As filed with the Securities and Exchange Commission on July 26, 2004

Registration No. 333-115253

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Pre-Effective Amendment No. 6

to

Form S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Stereotaxis, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**3845**	**94-3120386**
(State or other jurisdiction of Incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

4041 Forest Park Avenue

St. Louis, Missouri 63108
(314) 615-6940
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Bevil J. Hogg

President and Chief Executive Officer
Stereotaxis, Inc.
4041 Forest Park Avenue
St. Louis, Missouri 63108
(314) 615-6940
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all correspondence to:

James L. Nouss, Jr., Esq.
Robert J. Endicott, Esq.
Bryan Cave LLP
One Metropolitan Square
211 North Broadway, Suite 3600
St. Louis, Missouri 63102-2750
(314) 259-2000
(314) 259-2020 (fax)

Carlos J. Spinelli-Noseda, Esq.
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
(212) 558-4000
(212) 558-3588 (fax)

Approximate date of commencement of proposed sale to public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This Pre-Effective Amendment No. 6 is being filed solely for the purpose of filing Exhibits 1.1 and 4.1 and re-filing Exhibits 5.1, 10.9, 10.10, 10.19, 10.29, 10.32 and 23.2. No changes or additions are being made hereby to the prospectus that forms a part of the Registration Statement. Accordingly, the prospectus has been omitted from this filing.

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. ***Other Expenses of Issuance and Distribution***

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by Stereotaxis in connection with the sale of the common stock being registered hereby, other than underwriting commissions and discounts. All amounts are estimates except the SEC Registration Fee and the NASD filing fee.

SEC Registration fee	$ 14,570.50
NASD filing fee	12,000.00
Nasdaq National Market listing fee	100,000.00
Blue Sky fees and expenses	25,000.00
Printing and engraving expenses	175,000.00
Directors and Officers liability insurance premiums	250,000.00
Legal fees and expenses	750,000.00
Accounting fees and expenses	425,000.00
Transfer agent and registrar fees	20,000.00
Miscellaneous expenses	978,429.50
Total	$2,750,000.00

We intend to pay all expenses of registration, issuance and distribution.

Item 14. ***Indemnification of Officers and Directors***

Our amended and restated certificate of incorporation provides that, to the fullest extent permitted by the Delaware General Corporation Law as the same exists or may hereafter be amended, our directors shall not be liable to the Company or our stockholders for monetary damages for breach of fiduciary duty as a director. In addition, our certificate of incorporation provides that we may, to the fullest extent permitted by law, indemnify any person made or threatened to be made a party to an action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that such person or his or her testator or intestate is or was a director, officer or employee of the Company, or any predecessor of the Company, or serves or served at any other enterprise as a director, officer or employee at the request of the Company.

Our amended and restated bylaws provide that the Company shall indemnify our directors and officers to the fullest extent not prohibited by the Delaware General Corporation Law or any other law. We are not required to indemnify any director or officer in connection with a proceeding brought by such director or officer unless (i) such indemnification is expressly required by law; (ii) the proceeding was authorized by our board of directors; or (iii) such indemnification is provided by the Company, in its sole discretion, pursuant to the powers vested in the Company under the Delaware General Corporation Law or any other applicable law. In addition, our bylaws provide that the Company may indemnify its employees and other agents as set forth in the Delaware General Corporation Law or any other applicable law.

We have also entered into separate indemnification agreements with our directors that require us, among other things, to indemnify each of them against certain liabilities that may arise by reason of their status or service with the Company or on behalf of the Company, other than liabilities arising from willful misconduct of a culpable nature. The Company is not required to indemnify under the agreement for (i) actions initiated by the director without the authorization of consent of the board of directors; (ii) actions initiated to enforce the indemnification agreement unless the director is successful; (iii) actions resulting from violations of Section 16 of the Exchange Act in which a final

judgment has been rendered against the director; and (iv) actions to enforce any non-compete or non-disclosure provisions of any agreement.

The indemnification provided for above provides for reimbursement of all losses of the indemnified party including, expenses, judgment, fines and amounts paid in settlement. The right to indemnification set forth above includes the right for us to pay the expenses (including attorneys' fees) incurred in defending any such proceeding in advance of its final disposition in certain circumstances.

The Delaware General Corporation Law provides that indemnification is permissible only when the director, officer, employee, or agent acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The Delaware General Corporation Law also precludes indemnification in respect of any claim, issue, or matter as to which an officer, director, employee, or agent shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine that, despite such adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court deems proper.

We have agreed to indemnify the underwriters and their controlling persons, and the underwriters have agreed to indemnify us and our controlling persons, against certain liabilities, including liabilities under the Securities Act. Reference is made to the Underwriting Agreement filed as part of the exhibits hereto.

See Item 17 for information regarding our undertaking to submit to adjudication the issue of indemnification for violation of the securities laws.

Item 15. ***Recent Sales of Unregistered Securities***

During the past three years, the registrant has issued and sold the following securities that were not registered under the Securities Act, as amended. Unless expressly provided otherwise, amounts have been adjusted to reflect the 1-for-3.6 reverse stock split which will be effective upon completion of this offering.

1. From July 1, 2001 through June 30, 2004, the registrant granted options to purchase 2,448,055 shares of its common stock to employees, consultants and directors pursuant to its stock option plans. Options to purchase an aggregate of 482,613 shares have been canceled without being exercised, options to purchase an aggregate of 685,401 shares have been exercised, options to purchase an aggregate of 18,431 shares have been repurchased.

2. In November and December 2001, the registrant issued and sold to 40 accredited investors 10,052,020 shares of its Series D-1 preferred stock, convertible into 2,792,215 shares of its common stock, for approximately $21.8 million.

3. In November and December 2001, in connection with the sale of the Series D-1 preferred stock, the registrant issued and sold to the same 40 accredited investors in the preceding item warrants to purchase an aggregate of 418,819 shares of its common stock for approximately $23,000. Unless previously exercised, the warrants will be automatically exercised on a cashless basis at an exercise price of $7.81 per share upon completion of this offering.

4. In connection with entering into a credit facility with Silicon Valley Bank, on January 31, 2002 the registrant issued warrants to purchase 50,692 shares of its Series D-1 preferred stock, which will convert into warrants to purchase 14,081 shares of its common stock, to the bank. The warrants are exercisable at any time prior to January 31, 2007 at an exercise price of $2.17 per share (or $7.81 per share following consummation of this offering).

