trader for Morgan Stanley & Co. from 1994-1997. Mr. Feldschuh began his career at D.E. Shaw & Co. in New York, where he worked with Jeffery Bezos prior to Mr. Bezos's founding of Amazon.



Edgar Filing: DAXOR CORP - Form 497

The compensation paid to Mr. Feldschuh is set forth in the following table. There is no “Fund Complex” as defined in the 1940 Act.

Name	Aggregate Compensation From Company	Pension or Benefits Accrued as Part of Company Expenses	Annual Benefits Upon Retirement	Compensation Fund Complex Paid to Director
Michael Feldschuh	\$ 100,000	None	None	\$ 100,000

Mr. Feldschuh has deliberately elected to draw a salary that is well below what the company believes is the market rate for someone with his responsibilities and qualifications. It is the belief of the Board of Directors that annual compensation of two or three times what he is currently earning could easily be justified. The decision to keep his annual compensation at well below market rate has been made as part of an effort to preserve capital in light of the company’s ongoing losses from operations.

The following table sets forth the share ownership of Mr. Feldschuh.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Common Stock	
Michael Feldschuh, President and Director*	178,807	4.7	%

Includes 152,806 shares of common stock and 26,000 shares of common stock issuable upon the exercise of options issued under the company's 2004 Stock Option Plan. We have ceased issuing options under the 2004 Stock Option Plan, and will not issue options under the Plan in the future unless we receive exemptive relief or a favorable no-action response from the SEC with regard to such issuances.

### Daxor Corporation Common Stock

The holders of the common stock have one vote per share for the election of directors, without provisions for cumulative voting, and on all other matters. Thus, holders of more than 50% of the shares voting for the election of directors can elect all the directors if they choose to do so. The common stock is not redeemable and has no conversion or preemptive rights. The company qualifies as a "controlled company" under NYSE American LLC rules, as the estate of Joseph Feldschuh, M.D. controls more than 50% of the company's voting power, as evidenced by the company's ownership records.

Our common stock has continuously been traded since its initial public offering. The company's common stock is traded on the NYSE American Exchange under the symbol DXR. As of March 31, 2018, the company's authorized securities consisted of:

Title of Class	Amount Authorized	Amount Held by Company or for its Account	Amount Outstanding
Common Stock	10,000,000	6,271,281	3,728,719

The following table sets forth, for each of the periods indicated, the high and low closing market prices for the shares of Common Stock on the NYSE American Exchange, the net asset value per share and the premium or discount to net asset value per share at which the shares were trading.

During Quarter Ended	Market		Net Asset Value per Common Share <sup>(1)</sup>	Premium/(Discount) to Net Asset Value <b>High and Low<sup>(1)</sup></b>	
	Price Per Share	High		Low	High
31-Mar-18	\$21.66	\$3.40	\$ 3.46	197.40 %	172.25 %
31-Dec-17	\$5.77	\$4.04	\$ 3.68	24.18 %	20.92 %
30-Sep-17	\$6.56	\$4.79	\$ 3.84	33.07 %	33.07 %
30-Jun-17	\$8.19	\$5.77	\$ 3.87	60.21 %	55.30 %
31-Mar-17	\$9.20	\$6.81	\$ 4.05	82.72 %	82.72 %
31-Dec-16	\$9.80	\$7.75	\$ 4.04	103.96 %	101.73 %
30-Sep-16	\$8.89	\$7.00	\$ 3.72	116.37 %	111.53 %
30-Jun-16	\$8.69	\$7.60	\$ 4.17	94.24 %	90.41 %
31-Mar-16	\$8.47	\$7.35	\$ 3.97	102.05 %	101.54 %

<sup>(1)</sup> As we calculate our Net Asset Value at month end, the table reflects the month end net asset value, and the premium/(discount) to net asset value is based on the month end net asset value. Percentages are rounded.

The last reported sale price on August 15, 2018 was \$5.15. We cannot predict whether our shares will trade in the future at a premium to or discount from net asset value, or the level of any premium or discount.

### Directors and Executive Officers of Daxor Corporation

The following table sets forth the name, age, current and past five years business experience, directorships, and positions held with Daxor Corporation by each person who is a director or executive officer.

Name and Age	Principal Occupation and Position with the Company	Director Continuously Since
Michael Feldschuh, 48	Chairman of the Board of Directors and President of the Company (1)	2013
James Lombard, 84	Director of Administrative Services Division, New York City Council (Retired), Director (2)	1989
Martin S. Wolpoff, 76	Educational Consultant, Director, Administration Community School District (Retired), Director (3)	1989
Bernhard Saxe, Esq., 80	Partner, Foley & Lardner, LLP (retired 2/04) Registered Patent Attorney (4)	2008
Edward Feuer, 63	Partner, Feuer & Orlando, LLP (5)	2016
Jonathan Feldschuh, 54	Chief Scientific Officer of the Company (6)	2017

**Michael Feldschuh** has been president of Daxor since 2017. He earned his bachelor's degree in Pre-Med studies at Columbia College, Columbia University in 1991. Prior to joining Daxor's executive team in December of 2014 as Executive Vice President, he served as a member of the board of directors for one and a half years prior. Mr. Feldschuh headed his own hedge fund, Aristarc Capital, from 2009 to 2013 specializing in quantitative equity (1) strategies. Prior to founding his own fund, Mr. Feldschuh was a Managing Director at Morgan Stanley Investment Management from 2005 to 2009 and also served as a Managing Director and Portfolio Manager at Millennium Partners in New York from 1997-2005. Mr. Feldschuh was a proprietary trader for Morgan Stanley & Co. from 1994-1997. Mr. Feldschuh began his career at D.E. Shaw & Co. in New York, where he worked with Jeffery Bezos prior to Mr. Bezos's founding of Amazon.

**James A. Lombard** holds an undergraduate degree in Business Administration (BBA) from Iona College and a Master's Degree (MBA) in Marketing, Banking, and Finance from New York University Graduate School of (2)\*Business Administration. Mr. Lombard has retired as Director, Administrative Services Division of the City Council of New York and actively participates in civic and community affairs. Prior to joining the City Council, he worked in the banking industry and held various administrative positions with Citicorp and other major banks.

**Martin S. Wolpoff** holds B.A., M.A. and M.S. degrees from the City University of New York. He has been active in community affairs since the 1970's. He has served on his local community board for three decades. He served as Chair of the Board for three years and had been Chair of the Health, Hospitals and Social Services; Education; and Libraries Committees. He was elected to his community school board three times, serving as a board member for nine years and as its President for three. Mr. Wolpoff sat as a member of a Community

(3)\* Development Corporation board for almost 10 years and was a former member of a Health Systems Agency Board, as well as having been a member and Vice-Chair of the Community Advisory Board for a New York City hospital. He was the non-medical member of the Institutional Review Board of a local hospital. He also served as a member of the board of a volunteer ambulance corps. Mr. Wolpoff is retired from the New York City public school system, having served from 1965 to 2002 as an educator, supervisor and administrator. He is currently an educational consultant and has served as an adjunct university professor.

**Bernhard Saxe, Esq.** is a retired partner in the intellectual property practice group of Foley & Lardner, LLP, and former Vice President of Patent Affairs and Corporate Secretary of Immunomedics, Inc. He is a registered patent attorney and a member of the American Intellectual Property Law Association, American Bar Association and

(4) American Chemical Society. He received his J.D. from George Washington University; Ph.D. from Columbia University; and B.A. from Johns Hopkins University in chemistry. Dr. Saxe was named one of the top 10 patent prosecuting attorneys by IP Law and Business, has authored multiple articles pertaining to patent law and given many seminars and lectures on patent law and strategy.