5. In connection with entering into a credit facility with Silicon Valley Bank, on March 19, 2002 the registrant issued warrants to purchase 36,868 shares of its Series D-1 preferred stock, which will convert into warrants to purchase 10,241 shares of its common stock, to the bank. The warrants are exercisable at any time prior to March 20, 2007 at an exercise price of $2.17 per share (or $7.81 per share following consummation of this offering).

6. In connection with entering into a credit facility with Silicon Valley Bank, on September 30, 2002 the registrant issued warrants to purchase 18,000 shares of its Series D-1 preferred stock, which will convert into warrants to purchase 5,000 shares of its common stock, to the bank. The warrants are exercisable at any time prior to September 31, 2007 at an exercise price of $2.17 per share (or $7.81 per share following consummation of this offering).

7. In December 2002 and January 2003, the registrant issued and sold to 34 accredited investors 10,705,929 shares of its Series D-2 preferred stock, convertible into an aggregate of 2,973,856 shares of its common stock, for approximately $23.2 million.

8. In December 2002 and January 2003 in connection with the sale of the Series D-2 preferred stock, the registrant issued and sold to the same 34 accredited investors in the preceding item warrants to purchase an aggregate of 446,063 shares of its common stock for approximately $24,000. Unless previously exercised, the warrants will be automatically exercised on a cashless basis at an exercise price of $7.81 per share upon completion of this offering.

9. In June 2003, the registrant issued and sold to Siemens AG 3,412,970 shares of its Series E preferred stock, convertible into an aggregate of 948,047 shares of its common stock, for approximately $10 million.

10. In August 2003, the registrant issued and sold to Siemens AG a cumulative convertible pay-in-kind note in the aggregate principal amount of $2.0 million which bears interest at 8% per year and is due on August 1, 2006. Upon completion of this offering, the note will automatically convert into the number of shares of the registrant's common stock that is equal to the outstanding principal and accrued and unpaid interest on the note divided by the public offering price per share in this offering.

11. In December 2003, the registrant issued and sold to Johnson & Johnson Development Corporation 3,242,321 shares of its Series E-1 preferred stock, convertible into an aggregate of 900,644 shares of its common stock, for approximately $9.5 million.

12. In January and February 2004, the registrant issued and sold to 23 accredited investors 5,380,830 shares of its Series E-2 preferred stock, convertible into an aggregate of 1,494,665 shares of its common stock, for approximately $15.8 million.

13. In January and February 2004 in connection with the sale of the Series E-2 preferred stock, the registrant issued and sold to the same 23 accredited investors in the preceding item warrants to purchase an aggregate of 298,926 shares of its common stock. Unless previously exercised, the warrants will be automatically exercised on a cashless basis at an exercise price of $10.55 per share upon completion of this offering.

The sales and issuances of securities described in item 1 above were deemed to be exempt from registration under the Securities Act by virtue of Rule 701 of the Securities Act in that they were offered and sold either pursuant to a written compensatory benefit plan or pursuant to a written contract relating to compensation, as provided by Rule 701. The sales of the securities described in items 2 through 13 above were deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act, or Regulation D promulgated thereunder. With respect to the grant of options described in item 1, an exemption from registration was unnecessary in that none of the transactions involved a "sale" of securities as such term is used in Section 2(3) of the Securities Act.

The recipients of securities in each such transaction represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the share certificates and warrants issued in such transactions. All recipients had adequate access, through their relationships with the Company, to information about the registrant.

Item 16. ***Exhibits and Financial Statements Schedules***

(a) The following is a list of exhibits filed as a part of this Registration Statement:

Exhibit No.	Description
1.1	Form of Underwriting Agreement
3.1(a)**	Amended and Restated Certificate of Incorporation of the Registrant dated January 27, 2004
3.1(b)**	Amendment of Amended and Restated Certificate of Incorporation
3.2**	Bylaws of the Registrant as currently in effect
3.3**	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be effective upon the closing of this offering
3.4**	Form of Amended and Restated Bylaws of the Registrant, to be effective upon the closing of this offering
4.1	Specimen Stock Certificate
4.2**	Second Amended and Restated Stockholders' Agreement, dated December 17, 2002 by and among the Registrant and certain stockholders
4.3**	Fourth Amended and Restated Investor Rights Agreement, dated December 17, 2002 by and among Registrant and certain stockholders
4.4**	Joinder Agreement to Series D-2 Preferred Stock Purchase Agreement, Fourth Amended and Restated Investor Rights Agreement and Amendment to Second Amended and Restated Stockholders' Agreement dated January 21, 2003 by and among Registrant and certain stockholders
4.5**	Joinder and Amendment to Second Amended and Restated Stockholders' Agreement and Fourth Amended and Restated Investor Rights Agreement, dated May 27, 2003 by and among Registrant and certain stockholders
4.6**	Second Joinder and Amendment to Second Amended and Restated Stockholders' Agreement and Fourth Amended and Restated Investor Rights Agreement, dated December 22, 2003 by and among Registrant and certain stockholders
4.7**	Third Joinder and Amendment to Second Amended and Restated Stockholders' Agreement and Fourth Amended and Restated Investor Rights Agreement, dated January 28, 2004 by and among Registrant and certain stockholders
4.8**	Form of Warrant Agreement issued to Series D-1 investors
4.9**	Warrant Agreement issued to Silicon Valley Bank dated January 31, 2002
4.10**	Form of Warrant Agreement issued to Series D-2 investors
4.11**	Form of Warrant Agreement issued to Series E-2 investors
4.12**	8% Convertible Promissory Note dated August 1, 2003 issued by the Registrant in favor of Siemens AG
4.13**	Warrant Agreement issued to Silicon Valley Bank dated March 19, 2002
4.14**	Warrant Agreement issued to Silicon Valley Bank dated September 30, 2002
5.1	Form of Opinion of Bryan Cave LLP
10.1**	1994 Stock Option Plan
10.2**	2002 Stock Incentive Plan
10.3**	2004 Employee Stock Purchase Plan
10.4**	2002 Non-Employee Directors' Stock Plan

Exhibit No.	Description
10.5**	Employment Agreement dated June 23, 1997 between Bevil J. Hogg and the Registrant
10.6**	Employment Agreement dated April 4, 2001 between Douglas M. Bruce and the Registrant
10.7**	Employment Agreement dated February 16, 2001 between Melissa Walker and the Registrant
10.8**	Employment Agreement dated April 17, 2002 between Michael P. Kaminski and the Registrant
10.9†	Collaboration Agreement dated June 8, 2001 between the Registrant and Siemens AG, Medical Solutions
10.10†	Extended Collaboration Agreement dated May 27, 2003 between the Registrant and Siemens AG, Medical Solutions
10.11†**	Development and Supply Agreement dated May 7, 2002 between the Registrant and Biosense Webster, Inc.
10.12†**	Amendment to Development and Supply Agreement dated November 3, 2003 between the Registrant and Biosense Webster, Inc.
10.13†**	Supply Agreement dated July 1, 2003 between the Registrant and Magnet Sales & Manufacturing Inc.
10.14**	Form of Indemnification Agreement between the Registrant and its directors and executive officers
10.15**	Lease, having an effective date of August 15, 2001, between the Registrant and Emerging Technologies Building II, LLC
10.16†**	Letter Agreement, dated September 12, 2003, between the Registrant and Philips Medizin Systeme G.m.b.H.
10.17**	Letter Agreement and Employment Agreement dated May 26, 2004 between James M. Stolze and the Registrant
10.18†**	Software Distribution Agreement dated March 3, 2004 between the Registrant and Siemens Aktiengesellschaft
10.19†	Third Party Service Agreement dated August 5, 2002 between the Registrant and Siemens Medical Solutions USA, Inc.
10.20†**	Research Agreement between the Registrant, Siemens AG and Landesbetrieb Krankenhauser
10.21**	Loan and Security Agreement dated January 31, 2002 between the Registrant and Silicon Valley Bank
10.22**	Loan Modification Agreement dated May 14, 2002 between the Registrant and Silicon Valley Bank
10.23**	Second Loan Modification Agreement dated July 11, 2002 between the Registrant and Silicon Valley Bank
10.24**	Loan and Security Agreement dated September 30, 2002 between the Registrant and Silicon Valley Bank
10.25**	Second Loan Modification Agreement dated September 30, 2002 to Equipment Loan and Security Agreement dated January 31, 2002 and Third Loan Modification Agreement to Revolving Loan and Security Agreement dated March 19, 2002
10.26**	Third Loan Modification Agreement dated December 31, 2002 to Equipment Loan and Security Agreement dated January 31, 2002 and Fourth Loan Modification Agreement to Revolving Loan and Security Agreement dated March 19, 2002 and First Loan Modification Agreement to Equipment Loan and Security Agreement dated September 30, 2002 between the Registrant and Silicon Valley Bank

Exhibit No.	Description
10.27**	Fourth Loan Modification Agreement dated April 2003 to Equipment Loan and Security Agreement dated January 31, 2002 and Fifth Loan Modification Agreement to Revolving Loan and Security Agreement dated March 19, 2002 and Second Loan Modification Agreement to Equipment Loan and Security Agreement dated September 30, 2002
10.28**	Loan and Security Agreement dated April 30, 2004 between the Registrant and Silicon Valley Bank
10.29†	Distributor Agreement dated September 17, 2003 between the Registrant and AB Medica
10.30**	Promissory Note dated November 20, 2001 by Douglas M. Bruce payable to the order of Stereotaxis, Inc.
10.31**	Retirement and Consulting Agreement between the Registrant and Nicola J.H. Young
10.32†	Japanese Market Development Agreement dated May 18, 2004 between the Registrant, Siemens Aktiengesellschaft and Siemens Asahi Medical Technologies Ltd.
23.1**	Consent of Ernst & Young LLP
23.2	Consent of Bryan Cave LLP (included in the opinion filed as Exhibit 5.1)
24.1**	Powers of Attorney

* To be filed by amendment to this registration statement

** Previously filed

† Confidential treatment requested as to certain portions, which portions are omitted and filed separately with the Securities and Exchange Commission.

(b) Financial Statement Schedule

Stereotaxis, Inc.

Schedule of Accounts Receivable and Inventory Reserves

Six months ended June 30, 2004 and years ended December 31, 2003, 2002 and 2001

	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Deductions Describe	Foreign Currency Translation	Balance at End of Period
Accounts Receivable Reserves:					
Six Months Ended June 30, 2004					
Sales Allowances	$ (14,975)	$ (87,847)	$34,485(1)	$ —	$ (64,337)
Bad Debt Reserve	(101,750)	(70,497)	—	—	(172,247)
	$(116,725)	$(158,344)	$34,485	$ —	$(236,584)
Year Ended December 31, 2003					
Sales Allowances	$ —	$ (17,607)	$ 2,632(1)	$ —	$ (14,975)
Bad Debt Reserve	(1,650)	(100,100)	—	—	(101,750)
	$ (1,650)	$(117,707)	$ 2,632	$ —	$(116,725)
Year Ended December 31, 2002					
Sales Allowances	$ —	$ —	$ —	$ —	$ —
Bad Debt Reserve	—	(1,650)	—	—	(1,650)
	$ —	$ (1,650)	$ —	$ —	$ (1,650)

	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Deductions Describe	Foreign Currency Translation	Balance at End of Period
Year Ended December 31, 2001					
Sales Allowances	$ —	$ —	$ —	$ —	$ —
Bad Debt Reserve	—	—	—	—	—
	$ —	$ —	$ —	$ —	$ —
Inventory Reserves:					
Six Months Ended June 30, 2004					
Inventory Reserve	$(105,750)	$ (25,091)	$ 3,860(2)	$ —	$(126,981)
Year ended December 31, 2003					
Inventory Reserve	$ (51,000)	$(123,534)	$68,784(2)	$ —	$(105,750)
Year ended December 31, 2002					
Inventory Reserve	$ —	$ (51,000)	$ —	$ —	$ (51,000)
Year ended December 31, 2001					
Inventory Reserve	$ —	$ —	$ —	$ —	$ —

(1) Sales allowance and product returns

(2) Write-off of obsolete inventory and physical inventory adjustments

Item 17. ***Undertakings.***

The undersigned registrant hereby undertakes to provide to the Underwriters at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the Underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification by the registrant for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 14 or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of Prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this Pre- Effective Amendment No. 6 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of St. Louis, State of Missouri, on the 26th day of July, 2004.

STEREOTAXIS, INC.