**Edward Feuer** has over 35 years' experience as an accountant, and is a member of the AICPA and The New York State Society of Certified Public Accountants where he has served on the State and Local Tax Committee and the Continuity of Practice Committee. Mr. Feuer graduated from George Washington University and Scarsdale High

(5)\* School. Prior to founding this firm Edward worked at the NYS Department of Taxation and Finance, Westvaco Corp., as well as two metropolitan CPA firms. His areas of specialty are professional service companies, broker dealers, mutual funds, high net worth individuals, wealth management, financial planning, business management and advisory. He reviews all financial statements issued by the firm. Mr. Feuer is proud of the teamwork of the firm and its focus on the success of their clients.

**Jonathan Feldschuh** has been Chief Scientific Officer of Daxor since 2017. Prior to that he served as a scientific consultant to Daxor since 1985. He has been involved with developing Daxor's technology and is a co-inventor on multiple Daxor patents, including the original patent covering the blood volume analyzer (BVA-100). Mr.

(6) Feldschuh studied Physics at Harvard University, receiving an A.B. degree summa cum laude in 1986. Prior to taking on the role of CSO at Daxor, Jonathan worked extensively in technology and quantitative finance. He was the Chief Quantitative Officer at Aristarc Capital, overseeing the research, development, and execution of quantitative trading strategies. Prior to Aristarc he worked in quantitative roles at financial firms such as Morgan Stanley, Millennium Partners, and American Express.

\* (Member of the Audit Committee)

As of the date of this prospectus, the named executive officers of Daxor Corporation are:

MICHAEL FELDSCHUH, Chairman of the Board and President, earned his bachelor's degree in Pre-Med studies at Columbia College, Columbia University in 1991. Prior to joining Daxor's executive team in December of 2014 he served as a member of the board of directors for one and a half years prior. Michael headed his own hedge fund, Aristarc Capital, from 2009 to 2013 specializing in quantitative strategies. Prior to founding his own fund, Michael was a Managing Director at Morgan Stanley from 2005 to 2009 and also served as a Managing Director and Portfolio Manager at Millennium Partners in New York from 1997-2005. Michael was a proprietary trader for Morgan Stanley & Co. from 1994-1997. Michael began his career at D.E. Shaw & Co. in New York, where he worked with Jeffery Bezos prior to Bezos's founding of Amazon.

JONATHAN FELDSCHUH, Chief Scientific Officer, has been Chief Scientific Officer of Daxor since 2017. Prior to that he served as a scientific consultant to Daxor since 1985. He has been involved with developing Daxor's technology and is a co-inventor on multiple Daxor patents, including the original patent covering the blood volume analyzer (BVA-100). Mr. Feldschuh studied Physics at Harvard University, receiving an A.B. degree summa cum laude in 1986. Prior to taking on the role of CSO at Daxor, Jonathan worked extensively in technology and quantitative finance. He was the Chief Quantitative Officer at Aristarc Capital, overseeing the research, development, and execution of quantitative trading strategies. Prior to Aristarc he worked in quantitative roles at financial firms such as Morgan Stanley, Millennium Partners, and American Express.

JOHN WILKENS, Chief Financial Officer, has over thirty years' experience in the financial services industry. Prior to joining Daxor, he was a founding member of Convector Capital Management holding the positions of Chief Financial Officer and Chief Compliance Officer from 2013-2017. Prior to Convector, he served as the Chief Financial Officer and Chief Compliance Officer for Mark Asset Management Corp, from 2002-2013 and as the Controller from 1997-2002. Prior to Mark Asset, John was an Assistant Vice President at Hyperion Capital Management from 1995-1997. John began his career at Crum & Forster Corp holding various positions in investment accounting, internal audit and corporate accounting. John is a retired Major, having served in the United States Army Reserve in various leadership and staff assignments. He received a Bachelor's degree in Accounting from Rutgers University and is a Certified Public Accountant.

Diane Meegan, Corporate Secretary, joined Daxor in February 2002 as the Senior Executive Assistant to the then CEO and President. Ms. Meegan is currently the Corporate Secretary. Ms. Meegan served as the Official Executive Assistant to the CEO of Newbridge Securities, a wholly owned subsidiary of Citigroup, for 13 years. For 4 years, she served as a member of their Problem Review Board. In the past 2 years, she served as the Executive Assistant to the Head of Operations at Instinet Clearing Services.

## **Additional Information about Daxor Corporation**

Financial information regarding Daxor Corporation is hereby incorporated by reference from the company's Annual Report on Form N-CSR for the year ended December 31, 2017.

## **TAX MATTERS**

The following discussion is a brief summary of certain U.S. federal income tax considerations affecting the company and the purchase, ownership and disposition of our shares of common stock. A more complete discussion of the tax rules applicable to the company and our shares of common stock can be found in the SAI that is incorporated by reference into this prospectus.

This summary is based upon U.S. federal income tax law as of the date of this prospectus, which is subject to change or differing interpretations, possibly with retroactive effect. This summary does not discuss all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances, including investors subject to special tax rules (e.g., financial institutions, insurance companies, broker-dealers, partnerships and their partners, tax-exempt organizations (including private foundations), taxpayers that have elected mark-to-market accounting, S corporations, regulated investment companies, real estate investment trusts, investors that will hold the common stock as part of a straddle, hedge, conversion, or other integrated transaction for U.S. federal income tax purposes, former citizens or residents of the United States or investors that have a functional currency other than the U.S. dollar), all of whom may be subject to tax rules that differ materially from those summarized below. In addition, this summary does not discuss other U.S. federal tax consequences (e.g., estate or gift tax), any state, local, or non-U.S. tax considerations or the Medicare tax or alternative minimum tax. In addition, this summary is limited to investors that will hold our securities as "capital assets" (generally, property held for investment) under the Internal Revenue Code of 1986, as amended, (the "Code"), and that acquired the common stock pursuant to this offering. No ruling from the Internal Revenue Service, (the "IRS") has been or will be sought regarding any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain a position contrary to any of the tax aspects set forth below.

For purposes of this summary, a "U.S. Holder" is a beneficial holder of securities who or that, for U.S. federal income tax purposes is:

An individual who is a United States citizen or resident of the United States;

A corporation, or other entity treated as a corporation for United States federal income tax purposes created in, or organized under the laws of, the United States or any state or political subdivision thereof;

An estate, the income of which is includible in gross income for United States federal income tax purposes regardless of its source; or

A trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons (within the meaning of the Code) who have the authority to control all substantial decisions of the trust or (B) that has in effect a valid election under applicable Treasury regulations to be treated as a United States person.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the common stock, the tax treatment of a partner in such partnership will generally depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. If you are a partner of a partnership holding the common stock, you are urged to consult your tax advisor regarding the tax consequences of the ownership and disposition of our securities.



**THIS DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. WE URGE PROSPECTIVE HOLDERS TO CONSULT THEIR TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF OWNING AND DISPOSING OF THE COMMON STOCK, AS WELL AS THE APPLICATION OF ANY, STATE, LOCAL AND NON-U.S. INCOME, ESTATE AND OTHER TAX CONSIDERATIONS.**

### **Personal Holding Company Status**

The company would be subject to a second level of U.S. federal income tax on a portion of its income if it is determined to be a personal holding company, or PHC, for U.S. federal income tax purposes. No assurance can be given that the company will not become a PHC following this offering or in the future. If the company is or were to become a PHC in a given taxable year, the company would be subject to an additional PHC tax, currently 20%, on its undistributed PHC income, which generally includes its taxable income, subject to certain adjustments.

### **Taxation of Distributions**

If the company pays cash distributions to U.S. Holders of shares of the common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from the company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of current and accumulated earnings and profits will constitute a return of capital that will be applied against and reduce (but not below zero) the U.S. Holder's adjusted tax basis in the common stock. Any remaining excess will be treated as gain realized on the sale or other disposition of the common stock and will be treated as described under "Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of the Common Stock" below.

### **Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of the Common Stock**

A U.S. Holder will recognize gain or loss on the sale, taxable exchange or other taxable disposition of the common stock. Any such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder's holding period for the common stock so disposed of exceeds one year. The amount of gain or loss recognized will generally be equal to the difference between (1) the sum of the amount of cash and the fair market value of any property received in such disposition and (2) the U.S. Holder's adjusted tax basis in its common stock so disposed of. A U.S. Holder's adjusted tax basis in its common stock will generally equal the U.S. Holder's acquisition cost less any prior distributions treated as a return of capital. The deductibility of capital losses is subject to limitations.

## **Information Reporting and Backup Withholding**

In general, information reporting requirements may apply to dividends paid to a U.S. Holder and to the proceeds of the sale or other disposition of shares of common stock, unless the U.S. Holder is an exempt recipient. Backup withholding may apply to such payments if the U.S. Holder fails to provide a taxpayer identification number, a certification of exempt status or has been notified by the IRS that it is subject to backup withholding (and such notification has not been withdrawn). Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

## **LEGAL MATTERS**

Certain legal matters will be passed on for the company by Foley & Lardner LLP, New York, New York, in connection with the offering of the shares of common stock.

## **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

WithumSmith+Brown, PC is the independent registered public accounting firm of the company. The company's independent registered public accounting firm is expected to render an opinion annually on the financial statements of the Fund.

## **PRIVACY PRINCIPLES OF THE COMPANY**

The company is committed to maintaining the privacy of its shareholders and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information the company collects, how the company protects that information and why, in certain cases, the company may share information with select other parties.

Generally, the company does not receive any non-public personal information relating to its shareholders, although certain non-public personal information of its shareholders may become available to the company. The company does not disclose any non-public personal information about its shareholders or former shareholders to anyone, except as permitted by law or as is necessary in order to service shareholder accounts (for example, to a transfer agent).

The company restricts access to non-public personal information about its shareholders to its employees and its delegates and affiliates with a legitimate business need for the information. The company maintains physical, electronic and procedural safeguards designed to protect the non-public personal information of its shareholders.

## **ADDITIONAL INFORMATION**

Daxor Corporation has filed a Registration Statement on Form N-2, including amendments thereto, with the Securities and Exchange Commission, Washington, D.C. This prospectus does not contain all of the information set forth in the Registration Statement, including any exhibits and schedules thereto. For further information with respect to the company, reference is made to the Registration Statement. Statements contained in this prospectus as to the contents of any contract or other document referred to are not necessarily complete and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference. Copies of the Registration Statement may be inspected without charge at the Securities and Exchange Commission's principal office in Washington, D.C., and copies of all or any part thereof may be obtained from the Securities and Exchange Commission upon the payment of certain fees prescribed by the Securities and Exchange Commission.

The SEC allows Daxor Corporation to “incorporate by reference” information into this prospectus and any accompanying prospectus supplements, which means that the company can disclose important information to you by referring you to other documents filed separately with the SEC. The information incorporated by reference is considered part of this prospectus. The company incorporates by reference into this prospectus and any accompanying prospectus supplement the documents listed below (excluding any portions of such documents that have been “furnished” but not “filed” for purposes of the Exchange Act):

Annual Report on Form N-CSR, as amended, for the fiscal year ended December 31, 2017, filed on March 7, 2018;

Proxy Statement on Schedule 14A, filed on May 22, 2018.

Daxor Corporation will provide without charge upon written or oral request to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any and all of the documents which are incorporated by reference into this prospectus but not delivered with this prospectus (other than exhibits unless such exhibits are specifically incorporated by reference in such documents).

You may request a copy of these documents by writing or telephoning Daxor Corporation at:

Investor Relations

Daxor Corporation

350 Fifth Avenue (Empire State Building), Suite 4740

New York, New York 10118

(888) 774-3268

**TABLE OF CONTENTS FOR THE STATEMENT OF ADDITIONAL INFORMATION**

<u>HISTORY OF DAXOR CORPORATION</u>	B-1
<u>INVESTMENT OBJECTIVE AND INVESTMENT RESTRICTIONS</u>	B-1
<u>ADDITIONAL INVESTMENT POLICIES AND RESTRICTIONS</u>	B-2
<u>MANAGEMENT OF THE COMPANY</u>	B-3
<u>Directors and Officers</u>	B-3
<u>Board Leadership Structure</u>	B-5
<u>Audit Committee</u>	B-5
<u>Board's Risk Oversight Role</u>	B-6
<u>Qualifications of the Trustees</u>	B-6
<u>Equity Ownership of Directors</u>	B-6
<u>Board Compensation</u>	B-6
<u>CONTROL PERSONS</u>	B-7
<u>INVESTMENT ADVISORY AND OTHER SERVICES</u>	B-8
<u>Code of Ethics</u>	B-9
<u>Proxy Voting Procedures</u>	B-9
<u>PORTFOLIO TRANSACTIONS AND BROKERAGE</u>	B-9
<u>DESCRIPTION OF SHARES</u>	B-10
<u>REPURCHASE OF SHARES</u>	B-10
<u>NET ASSET VALUE</u>	B-10
<u>UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	B-11
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	B-13
<u>ADDITIONAL INFORMATION</u>	B-13
<u>FINANCIAL STATEMENTS</u>	B-14

## STATEMENT OF ADDITIONAL INFORMATION

Dated August 23, 2018

### DAXOR CORPORATION

350 Fifth Avenue (Empire State Building), Suite 4740

New York, New York 10118

(212)-330-8500

Daxor Corporation is an investment company with medical instrumentation and biotechnology operations. While the company is not primarily engaged in the business of investing, reinvesting, owning, holding or trading in securities, the company is dependent upon earnings from its investment portfolio to fund operations.

**This Statement of Additional Information (SAI) is not a prospectus and is authorized for distribution to investors only if preceded or accompanied by Daxor Corporation's prospectus dated August 23, 2018 (the "Prospectus"), as supplemented from time to time, which is incorporated herein by reference. This SAI should be read in conjunction with the Prospectus, a copy of which may be obtained without charge by contacting your financial intermediary or by calling the company at (888) 774-3268, by writing to the company at the address above or from the company's website (<http://www.Daxor.com>). You may also obtain a copy of the Prospectus on the website of the Securities and Exchange Commission ("SEC"), <http://www.sec.gov>.**

The information contained in, or that can be accessed through, the Daxor Corporation's website is not part of the Prospectus or this SAI. Capitalized terms used but not defined in this SAI have the meanings ascribed to them in the Prospectus.