By: /s/ BEVIL J. HOGG

Bevil J. Hogg
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act, this Pre-Effective Amendment No. 6 to the registration statement has been signed by the following persons in the capacities and on the dates indicated:

Signatures	Title	Date
/s/ FRED A. MIDDLETON*	Chairman of the Board of Directors	July 26, 2004
Fred A. Middleton		
/s/ BEVIL J. HOGG	President, Chief Executive Officer and Director (Principal Executive Officer)	July 26, 2004
Bevil J. Hogg		
/s/ CHRISTOPHER ALAFI*	Director	July 26, 2004
Christopher Alafi		
/s/ JOHN C. APLIN*	Director	July 26, 2004
John C. Aplin		
/s/ RALPH G. DACEY, JR.*	Director	July 26, 2004
Ralph G. Dacey, Jr.		
/s/ GREGORY R. JOHNSON*	Director	July 26, 2004
Gregory R. Johnson		
/s/ WILLIAM M. KELLEY*	Director	July 26, 2004
William M. Kelley		
/s/ RANDALL D. LEDFORD*	Director	July 26, 2004
Randall D. Ledford		
/s/ ABHIJEET J. LELE*	Director	July 26, 2004
Abhijeet J. Lele		
/s/ WILLIAM C. MILLS III*	Director	July 26, 2004
William C. Mills III		

Signatures	Title	Date
/s/ DAVID J. PARKER* David J. Parker	Director	July 26, 2004
/s/ JAMES M. STOLZE James M. Stolze	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	July 26, 2004
*By: /s/ BEVIL J. HOGG Bevil J. Hogg *Attorney-In-Fact*		

EXHIBIT INDEX

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10.28**	Loan and Security Agreement dated April 30, 2004 between the Registrant and Silicon Valley Bank
10.29†	Distributor Agreement dated September 17, 2003 between the Registrant and AB Medica
10.30**	Promissory Note dated November 20, 2001 by Douglas M. Bruce payable to the order of Stereotaxis, Inc.
10.31**	Retirement and Consulting Agreement between the Registrant and Nicola J.H. Young
10.32†	Japanese Market Development Agreement dated May 18, 2004 between the Registrant, Siemens Aktiengesellschaft and Siemens Asahi Technologies Ltd.

Exhibit No.	Description
23.1**	Consent of Ernst & Young LLP
23.2	Consent of Bryan Cave LLP (included in the opinion filed as Exhibit 5.1)
24.1**	Powers of Attorney

* To be filed by amendment to this registration statement

** Previously filed

† Confidential treatment requested as to certain portions, which portions are omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT 1.1

STEREOTAXIS, INC.

COMMON STOCK, $0.001 PAR VALUE
PER SHARE

UNDERWRITING AGREEMENT

-, 2004

Goldman, Sachs & Co.,
Bear, Stearns & Co. Inc.,
Deutsche Bank Securities Inc.
A.G. Edwards & Sons, Inc.
As representatives of the several Underwriters
named in Schedule I hereto,
c/o Goldman, Sachs & Co.,
85 Broad Street,
New York, New York 10004.

Ladies and Gentlemen:

Stereotaxis, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters") an aggregate of - shares (the "Firm Shares") and, at the election of the Underwriters, up to - additional shares (the "Optional Shares") of common stock, par value $0.001 per share ("Stock") of the Company (the Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof being collectively called the "Shares").

1. The Company represents and warrants to, and agrees with, each of the Underwriters that:

(a) A registration statement on Form S-1 (File No. 333-115253) (the "Initial Registration Statement") in respect of the Shares has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, and, excluding exhibits thereto, to you for each of the other Underwriters, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement has heretofore been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or threatened by

the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act is hereinafter called a "Preliminary Prospectus"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective, each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "Registration Statement"; and such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "Prospectus";

(b) No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein;

(c) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to the Registration Statement and any amendment thereto, and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein;

(d) The Company has not sustained since the date of the latest audited financial statements included in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any change in the capital stock or long-term debt of the Company or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company, otherwise than as set forth or contemplated in the Prospectus;

(e) The Company has good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by it, in each case free and clear of

all liens, encumbrances and defects except such as are described in the Prospectus or such as do not materially affect the value of such property and do not interfere in any material respect with the use made or proposed to be made of such property by the Company; and any real property and buildings held under lease by the Company are held by it under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere in any material respect with the use made or proposed to be made of such property and buildings by the Company;

(f) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where the failure to be so qualified could not reasonably be expected to (i) result in any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company or (ii) prevent, burden or impair the consummation of the transactions contemplated by this Agreement (collectively a "Material Adverse Effect") in any such jurisdiction; the Company has no subsidiaries;

(g) The Company has an authorized capitalization as set forth in the Prospectus (subject to the issuance of shares of common stock upon the exercise of stock options and warrants and upon the conversion of the convertible note disclosed as outstanding in the Prospectus and the grant of options under stock option plans described in the Prospectus), and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and conform in all material respects to the description of the Stock contained in the Prospectus;

(h) The unissued Shares to be issued and sold by the Company to the Underwriters hereunder have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and non-assessable and will conform to the description of the Stock contained in the Prospectus;

(i) The issue and sale of the Shares by the Company and the compliance by the Company with all of the provisions of this Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject, nor will such action result in any violation of the provisions of the Certificate of Incorporation or By-laws of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement, except the registration under the Act of the Shares and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue

Sky laws or by the rules and regulations of the National Association of Securities Dealers, Inc. (the "NASD") in connection with the purchase and distribution of the Shares by the Underwriters;

(j) The Company is not (i) in violation of its Certificate of Incorporation or By-laws or (ii) in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, except, with respect to subclause 1(j)(ii) above, for defaults that would not have a Material Adverse Effect;

(k) The statements set forth in the Prospectus under the caption "Description of Capital Stock", insofar as they purport to constitute a summary of the terms of the Stock, under the caption "Business - Collaborations", insofar as they purport to describe the provisions of the agreements referred to therein, under the caption "Business - Government Regulation", insofar as they purport to describe the provisions of the laws and regulations referred to therein, under the caption "Management - Agreements with Named Executive Officers", insofar as they purport to describe the provisions of the agreements referred to therein, under the caption "Management - Employee Benefit Plans", insofar as they purport to describe the provisions of the plans and agreements referred to therein, under the caption "Certain Material U.S. Federal Tax Consequences to Non-U.S. Holders", insofar as they purport to describe the provisions of the laws and regulations referred to therein, and under the caption "Underwriting", insofar as they purport to describe the provisions of the U.S. laws and documents referred to therein, are accurate descriptions or summaries in all material respects;

(l) Other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company is a party or of which any property of the Company is the subject which, if determined adversely to the Company, would individually or in the aggregate reasonably be expected to have a Material Adverse Effect; and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(m) The Company is not and, after giving effect to the offering and sale of the Shares, will not be an "investment company", as such term is defined in the Investment Company Act of 1940, as amended (the "Investment Company Act");

(n) Neither the Company nor any of its affiliates does business with the government of Cuba or with any person or affiliate located in Cuba within the meaning of Section 517.075, Florida Statutes;

(o) Ernst & Young LLP, who have certified certain financial statements of the Company, are independent public accountants as required by the Act and the rules and regulations of the Commission thereunder.