**Table of Contents**

<u>HISTORY OF DAXOR CORPORATION</u>	B-1
<u>INVESTMENT OBJECTIVE AND INVESTMENT RESTRICTIONS</u>	B-1
<u>ADDITIONAL INVESTMENT POLICIES AND RESTRICTIONS</u>	B-2
<u>MANAGEMENT OF THE COMPANY</u>	B-3
<u>Directors and Officers</u>	B-3
<u>Board Leadership Structure</u>	B-5
<u>Audit Committee</u>	B-5
<u>Board's Risk Oversight Role</u>	B-6
<u>Qualifications of the Trustees</u>	B-6
<u>Equity Ownership of Directors</u>	B-6
<u>Board Compensation</u>	B-6
<u>CONTROL PERSONS</u>	B-7
<u>INVESTMENT ADVISORY AND OTHER SERVICES</u>	B-8
<u>Code of Ethics</u>	B-9
<u>Proxy Voting Procedures</u>	B-9
<u>PORTFOLIO TRANSACTIONS AND BROKERAGE</u>	B-9
<u>DESCRIPTION OF SHARES</u>	B-10
<u>REPURCHASE OF SHARES</u>	B-10
<u>NET ASSET VALUE</u>	B-10
<u>UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	B-11
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	B-13
<u>ADDITIONAL INFORMATION</u>	B-13
<u>FINANCIAL STATEMENTS</u>	B-14

## **HISTORY OF DAXOR CORPORATION**

Daxor Corporation is an investment company with medical instrumentation and biotechnology operations. The company was originally incorporated in New York State as Iatric Corporation in May 1971 for cryobanking services and discontinued these services through its wholly-owned subsidiary, Scientific Medical Systems in 2017. In October 1971, the name Iatric Corporation was changed to Idant Corporation. In May 1973, the name Idant Corporation was changed to Daxor Corporation.

While the company is not primarily engaged in the business of investing, reinvesting, owning, holding or trading in securities, the company is dependent upon earnings from its investment portfolio to fund operations. On March 30, 2012, the company filed a Form N-8A with the Securities and Exchange Commission to register as a closed-end management investment company under the Investment Company Act of 1940, as amended (the “1940 Act”). The company’s principal executive offices are located at 350 Fifth Avenue, Suite 4740, New York, NY 10118. The “Investor Relations” section of the company’s website currently provides free copies of the company’s annual and semi-annual reports on Form N-CSR.

For the past 21 years, the company’s major focus has been the creation and development of the BVA-100® Blood Volume Analyzer, an instrument that rapidly and accurately measures human blood volume. This instrument is used in conjunction with Volumex®, a single-use radiopharmaceutical diagnostic injection and collection kit. The company also owns the Daxor Oak Ridge Operations (DORO) facility in Oak Ridge, TN, which manufactures, tests, and develops next-generation models of the BVA-100®.

The company maintains an internet website at [www.daxor.com](http://www.daxor.com). The website for Daxor describe the operation of the company.

## **INVESTMENT OBJECTIVE AND INVESTMENT RESTRICTIONS**

Daxor Corporation’s objective is to support and expand its operating business segment through organic growth (i.e., the rate of business expansion through internal enhancement of the business and operations as opposed to mergers, acquisitions and takeovers). The company is not primarily engaged in the business of investing, reinvesting, owning, holding or trading in securities. As a result, the company has no fundamental investment policies or significant investing practices, activities, objectives or techniques, except as set forth below. Funds in excess of the company’s immediate capital needs are placed in instruments designed to maximize capital preservation and assure liquidity. Objectives are achieved by focusing management and employee effort on the company’s business of manufacturing medical devices and providing additional biotechnology services.



The company's investment policy calls for a minimum of 80% of the company's investment portfolio to consist of electric utility stocks. The Board of Directors has authorized this minimum to be temporarily lowered to 70% when management deems it to be necessary. At least once a year, the company reviews its investment strategy, and more frequently as needed, at Board meetings.

The investment portfolio primarily consists of common stock and preferred stock of publicly traded electric utility companies. In addition to receiving income from dividends from the securities held in the investment portfolio, the company also has an investment policy of selling puts on stocks that it is willing to own. Such options usually have a maturity of less than one year. The company will also sell covered calls on securities within its investment portfolio. Covered calls involve stocks, which usually do not exceed 15% of the value of the company's portfolio.

The company also sells uncovered calls and may have net short positions in common stock up to 15% of the value of the portfolio. The company's net short position may temporarily rise to 15% of the company's portfolio without any specific action because of changes in valuation, but should not exceed that amount. At December 31, 2017, the net short position was 7.95% of the value of the company's portfolio.

B-1

The company has adopted the following investment restrictions which are matters of fundamental policy. The company's investment restrictions cannot be changed without approval of the holders of (i) 67% of the company's common stock present or represented at a meeting of shareholders at which the holders of more than 50% of the common stock are present or represented; or (ii) more than 50% of the outstanding interests of shareholders:

1. The company may borrow money to the extent permitted under the 1940 Act.
2. The company may issue senior securities to the extent permitted under the 1940 Act.

The company may not engage in the business of underwriting securities issued by other persons, except to the extent that it may be deemed to be an "underwriter" within the meaning of the Securities Act of 1933 in the disposition of its investment securities.

4. The company will concentrate its investments in the utility industry.
5. The company may invest in real estate or commodities to the extent permitted under the 1940 Act.
6. The company may make loans to other persons to the extent permitted under the 1940 Act.

#### **ADDITIONAL INVESTMENT POLICIES AND RESTRICTIONS**

Primary investment strategies are described in the Prospectus. The following is a description of the various investment policies in which Daxor Corporation may be engaged, whether as a primary or secondary strategy, and a summary of certain attendant risks.

*Common Stocks.* Common stocks generally represent an ownership interest in an issuer, without preference over any other class of securities, including such issuer's debt securities, preferred stock and other senior equity securities. Common stocks are entitled to the income and increase in the value of the assets and business of the issuer after all its debt obligations and obligations to preferred shareholders are satisfied. Common stocks generally have voting rights. Common stocks fluctuate in price in response to many factors, including historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity.

*Preferred Stocks.* Preferred stocks with predominantly equity investment characteristics, like common stocks, represent an equity ownership in an issuer. Generally, preferred stocks have a priority of claim over common stocks in dividend payments and upon liquidation of the issuer. Unlike common stocks, preferred stocks do not usually have voting rights. Preferred stocks in some instances are convertible into common stocks. Although they are equity securities, preferred stocks have certain characteristics of both debt securities and common stocks. They are debt-like in that their promised income is contractually fixed. They are like common stocks in that they do not have rights to precipitate bankruptcy proceedings or collection activities in the event of missed payments. Furthermore, they have

many of the key characteristics of equity due to their subordinated position in an issuer's capital structure and because their quality and value are heavily dependent on the profitability of the issuer rather than on any legal claims to specific assets or cash flows.

In order to be payable, dividends on preferred stock must be declared by the issuer's board of directors. In addition, distributions on preferred stock may be subject to deferral and thus may not be automatically payable. Income payments on some preferred stocks are cumulative, causing dividends and distributions to accrue even if not declared by the board of directors or otherwise made payable. Other preferred stocks are non-cumulative, meaning that skipped dividends and distributions do not continue to accrue.

Shares of preferred stock have a liquidation value that generally equals their original purchase price at the date of issuance. The market values of preferred stocks may be affected by favorable and unfavorable changes impacting the issuers' industries or sectors. They also may be affected by actual and anticipated changes or ambiguities in the tax status of the security and by actual and anticipated changes or ambiguities in tax laws, such as changes in corporate and individual income tax rates or the characterization of dividends as tax-advantaged.

*Equity Put and Call Options.* The company may purchase and sell “call” and “put” options on securities and securities indices which are listed on a national securities exchange or in the over-the-counter markets as a means of increasing exposure or hedging the value of the company’s investment portfolio.

A “call” option is a contract that gives the holder of the option the right to buy from the writer (*i.e.*, the seller) of the option, in return for a premium paid, the security underlying the option at a specified exercise price at any time during the term of the option. The writer of the call option has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price during the option period. A “put” option is a contract that gives the holder of the option the right to sell to the writer (*i.e.*, the seller), in return for the premium, the underlying security at a specified price during the term of the option. The writer of the put option, who receives the premium, has the obligation to buy the underlying security upon exercise, at the exercise price during the option period.

If the company has written an option, it may terminate its obligation by effecting a closing purchase transaction. This is accomplished by purchasing an option of the same series as the option previously written. There can be no assurance that a closing purchase transaction can be effected when the company so desires. An exchange-traded option may be closed out only on an exchange which provides a secondary market for an option of the same series.

*Short Sales.* A short sale is the sale of a security that the company does not own in anticipation of purchasing the same security at a later date at a lower price. To make delivery to the counterparty, the company must borrow the security, and the company is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the company.

*Portfolio Trading and Turnover Rate.* Portfolio trading may be undertaken to accomplish the investment objectives of the company. While the company may engage in portfolio trading when considered appropriate, short-term trading in the company’s portfolio will not be used as the primary means of achieving the company’s investment objective. The company expects a moderate level of annual portfolio turnover. The turnover rate is not expected to exceed 100% under normal circumstances. However, there are no limits on the rate of portfolio turnover, and investments may be sold without regard to length of time held when, in the company’s opinion, investment considerations warrant such action. A higher portfolio turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that are borne by the company. The company’s portfolio turnover rate for 2017 was 3.63%, which indicates an average holding period in excess of five years.

## **MANAGEMENT OF THE COMPANY**

### **Directors and Officers**

The management of Daxor Corporation is the responsibility of the Board of Directors. None of the directors who are not “interested persons” of the company (as defined in the 1940 Act) has ever been a director or employee of, or consultant to, the company or its affiliates. The officers of the company serve annual terms and are elected on an annual basis.

The Board of Directors has an Audit Committee. The Board does not have a standing nominating committee or a charter with respect to the process for nominating directors for election to the company’s Board. The company qualifies as a “controlled company” under NYSE American LLC rules, as the estate of Joseph Feldschuh, M.D. controls more than 50% of the company’s voting power, as evidenced by the company’s ownership records. As a result, the NYSE American LLC continued listing standards do not require the company to have a nominating committee, compensation and stock option committee, or a written charter. Shareholders and members of the Board submit nominees for election to the company’s Board to Mr. Michael Feldschuh, Executor of the Joseph Feldschuh estate, for his consideration.

There are no non-resident directors of the company, nor or there any arrangements or understandings between any director or officer and any other persons pursuant to which he was selected as a director or officer. As the company has no investment advisers or underwriters, there is no investment advisory contract that is approved by the directors.

B-3

The names and business addresses of the Directors of the company, their principal occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold, or have held during the past five years, are set forth below. Michael Feldschuh and Jonathan Feldschuh are brothers, and are classified as “interested persons” due to their employment with the company. There is no “Fund Complex” as defined in the 1940 Act.

<b>Name, Address and Age</b>	<b>Position(s) Held with Company</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Portfolios Overseen By Directors</b>	<b>Other Directorships Held (during past five years) by Director</b>
<b>“Noninterested Persons”</b>					
James Lombard					
350 Fifth Avenue (Empire State Building), Suite 4740 New York, New York 10118  Age: 83	Director	One year term, Director since 1989	Director of Administrative Services Division, New York City Council (Retired).	None	None
Martin S. Wolpoff					
350 Fifth Avenue (Empire State Building), Suite 4740 New York, New York 10118  Age: 75	Director	One year term, Director since 1989	Educational Consultant, Director, Administration Community School District (Retired).	None	None
Edward Feuer					
350 Fifth Avenue (Empire State Building), Suite 4740 New York, New York 10118	Director	One year term, Director since 2016	Managing Partner, Feuer & Orlando	None	None

Age: 62

Bernhard Saxe, Esq.

350 Fifth Avenue (Empire State Building), Suite 4740	Director	One year term, Director since 2008	Partner, Foley & Lardner LLP (Retired 2/04), Registered Patent Attorney.	None	None
---	----------	--	--	------	------

New York, New York  
10118

Age: 83

B-4

<b>Name, Address and Age</b>	<b>Position(s) Held with Company</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Portfolios Overseen By Directors</b>	<b>Other Directorships Held (during past five years) by Director</b>
------------------------------	--------------------------------------	---	---	---	--

**“Interested Persons”**

Michael Feldschuh

350 Fifth Avenue (Empire State Building), Suite 4740

Director

One year term, Director since 2013

Executive Vice President Chairman, President, CEO

One

None

New York, New York  
10118

Age: 48

Jonathan Feldschuh

350 Fifth Avenue (Empire State Building), Suite 4740,

Director

One year term, Director since 2017

Chief Scientific Officer

None

None

New York, New York  
10118

Age 53

**Board Leadership Structure**

The Board of Directors is currently comprised of six members, four of whom are independent or disinterested persons, which means that they are not “interested persons” of the company as defined in Section 2(a)(19) of the 1940 Act (the “Independent Directors”). The Board has general oversight responsibility with respect to the operation of the company, and has established an Audit Committee to assist the Board in performing its oversight responsibilities.



As Chairman of the Board, Mr. Feldschuh is the presiding officer at all meetings of the Board of Directors. The company does not have a lead Independent Director. The company has determined that its leadership structure is appropriate given the size and structure of the company.

### **Audit Committee**

The Audit Committee operates pursuant to a Charter approved by the Board of Directors, a copy of which is available on the company's website. The Charter sets forth the responsibilities of the Audit Committee. The functions of the Audit Committee include, among others, to meet with the independent registered public accounting firm of the company to review the scope of the company's audit, the company's financial statements and internal accounting controls, and to meet with management concerning these matters, internal audit activities and other matters. The Audit Committee currently consists of Edward Feuer, James Lombard and Martin S. Wolpoff, all of whom are considered independent under the rules promulgated by the NYSE American LLC and, in addition, are not "interested persons" of the company as defined in Section 2(a)(19) of the 1940 Act. Edward Feuer serves as Chairperson of the Audit Committee and has been designated as the audit committee financial expert under the Sarbanes-Oxley Act. The Audit Committee met four times in fiscal 2017.

B-5

## **Board's Risk Oversight Role**

The day-to-day management of various risks relating to the administration and operation of the company is the responsibility of management and other service providers retained by the Board of Directors or by management, most of whom employ professional personnel who have risk management responsibilities. The Board oversees this risk management function consistent with and as part of its oversight duties. The Board performs this risk management oversight function directly and, with respect to various matters, through its committees. The Board has been advised that it is not practicable to identify all of the risks that may impact the company or to develop procedures or controls that are designed to eliminate all such risk exposures, and that applicable securities law regulations do not contemplate that all such risks be identified and addressed.