(p) The Company is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts which, in the Company's reasonable judgment, are prudent and customary in the business in which they are engaged; and the Company has no

reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires;

(q) Except as set forth in the Prospectus, the Company holds, and is operating in compliance in all material respects with, all franchises, grants, authorizations, licenses, permits, easements, consents, certificates and orders of any governmental or self-regulatory body required for the conduct of its business (including, but not limited to, those that may be required by the U.S. Food and Drug Administration and any federal, state or foreign agencies or bodies engaged in the regulation of medical devices (collectively, "Government Licenses"), except where the failure to hold such Government Licenses or non-compliance with such Government Licenses would not reasonably be expected to have a Material Adverse Effect, and all such Government Licenses are valid and in full force and effect, except to the extent that the failure to be in full force and effect would not reasonably be expected to have a Material Adverse Effect; the Company has not received any written notice of proceedings relating to the revocation or modification of any material Government Licenses;

(r) The Company owns, possesses, licenses or has other rights to use the patents and patent applications, copyrights, software, trademarks, service marks, trade names, technology, know-how (including trade secrets and other unpatented and/or unpatentable proprietary rights) and other intellectual property necessary or used in any material respect (i) to conduct its business in the manner in which it is being conducted or in connection with the commercialization of the existing products of the Company and (ii) to the best knowledge of the Company, to conduct its business in the manner in which it is contemplated as set forth in the Prospectus or in connection with the commercialization of the products described in the Prospectus as being under development (collectively, the "Company Intellectual Property"); except for one University of Virginia patent licensed to the Company and subject to a pending reexamination in the USPTO, and except for any unenforceability or invalidity as would not have a Material Adverse Effect, none of the patents owned or licensed by the Company is unenforceable or invalid, and none of the patent applications owned or licensed by the Company would be unenforceable or invalid if issued as patents; the patents and patent applications listed on Schedule 1(r) hereto (the "Patent Schedule") represent all patents and patent applications that are currently used in connection with the commercialization of the existing products of the Company; other than with respect to the patents and patent applications listed as licensed to the Company in the Patent Schedule or as disclosed in the Prospectus, the Company is not obligated to pay a royalty, grant a license, or provide other consideration to any third party in connection with the Company Intellectual Property; and the Company has not received any notice of infringement of (and the Company does not know of any valid basis for a claim of infringement of) rights of others with respect to the conduct of the Company's business as described in the Prospectus; there are no pending or, to the best knowledge of the Company, threatened actions, suits, proceedings or claims by others that the Company is infringing any patent, trade secret, trade mark, service mark, copyright or other intellectual property or proprietary right; and the discoveries, inventions, products or processes of the Company referenced in the Prospectus do not, to the best knowledge of the Company, infringe any valid intellectual property or proprietary right of any third person that is the subject of a patent application filed by any third person that could reasonably be expected to have a Material Adverse Effect. To the best knowledge of the Company, the patents and patent applications that are Company Intellectual Property disclose patentable subject matter and there are no inventorship challenges nor has any interference been declared or provoked nor is any material fact known with respect to such patents and patent applications which would preclude the issuance of patents with respect to such

applications or would render such patents invalid or unenforceable. Except for one patent application co-owned by the Company, University of Virginia and Virginia Commonwealth University, no third person, including any academic or governmental organization, possesses rights to the Company Intellectual Property owned by the Company which, if exercised, could enable such party to develop or offer products or services competitive to those of the Company or could reasonably be expected to have a Material Adverse Effect. The Company is not in breach of, and has complied with all material terms of, any license or other agreement relating to the Company Intellectual Property. To the extent the Company Intellectual Property is sublicensed to the Company by a third party, the Company's sublicensed rights shall continue in full force and effect if the principal third party license terminates for any reason. There are no contracts or other documents material to the Company Intellectual Property other than those described or identified in the Prospectus. The Company is not aware that any of its employees with responsibility for making inventions is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would materially conflict with the nature and scope of such employee's employment with the Company. To the best of the knowledge of the Company, it is not necessary to use any inventions, trade secrets or other intellectual proprietary or proprietary information of any of its consultants or its employees (or persons it currently intends to hire) made prior to their engagement or employment by the Company except to the extent the Company has licensed such intellectual property.

(s) With respect to the patents and pending applications listed as owned by the Company in the Patent Schedule, and corresponding foreign counterparts, the Company has complied with the required duty of candor and good faith in dealing with the United States Patent and Trademark Office (the "USPTO") and with corresponding foreign agencies (all collectively, the "Patent Offices"), including the duty to disclose all information believed to be material to the patentability of the Company's patents and pending patent applications that are Company Intellectual Property; the Company is identified in the records of the Patent Offices as the holder of record of the patents and patent applications listed as owned by the Company in the Patent Schedule and no other entity or individual has any rights, title or interest in such patents or patent applications; there are no legal or governmental proceedings pending relating to the Company's patents, trade secrets, trademarks, service marks, copyrights or other intellectual property, proprietary information or materials, other than Patent Offices' review of pending applications for patents and the pending reexamination in the USPTO of one University of Virginia patent licensed to the Company, and to the best knowledge of the Company, no such proceedings are threatened or contemplated by governmental authorities or others; the Company is prosecuting, and shall continue to diligently prosecute, claims in the patent applications owned by the Company and within Company Intellectual Property that cover existing products and products described in the Prospectus that are under development, except when, in the Company's sole judgment, further prosecution is not warranted.

(t) The Company takes reasonable care to ensure the maintenance of the confidentiality of its trade secrets, including, where appropriate, obtaining appropriate agreements with its employees and consultants and maintaining a written confidentiality policy.

(u) The studies, tests and preclinical and clinical trials conducted by or on behalf of the Company that are described in the Prospectus were and, if still pending, are being conducted in accordance with experimental protocols, procedures and controls pursuant to, where

applicable, accepted professional scientific standards; the descriptions of the results of such studies, tests and trials contained in the Prospectus are accurate and complete in all material respects; the Company is not aware of any studies, tests or trials the results of which the Company believes reasonably call into question the clinical trial results described or referred to in the Prospectus when viewed in the context in which such results are described and the clinical state of development; and the Company has not received any notices or correspondence from the U.S. Food and Drug Administration or any foreign, state or local governmental body exercising comparable authority requiring the termination, suspension or material modification of any studies, tests or preclinical or clinical trials conducted by or on behalf of the Company;

(v) The Company has complied at all times in all material respects with all applicable Environmental Health and Safety Laws, holds all permits, licenses and approvals under Environmental Health and Safety Laws material to the conduct of the business of the Company and is in compliance in all material respects with its environmental permits, except where the failure to comply or so hold would not reasonably be expected to have a Material Adverse Effect; the Company is not subject to liability for any Hazardous Substance disposal or contamination on any property currently or formerly owned or operated by the Company, except for liability that would not reasonably be expected to have a Material Adverse Effect; the Company has not received, within the last five years, any written notice, demand, letter, claim or request for information alleging that the Company may be in violation of or subject to liability under any Environmental Health and Safety Law, except for any violation or liability that would not reasonably be expected to have a Material Adverse Effect. For the purposes of this section, "Environmental Health and Safety Law" shall mean any law, statute, ordinance, rule, regulation, order, decree, or requirement of any court or governmental agency or body having jurisdiction over the Company or any of its properties relating to: (i) the protection, investigation or restoration of the environment, health, safety, or natural resources, (ii) the handling, use, presence, disposal, release or threatened release of any Hazardous Substance, (iii) noise, odor, indoor air, employee exposure, wetlands, pollution, contamination or any injury or threat of injury to persons or property, (iv) the handling, storage, shipment or production of pharmaceutical or biohazardous substances, or (v) the safety or quality of, or standards for, pharmaceutical or biohazardous substances. For the purposes of this section, "Hazardous Substance" shall mean any substance that is: (A) listed, classified or regulated pursuant to any Environmental Health and Safety Law, (B) any petroleum product or by-product, asbestos-containing material, lead-containing paint, polychlorinated biphenyls, radioactive material or radon, or (C) any other substance that is currently the subject of regulatory action by any court or government agency or body having jurisdiction over the Company or any of its properties in connection with any Environmental Health and Safety Law; and

(w) Other than as set forth in the Prospectus, the Company has substantially complied at all times in all material respects with all applicable Healthcare Regulations, holds all permits, licenses and approvals under Healthcare Regulations material to the conduct of the business of the Company and is in substantial compliance in all material respects with all such permits, licenses and approvals, except where failure to comply or to so hold would not reasonably be expected to have a Material Adverse Effect; the Company has not been provided written notice of and does not have knowledge of any current liability arising from any material breach of or substantial noncompliance with any Healthcare Regulation, except for liability that would not reasonably be expected to have a Material Adverse Effect; the Company has not received

any written notice, demand, letter, claim or request for information alleging that the Company may be in violation of or subject to liability under any Healthcare Regulation, except for any violation or liability that would not reasonably be expected to have a Material Adverse Effect. For the purposes of this section, "Healthcare Regulation" shall mean any law, statute, ordinance, rule, regulation, order, decree, or requirement of any court or governmental agency or body having jurisdiction over the Company or any of its properties relating to the healthcare or medical device industry, such as healthcare crimes, pre-clinical and clinical testing, design, manufacture, safety, quality, efficacy, labeling, storage, record keeping, post market reporting, pre-market approval, and advertising and promotion of medical devices, including but not limited to: (i) the Federal Food, Drug and Cosmetic Act, (ii) any applicable foreign healthcare regulation, (iii) the federal Anti-Kickback Statute and similar state laws relating to payments under medical healthcare programs, (iv) the Health Insurance Portability and Accountability Act of 1996, (v) applicable state privacy or confidentiality laws relating to the maintenance of patient healthcare information, or (vi) the False Claims Act.

(x) The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

2. Subject to the terms and conditions herein set forth, (a) the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price per share of $ - , the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I hereto and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the purchase price per share set forth in clause (a) of this Section 2, that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by you so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction, the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company hereby grants to the Underwriters the right to purchase at their election up to [-] Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering sales of shares in excess of the number of Firm Shares, provided that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares. Any such election to purchase Optional Shares may be exercised only by written notice from you to the Company, given within a period of 30 calendar days after the date of this Agreement, setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by you but in no event earlier than the

First Time of Delivery (as defined in Section 4 hereof) or, unless you and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by you of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder, in definitive form, and in such authorized denominations and registered in such names as Goldman, Sachs & Co. may request upon at least forty-eight hours' prior notice to the Company shall be delivered by or on behalf of the Company to Goldman, Sachs & Co., through the facilities of the Depository Trust Company ("DTC"), for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the account specified by the Company to Goldman, Sachs & Co. at least forty-eight hours in advance. The Company will cause the certificates representing the Shares to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery (as defined below) with respect thereto at the office of DTC or its designated custodian (the "Designated Office"). The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York City time, on -, 2004 or such other time and date as Goldman, Sachs & Co. and the Company may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York time, on the date specified by Goldman, Sachs & Co. in the written notice given by Goldman, Sachs & Co. of the Underwriters' election to purchase such Optional Shares, or such other time and date as Goldman, Sachs & Co. and the Company may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery", such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery", and each such time and date for delivery is herein called a "Time of Delivery".

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 7 hereof, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section 7(m) hereof, will be delivered at the offices of Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004 (the "Closing Location"), and the Shares will be delivered at the Designated Office, all at such Time of Delivery. A meeting will be held at the Closing Location at - - p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or Prospectus which shall reasonably be disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration

Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish you with copies thereof; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus or suspending any such qualification, promptly to use its best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) Prior to 10:00 A.M., New York City time, on the New York Business Day next succeeding the date of this Agreement and from time to time, to furnish the Underwriters with written and electronic copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such period to amend or supplement the Prospectus in order to comply with the Act, to notify you and upon your request to prepare and furnish without charge to each Underwriter and to any dealer in securities as many written and electronic copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance, and in case any Underwriter is required to deliver a prospectus in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its security holders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations thereunder (including, at the option of the Company, Rule 158);

(e) During the period beginning from the date hereof and continuing to and including the date 180 days after the date of the Prospectus, not to offer, sell, contract to sell, pledge, grant

any option to purchase, make any short sale or otherwise dispose of, except as provided hereunder, any securities of the Company that are substantially similar to the Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities (other than (i) pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement or (ii) up to an aggregate of 10% of the Company's outstanding Stock (outstanding immediately after the offering and sale of the Shares) issued (A) for cash in connection with any strategic transaction that includes a commercial relationship involving the Company and other entities, including but not limited to joint ventures, marketing or distribution arrangements, collaboration agreements or intellectual property license agreements or (B) as direct consideration for the issuance by the Company of Stock in connection with the acquisition by the Company of any businesses, products or technologies; provided, however, that in the case of subclauses 5(e)(ii)(A) and 5(e)(ii)(B) above, the recipients of such Stock agree to be bound by the restrictions in this Section 5(e)), without your prior written consent;