The Board of Directors has overseen the company's development and administration of a compliance program that meets the requirements of Rule 38a-1 promulgated under the 1940 Act, and the development and administration of a code of ethics program that meets the requirements of Rule 17j-1 promulgated under the 1940 Act. The Board meets regularly with the company's Chief Compliance Officer on all aspects of the company's compliance requirements.

## **Qualifications of the Trustees**

Michael Feldschuh has been the Chief Executive Officer since 2016 and a director of the company since 2013. His experience and skills in the company's business operations, as well as his familiarity with the company, led to the conclusion that he should serve as a director. Jonathan Feldschuh has been the Chief Scientific Officer since 2017, and has served as a scientific consultant to the company since 1985. His experience and knowledge regarding the company's products, as well as his scientific background, led to the conclusion that he should serve as a director. The company believes that the business backgrounds of James Lombard, Martin S. Wolpoff, Bernhard Saxe, and Edward Feuer have provided them with business experience that will benefit the company and its shareholders. Further, the company believes James Lombard, Martin S. Wolpoff, Bernhard Saxe, and Edward Feuer each take a conservative and thoughtful approach to addressing issues facing the company. This combination of experience and skills led to the conclusion that each of James Lombard, Martin S. Wolpoff, Bernhard Saxe, and Edward Feuer should serve as a director.

## **Equity Ownership of Directors**

The following table sets forth the dollar range of shares of the company beneficially owned by each current director as of December 31, 2017, which is also the valuation date, using the following ranges: None; \$1-\$10,000; \$10,001 - \$50,000; \$50,001 - \$100,000; and Over \$100,000.

Name of Director	Share Ownership
Noninterested Persons	
James Lombard	\$10,001 - \$50,000
Martin S. Wolpoff	\$10,001 - \$50,000
Bernhard Saxe, Esq.	\$1-\$10,000
Edward Feuer	\$1-\$10,000
Interested Persons	
Michael Feldschuh	Over \$100,000
Jonathan Feldschuh	Over \$100,000

**Board Compensation**

In June 2017, all four of the outside directors attended the annual meeting and were paid \$1,000 each for the meeting and a Board meeting which took place on the same day. Every director who attended was paid \$750 for each Board meeting which took place respectively in March, September and December 2017. Any Director who participates in a meeting via teleconference instead of attending receives \$375 for the meeting. The company also reimburses directors for any travel expense incurred to attend meetings. An employee director receives no fees for Board participation.

The compensation paid to current and former directors in 2017 is set forth in the following table. There is no “Fund Complex” as defined in the 1940 Act.

Name	Aggregate Compensation From Company	Pension or Benefits Accrues as Part of Company Expenses	Annual Benefits Upon Retirement	Compensation Fund Complex Paid to Director
Interested Person:				
Michael Feldschuh	\$ 100,000	None	None	\$ 100,000
Jonathan Feldschuh	\$ 127,920	None	None	\$ 127,920
Noninterested Persons:				
Edward Feuer	\$ 1,750	None	None	\$ 1,750
James Lombard	\$ 2,125	None	None	\$ 2,125
Bernhard Saxe, Esq.	\$ 2,125	None	None	\$ 2,125
Martin S. Wolpoff	\$ 2,125	None	None	\$ 2,125

## CONTROL PERSONS

On March 1, 2018, Daxor Corporation had issued and outstanding 3,728,719 shares of common stock, par value \$.01 per share, each of which entitled the holder to one vote.

Since the estate of Dr. Feldschuh owns more than 50% of Daxor stock, and Michael Feldschuh is the executor of the estate, the company is considered a controlled corporation.

The following table sets forth certain information as of March 31, 2018, concerning the ownership of the common stock by (a) each person who, to the company’s knowledge, beneficially owned on that date more than 5% of the outstanding common stock, (b) each of the company’s current directors and the named executive officers and (c) all directors and executive officers of the company as a group.

Name of Beneficial Owner (a) (b)	Number of Shares Beneficially Owned(b)	Percent of Common Stock(b)	
Estate of Joseph Feldschuh(c)	2,774,455	73.4	%
Michael Feldschuh, President and Director(d)	178,807	4.7	%
Jonathan Feldschuh, Director(e)	17,241	0.5	%
Martin S. Wolpoff, Director(f)	6,000	*	
James A. Lombard, Director(g)	4,500	*	
Bernhard Saxe, Esq., Director(h)	4,200	*	
Edward Feuer, Director (i)	1,333	*	
All directors and officers as a Group (6 persons)	2,986,536	79.1	%

\* Indicates less than 1%.

(a) Unless otherwise indicated, the address of each person listed is c/o Daxor Corporation, 350 Fifth Avenue, Suite 4740, New York, New York 10118.

(b) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (the "SEC") and generally includes voting or investment power with respect to securities. In accordance with SEC rules, shares of common stock issuable upon the exercise of options or warrants which are currently exercisable or which become exercisable within 60 days following March 1, 2018 are deemed to be beneficially owned by, and outstanding with respect to, the holder of such option or warrant. Except as indicated by footnote, and subject to community property laws where applicable, to the knowledge of the company, each person listed is believed to have sole voting and investment power with respect to all shares of common stock beneficially owned by such person.

(c) Includes 2,774,455 shares of common stock.

(d) Includes 152,806 shares of common stock and 26,000 shares of common stock issuable upon the exercise of options issued under the company's 2004 Stock Option Plan (the "2004 Option Plan").

(e) Includes 3,908 shares of common stock and 13,333 shares of Common Stock issuable upon the exercise of options issued under the company's 2004 Option Plan.

(f) Includes 4,000 shares of common stock and 2,000 shares of Common Stock issuable upon the exercise of options issued under the company's 2004 Option Plan.

(g) Includes 2,500 shares of common stock and 2,000 shares of common stock issuable upon the exercise of options issued under the 2004 Option Plan.

(h) Includes 200 shares of common stock and 4,000 shares of Common Stock issuable upon the exercise of options issued under the company's 2004 Option Plan.

(i) Includes 1,333 shares of Common Stock issuable upon the exercise of options issued under the company's 2004 Option Plan.

(j) See Footnotes (c) through (h).

Directors currently serving have options totaling 48,666 shares of common stock exercisable at prices ranging from \$7.25 to \$9.46 per share. We have ceased issuing options under the 2004 Option Plan, and will not issue options under the Plan in the future unless we receive exemptive relief or a favorable no-action response from the SEC with regard to such issuances.

Name	Number of Options Granted
Michael Feldschuh	26,000
Jonathan Feldschuh	13,333
Bernhard Saxe, Esq.	4,000
James A. Lombard	2,000
Martin S. Wolpoff	2,000
Edward Feuer	1,333
	48,666

## INVESTMENT ADVISORY AND OTHER SERVICES

The responsibility of the Board of Directors is to exercise corporate powers and to oversee management of the business of Daxor Corporation. The officers of the company are principally responsible for its operations. The company is not primarily engaged in the business of investing, reinvesting, owning, holding or trading in securities. As such, the company has no investment advisors, administrator, affiliated brokerage, dividend paying agent, non-resident managers, or active portfolio manager. The nature of the instruments in which funds in excess of immediate capital needs are placed are consistent with capital preservation and liquidity. The company's Chief Executive Officer, Michael Feldschuh, is primarily responsible for the day-to-day management of any such investments.