(f) To furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries, if any, certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to its stockholders consolidated summary financial information of the Company and its subsidiaries, if any, for such quarter in reasonable detail;

(g) During a period of five years from the effective date of the Registration Statement, to furnish to you upon written request copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to you upon written request (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed (other than reports or financial statements that are filed with the Commission electronically via EDGAR or any successor system); and (ii) such additional non-confidential information concerning the business and financial condition of the Company as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its subsidiaries, if any, are consolidated in reports furnished to its stockholders generally or to the Commission);

(h) To use the net proceeds received by it from the sale of the Shares pursuant to this Agreement in the manner specified in the Prospectus under the caption "Use of Proceeds";

(i) To use its best efforts to list for quotation the Shares on the National Association of Securities Dealers Automated Quotations National Market System ("NASDAQ");

(j) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Act;

(k) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M.,

Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Act; and

(l) Upon written request of any Underwriter, to furnish, or cause to be furnished, to such Underwriter an electronic version of the Company's trademarks, servicemarks and corporate logo for use on the website, if any, operated by such Underwriter for the purpose of facilitating the on-line offering of the Shares (the "License"); provided, however, that the License shall be used solely for the purpose described above, is granted without any fee and may not be assigned or transferred.

6. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 5(b) hereof, including the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey (not to exceed $25,000 not including application fees); (iv) all fees and expenses in connection with listing the Shares on the NASDAQ; (v) the filing fees incident to, and the reasonable fees and disbursements of counsel for the Underwriters in connection with, securing any required review by the NASD of the terms of the sale of the Shares; (vi) the cost of preparing stock certificates; (vii) the cost and charges of any transfer agent or registrar; and (viii) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, and Sections 8 and 11 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, stock transfer taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company herein are, at and as of such Time of Delivery, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; if the Company has elected to rely upon Rule 462(b), the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all

requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) Sullivan & Cromwell LLP, counsel for the Underwriters, shall have furnished to you such written opinion or opinions (a draft of each such opinion is attached as Annex II(a) hereto), dated such Time of Delivery, with respect to such matters as you may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Bryan Cave LLP, counsel for the Company, shall have furnished to you their written opinion, dated such Time of Delivery, with respect to the matters set forth in Annex II(b);

(d) Harness, Dickey & Pierce, P.L.C., special patent counsel for the Company, shall have furnished to you their written opinion, dated such Time of Delivery, in the form attached hereto as Annex II(c).

(e) Hyman, Phelps & McNamara PC, regulatory counsel for the Company, shall have furnished to you their written opinion, dated such time of delivery, in the form attached hereto as Annex II(d).

(f) On the date of the Prospectus at a time prior to the execution of this Agreement, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, Ernst & Young LLP shall have furnished to you a letter or letters, dated the respective dates of delivery thereof, in form and substance satisfactory to you, to the effect set forth in Annex I hereto (the executed copy of the letter delivered prior to the execution of this Agreement is attached as Annex I(a) hereto and a draft of the form of letter to be delivered on the effective date of any post-effective amendment to the Registration Statement and as of each Time of Delivery is attached as Annex I(b) hereto);

(g) (i) The Company shall not have sustained since the date of the latest audited financial statements included in the Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus, and (ii) since the respective dates as of which information is given in the Prospectus there shall not have been any change in the capital stock (other than upon the issuance or exercise of stock options or stock purchase rights granted pursuant to the Company's stock plans or upon the warrants as contemplated by the Prospectus) or long-term debt of the Company or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company, otherwise than as set forth or contemplated in the Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in the judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(h) On or after the date hereof (i) no downgrading shall have occurred in the rating accorded the Company's debt securities or preferred stock by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities or preferred stock;

(i) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange or on NASDAQ; (ii) a suspension or material limitation in trading in the Company's securities on NASDAQ; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(j) The Shares to be sold at such Time of Delivery shall have been duly listed for quotation on NASDAQ;

(k) The Company has obtained and delivered to the Underwriters executed copies of an agreement from each officer, director and other stockholder of the Company beneficially owning, or having the right to own, in the aggregate at least ____ of the Company's securities, substantially to the effect set forth in Subsection 5(e) hereof in form and substance satisfactory to you;

(l) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement; and

(m) The Company shall have furnished or caused to be furnished to you at such Time of Delivery certificates of officers of the Company reasonably satisfactory to you as to the accuracy of the representations and warranties of the Company herein at and as of such Time of Delivery, as to the performance by the Company of all of its obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (a) and (f) of this Section, and as to such other matters as you may reasonably request.

8. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action

or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Goldman, Sachs & Co. expressly for use therein.

(b) Each Underwriter will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Underwriter through Goldman, Sachs & Co. expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party

shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section 8 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company) and to each person, if any, who controls the Company within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Shares which it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Shares on the terms contained herein. If within

thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Shares on such terms. In the event that, within the respective prescribed periods, you notify the Company that you have so arranged for the purchase of such Shares, or the Company notifies you that it has so arranged for the purchase of such Shares, you or the Company shall have the right to postpone such Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement or the Prospectus which in your opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to the Second Time of Delivery, the obligations of the Underwriters to purchase and of the Company to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Shares.

11. If this Agreement shall be terminated pursuant to Section 9 hereof, the Company shall not then be under any liability to any Underwriter except as provided in Sections 6 and 8 hereof; but, if for any other reason, any Shares are not delivered by or on behalf of the Company as provided herein, the Company will reimburse the Underwriters through you for all out-of-pocket expenses

approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the Company shall then be under no further liability to any Underwriter except as provided in Sections 6 and 8 hereof.

12. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by you jointly or by Goldman, Sachs & Co. on behalf of you as the representatives.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, overnight courier or facsimile transmission to you as the representatives in care of Goldman, Sachs & Co., 85 Broad Street, New York, New York 10004, Attention: Registration Department; and if to the Company shall be delivered or sent by mail to the address of the Company set forth in the Registration Statement, Attention: Secretary; provided, however, that any notice to an Underwriter pursuant to Section 8(c) hereof shall be delivered or sent by mail, overnight courier or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, which address will be supplied to the Company by you upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Company and each person who controls the Company or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

14. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

15. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

16. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

17. The Company is authorized, subject to applicable law, to disclose any and all aspects of this potential transaction that are necessary to support any U.S. federal income tax benefits expected to be claimed with respect to such transaction, and all materials of any kind (including tax opinions and other tax analyses) related to those benefits, without the Underwriters imposing any limitation of any kind.