Since the estate of Dr. Feldschuh owns more than 50% of Daxor stock, and Michael Feldschuh is the executor of the estate, the company is considered a controlled corporation. In reviewing the salaries of Chief Executive Officers at pharmaceutical and scientific companies, many of these individuals earn annual salaries from \$300,000 to over \$1,000,000.

Mr. Feldschuh has deliberately elected to draw a salary that is well below what the company believes is the market rate for someone with his responsibilities and qualifications. It is the belief of the Board of Directors that annual compensation of two or three times what he is currently earning could easily be justified. The decision to keep his annual compensation at well below market rate has been made as part of an effort to preserve capital in light of the company's ongoing losses from operations.

B-8

The Board of Directors reviews Mr. Feldschuh's compensation each year. The Board votes on his salary at this time. The Board is in agreement that his annual compensation is well below market rate for someone with his experience and qualifications.

### **Code of Ethics**

Pursuant to Rule 17j-1 of the 1940 Act, the company has adopted a Code of Ethics governing personal trading activities of all directors and officers of the company and persons who, in connection with their regular functions, play a role in the recommendation of any purchase or sale of a security by the company or obtain information pertaining to such purchase or sale. The Code of Ethics is intended to prohibit fraud against the company that may arise from personal trading. Personal trading is permitted by such persons subject to certain restrictions; however, such persons are generally required to pre-clear many security transactions with the company's Chief Compliance Officer and to report all transactions on a regular basis.

The Codes of Ethics may be viewed and copied at the SEC's Public Reference Room located at 100 F Street, NE Washington, D.C. Information relating to the Public Reference Room may be obtained by calling the SEC at 1-202-551-8090. Such materials are also available in the EDGAR Database on the SEC's internet website at (<http://www.sec.gov>). You may obtain copies of this information, after paying a duplication fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the SEC's Public Reference Section, Office of Consumer Affairs and Information, U.S. Securities and Exchange Commission, Washington, D.C. 20549. A copy of the Code of Ethics is also available for free at [http://www.daxor.com/pdfs/daxor\\_codeofethics.pdf](http://www.daxor.com/pdfs/daxor_codeofethics.pdf)

### **Proxy Voting Procedures**

The company is responsible for voting proxies on securities held in its portfolio. When the company receives a proxy, the decision regarding how to vote such proxy will be made by Mr. Feldschuh in accordance with its proxy voting procedures.

The vote with respect to most routine issues presented in proxy statements is expected to be cast in accordance with the position of the issuer's management, unless it is determined by Mr. Feldschuh or the Board of Directors that supporting management's position would adversely affect the investment merits of owning the issuer's security. However, each issue will be considered on its own merits, and a position of management found not to be in the best interests of the company's shareholders will not be supported.



Proxies solicited by issuers whose securities are held by the company will be voted solely in the interests of the shareholders of the company. Any conflict of interest will be resolved in the way that will most benefit the company and its shareholders. If the conflict of interest is determined to be material, the conflict shall be disclosed to the Board of Directors and Mr. Feldschuh will follow the instructions of the Board.

The company is required to annually file Form N-PX, which lists the company's complete proxy voting record for the most recent 12-month period ending June 30. The company's proxy voting record is available without charge, upon request, by calling the company toll-free at (888) 774-3268 and on the SEC's website at [www.sec.gov](http://www.sec.gov).

## **PORTFOLIO TRANSACTIONS AND BROKERAGE**

Subject to the supervision of the Board of Directors, Mr. Feldschuh is responsible for decisions to purchase and sell securities for the company, the negotiation of the prices to be paid and the allocation of transactions among various dealer firms. Transactions on stock exchanges involve the payment by the company of brokerage commissions. There generally is no stated commission in the case of securities traded in the over-the-counter market but the price paid by the company usually includes an undisclosed dealer commission or mark-up. Transactions in the over-the-counter market can also be placed with broker-dealers who act as agents and charge brokerage commissions for effecting over-the-counter transactions. The company may place its over-the-counter transactions either directly with principal market makers, or with broker-dealers.

In certain instances, the company may make purchases of underwritten issues at prices that include underwriting fees. Portfolio securities may be purchased directly from an underwriter or in the over-the-counter market from the principal dealers in such securities, unless it appears that a better price or execution may be obtained through other means. The company does not direct brokerage transactions to brokers because of research services provided by such brokers.

The company incurred total commission expense of \$38,746 for the three years ended December 31, 2017 as follows: \$6,957 in 2017, \$9,564 in 2016 and \$22,225 in 2015. The cost basis of securities purchased includes any commissions paid and the proceeds of securities sold is recorded net of any commissions paid.

## **DESCRIPTION OF SHARES**

The holders of the common stock have one vote per share for the election of directors, without provisions for cumulative voting, and on all other matters. Thus, holders of more than 50% of the shares voting for the election of directors can elect all the directors if they choose to do so. The common stock is not redeemable and has no conversion or preemptive rights.

## **REPURCHASE OF SHARES**

Shareholders do not have the right to cause the company to redeem their shares. The shares trade in the open market.

## **NET ASSET VALUE**

The company will determine its net asset value as of the close of regular session trading on the New York Stock Exchange on the last business day of its semi-annual reporting period and its fiscal year, and will make its net asset value available for publication on those dates. Net asset value is computed by dividing the value of all of our assets (including accrued interest and distributions and current and deferred income tax assets), less all of our liabilities (including accrued expenses, distributions payable, current and deferred accrued income taxes, and any borrowings) and the liquidation value of any outstanding preferred stock, by the total number of shares outstanding.

Publicly traded securities with a readily available market price listed on any exchange other than the NASDAQ are valued, except as indicated below, at the last sale price on the business day as of which such value is being

determined. If there has been no sale on such day, the securities are valued at the mean of the most recent bid and asked prices on such day. Securities admitted to trade on the NASDAQ are valued at the NASDAQ official closing price. Portfolio securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities.

Equity securities traded in the over-the-counter market, but excluding securities admitted to trading on the NASDAQ, are valued at the closing bid prices. Debt securities that are considered bonds are valued by using the mean of the bid and ask prices provided by an independent pricing service. For debt securities that are considered bank loans, the fair market value is determined by using the mean of the bid and ask prices provided by the agent or syndicate bank or principal market maker. When price quotes are not available, fair market value will be based on prices of comparable securities. In certain cases, the company may not be able to purchase or sell debt securities at the quoted prices due to the lack of liquidity for these securities.

Any derivative transaction that the company enters into may, depending on the applicable market environment, have a positive or negative value for purposes of calculating the net asset value. Exchange-traded options and futures contracts are valued at the last sales price at the close of trading in the market where such contracts are principally traded or, if there was no sale on the applicable exchange on such day, at the mean between the quoted bid and ask price as of the close of such exchange.

B-10

For any portfolio security held by us for which reliable market quotations are not readily available, valuations are determined in a manner that most fairly reflects fair value of the security on the valuation date, pursuant to the oversight of the Board of Directors. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of such investments may fluctuate from period to period. Additionally, the fair value of such investments may differ from the values that would have been used had a ready market existed for such investments and may differ materially from the values that company may ultimately realize.

## **UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

The following discussion is a summary of the U.S. federal income tax considerations generally applicable to the acquisition, ownership and disposition of the common stock. This summary is based upon U.S. federal income tax law as of the date of this SAI, which is subject to change or differing interpretations, possibly with retroactive effect. This summary does not discuss all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances, including investors subject to special tax rules (e.g., financial institutions, insurance companies, broker-dealers, partnerships and their partners, tax-exempt organizations (including private foundations), taxpayers that have elected mark-to-market accounting, S corporations, regulated investment companies, real estate investment trusts, investors that will hold the common stock as part of a straddle, hedge, conversion, or other integrated transaction for U.S. federal income tax purposes, former citizens or residents of the United States or investors that have a functional currency other than the U.S. dollar), all of whom may be subject to tax rules that differ materially from those summarized below. In addition, this summary does not discuss other U.S. federal tax consequences (e.g., estate or gift tax), any state, local, or non-U.S. tax considerations or the Medicare tax or alternative minimum tax. In addition, this summary is limited to investors that will hold our securities as “capital assets” (generally, property held for investment) under the Internal Revenue Code of 1986, as amended, (the “Code”), and that acquired the common stock pursuant to this offering. No ruling from the Internal Revenue Service, (the “IRS”) has been or will be sought regarding any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain a position contrary to any of the tax aspects set forth below.

For purposes of this summary, a “U.S. Holder” is a beneficial holder of securities who or that, for U.S. federal income tax purposes is:

An individual who is a United States citizen or resident of the United States;

A corporation, or other entity treated as a corporation for United States federal income tax purposes created in, or organized under the laws of, the United States or any state or political subdivision thereof;

An estate, the income of which is includible in gross income for United States federal income tax purposes regardless of its source; or

A trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons (within the meaning of the Code) who have the authority to control all substantial

decisions of the trust or (B) that has in effect a valid election under applicable Treasury regulations to be treated as a United States person.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the common stock, the tax treatment of a partner in such partnership will generally depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. If you are a partner of a partnership holding the common stock, you are urged to consult your tax advisor regarding the tax consequences of the ownership and disposition of our securities.

**THIS DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. WE URGE PROSPECTIVE HOLDERS TO CONSULT THEIR TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF OWNING AND DISPOSING OF THE COMMON STOCK, AS WELL AS THE APPLICATION OF ANY, STATE, LOCAL AND NON-U.S. INCOME, ESTATE AND OTHER TAX CONSIDERATIONS.**

B-11

### ***Personal Holding Company Status***

The company would be subject to a second level of U.S. federal income tax on a portion of its income if it is determined to be a personal holding company, or PHC, for U.S. federal income tax purposes. A U.S. corporation will generally be classified as a PHC for U.S. federal income tax purposes in a given taxable year if (1) at any time during the last half of such taxable year, five or fewer individuals (without regard to their citizenship or residency and including as individuals for this purpose certain entities such as certain tax-exempt organizations, pension funds, and charitable trusts) own or are deemed to own (pursuant to certain constructive ownership rules) more than 50% of the stock of the corporation by value and (2) at least 60% of the corporation's adjusted ordinary gross income, as determined for U.S. federal income tax purposes, for such taxable year consists of PHC income (which includes, among other things, dividends, interest, certain royalties, annuities and, under certain circumstances, rents).

It is possible that at least 60% of the company's adjusted ordinary gross income may consist of PHC income as discussed above. In addition, depending on the concentration of the common stock in the hands of individuals, it is possible that more than 50% of our stock will be owned or deemed owned (pursuant to the constructive ownership rules) by such persons during the last half of a taxable year. Thus, no assurance can be given that the company will not become a PHC following this offering or in the future. If the company is or were to become a PHC in a given taxable year, the company would be subject to an additional PHC tax, currently 20%, on its undistributed PHC income, which generally includes its taxable income, subject to certain adjustments.

### ***Taxation of Distributions***

If the company pays cash distributions to U.S. Holders of shares of the common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from the company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of current and accumulated earnings and profits will constitute a return of capital that will be applied against and reduce (but not below zero) the U.S. Holder's adjusted tax basis in the common stock. Any remaining excess will be treated as gain realized on the sale or other disposition of the common stock and will be treated as described under "Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of the Common Stock" below.

Dividends the company pays to a U.S. Holder that is a taxable corporation generally will qualify for the dividends received deduction if the requisite holding period is satisfied. With certain exceptions (including dividends treated as investment income for purposes of investment interest deduction limitations), and provided certain holding period requirements are met, dividends the company pays to a non-corporate U.S. Holder will generally constitute "qualified dividends" that will be subject to tax at the maximum tax rate accorded to long-term capital gains.

***Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of the Common Stock***

A U.S. Holder will recognize gain or loss on the sale, taxable exchange or other taxable disposition of the common stock. Any such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder's holding period for the common stock so disposed of exceeds one year. The amount of gain or loss recognized will generally be equal to the difference between (1) the sum of the amount of cash and the fair market value of any property received in such disposition and (2) the U.S. Holder's adjusted tax basis in its common stock so disposed of. A U.S. Holder's adjusted tax basis in its common stock will generally equal the U.S. Holder's acquisition cost less any prior distributions treated as a return of capital. The deductibility of capital losses is subject to limitations.

B-12

### ***Information Reporting and Backup Withholding***

In general, information reporting requirements may apply to dividends paid to a U.S. Holder and to the proceeds of the sale or other disposition of shares of common stock, unless the U.S. Holder is an exempt recipient. Backup withholding may apply to such payments if the U.S. Holder fails to provide a taxpayer identification number, a certification of exempt status or has been notified by the IRS that it is subject to backup withholding (and such notification has not been withdrawn). Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

### **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

WithumSmith+Brown, P.C. has been appointed as independent registered public accounting firm for the company, providing audit services, tax return preparation, and assistance and consultation with respect to the preparation of filings with the SEC. WithumSmith+Brown, P.C. is located at 1411 Broadway 9<sup>th</sup> Floor New York, NY 10018.

### **ADDITIONAL INFORMATION**

Daxor Corporation has filed a Registration Statement on Form N-2, including amendments thereto, with the Securities and Exchange Commission, Washington, D.C. This SAI and the prospectus do not contain all of the information set forth in the Registration Statement, including any exhibits and schedules thereto. For further information with respect to the company, reference is made to the Registration Statement. Statements contained in this SAI as to the contents of any contract or other document referred to are not necessarily complete and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference. Copies of the Registration Statement may be inspected without charge at the Securities and Exchange Commission's principal office in Washington, D.C., and copies of all or any part thereof may be obtained from the Securities and Exchange Commission upon the payment of certain fees prescribed by the Securities and Exchange Commission.

Daxor Corporation previously filed annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document that the company files at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site at <http://www.sec.gov>, from which interested persons can electronically access the company's SEC filings, including the registration statement, of which this SAI is a part, and the exhibits and schedules thereto.



The company incorporates by reference into this SAI the documents listed below (excluding any portions of such documents that have been “furnished” but not “filed” for purposes of the Securities Exchange Act of 1934):

Annual Report on Form N-CSR, as amended, for the fiscal year ended December 31, 2017, filed on March 7, 2018;

Proxy Statement on Schedule 14A, filed on May 22, 2018.

You may request a copy of these documents by writing or telephoning Daxor Corporation at:

Investor Relations

Daxor Corporation

350 Fifth Avenue (Empire State Building), Suite 4740

New York, New York 10118

(888) 774-3268

B-13

## **FINANCIAL STATEMENTS**

Daxor Corporation's Annual Report on Form N-CSR, as amended, for the fiscal year ended December 31, 2017, which includes the company's financial statements for that fiscal year, is incorporated herein by reference with respect to all information included therein.

B-14