If the foregoing is in accordance with your understanding, please sign and return to us seven counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement between each of the Underwriters and the Company. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

Stereotaxis, Inc.

By:

Name:
Title:

Accepted as of the date hereof:

Goldman, Sachs & Co.
Bear, Stearns & Co. Inc.
Deutsche Bank Securities Inc.
A.G. Edwards & Sons, Inc.

By:

(Goldman, Sachs & Co.)
On behalf of each of the Underwriters

SCHEDULE I

UNDERWRITER	TOTAL NUMBER OF FIRM SHARES TO BE PURCHASED	NUMBER OF OPTIONAL SHARES TO BE PURCHASED IF MAXIMUM OPTION EXERCISED
Goldman, Sachs & Co.		
Bear, Stearns & Co. Inc.		
Deutsche Bank Securities Inc.		
A.G. Edwards & Sons, Inc.		
[o].....		
Total.....		

EXHIBIT 4.1

NUMBER SHARES
ST

STEREOTAXIS

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

SEE REVERSE FOR CERTAIN DEFINITIONS

COMMON STOCK

CUSIP 85916J 10 2

THIS CERTIFIES THAT

IS THE OWNER OF

FULLY PAID NON-ASSESSABLE SHARES OF COMMON STOCK OF $.001 PAR VALUE EACH OF
STEREOTAXIS, INC.
transferable on the books of the Corporation in person or by attorney upon surrender of this certificate duly endorsed or assigned. This certificate and the shares represented hereby are subject to the laws of the State of Delaware, and to the Restated Certificate of Incorporation and Bylaws of the Corporation, as now or hereafter amended. This certificate is not valid until countersigned by the Transfer Agent and Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

DATED:

COUNTERSIGNED:
THE BANK OF NEW YORK
TRANSFER AGENT AND REGISTRAR
BY:

STEREOTAXIS, INC.
CORPORATE
SEAL
1990
DELAWARE

AUTHORIZED SIGNATURE

/s/

SECRETARY

/s/

PRESIDENT

EXHIBIT 5.1

[LETTERHEAD OF BRYAN CAVE]

July 26, 2004

Stereotaxis, Inc.
4041 Forest Park Avenue
St. Louis, MO 63108

Ladies and Gentlemen:

We have acted as special counsel to Stereotaxis, Inc., a Delaware corporation (the "Company"), in connection with the Registration Statement on Form S-1 (No. 333-115253, the "Registration Statement") filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), relating to the registration of up to 7,475,000 (including up to 975,000 shares subject to the underwriters' over-allotment option) shares (the "Shares") of common stock of the Company, par value $0.001 per share.

In connection herewith, we have examined:

(1) the Registration Statement; and

(2) the form of Underwriting Agreement among the Company, and the representatives of the underwriters named therein (collectively, the "Representatives"), which is attached to the Registration Statement as Exhibit 1.1 (the "Underwriting Agreement").

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of the form of Amended and Restated Certificate of Incorporation (the "Restated Certificate") attached as Exhibit 3.3 to the Registration Statement and the form of Amended and Restated Bylaws, attached as Exhibit 3.4 to the Registration Statement (the "Restated Bylaws"), each of which has been approved by the Company's stockholders and will be in effect upon the issuance of the Shares, and such other corporate records, agreements and instruments of the Company, certificates of public officials and officers of the Company, and such other documents, records, and instruments, and we have made such legal and factual inquiries, as we have deemed necessary or appropriate as a basis for us to render the

opinions hereinafter expressed. In our examination of the foregoing, we have assumed the genuineness of all signatures, the legal competence and capacity of natural persons, the authenticity of documents submitted to us as originals and the conformity with authentic original documents of all documents submitted to us as copies. When relevant facts were not independently established, we have relied without independent investigation as to matters of fact upon statements of governmental officials and certificates and statements of appropriate representatives of the Company.

In addition, in our capacity as your special counsel in connection with such registration, we are familiar with the proceedings taken and proposed to be taken by the Company in connection with the authorization, issuance and sale of the Shares, and for the purposes of this opinion, have assumed such proceedings will be timely completed in the manner presently proposed.

In connection herewith, we have assumed that, other than with respect to the Company, at such times as the Shares are issued, all of the documents referred to in this opinion will have been duly authorized by, duly executed, delivered and countersigned by, and will constitute the valid, binding and enforceable obligations of, all of the parties to such documents, all of the signatories to such documents will have been duly authorized and all parties will be duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver, countersign and perform such documents.

Based upon the foregoing and in reliance thereon, and subject to the assumptions, comments, qualifications, limitations and exceptions set forth herein, we are of the opinion that the Shares have been duly authorized by all necessary corporate action of the Company and, assuming the due execution and delivery of the Underwriting Agreement by the Company and the Underwriters named therein, upon issuance, delivery and payment therefor in the manner contemplated by the Underwriting Agreement and the Registration Statement, the Shares will be validly issued, fully paid and nonassessable.

Our opinions herein reflect only the application of the General Corporation Law of the State of Delaware. The opinions expressed herein are based upon the law in effect (and published or otherwise generally available) on the date hereof, and we assume no obligation to revise or supplement these opinions should such law be changed by legislative action, judicial decision or otherwise. In rendering our opinions, we have not considered, and hereby disclaim any opinion as to, the application or impact of any laws, cases, decisions, rules or regulations of any other jurisdiction, court or administrative agency.

This opinion letter is being delivered by us in connection with the filing of the Registration Statement with the Securities and Exchange Commission. We do not give any opinion except as set forth above. We hereby consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement and to the use of our name under the caption "Validity of Securities" in the prospectus filed as a part thereof. We also consent to your filing copies of this opinion letter as an

exhibit to the Registration Statement with agencies of such states as you deem necessary in the course of complying with the laws of such states regarding the offering and sale of the Shares. In giving such consent, we do not thereby concede that we are within the category of persons whose consent is required under Section 7 of the Act or the Rules and Regulations of the Commission thereunder.

We desire you to know that James L. Nouss, Jr., a partner of this Firm, is Secretary of the Company.

Very truly yours,

/s/ Bryan Cave LLP

EXHIBIT 10.9

LS Med
Kb
28.05.2001

Vers.08

COLLABORATION AGREEMENT

by and between

STEREOTAXIS, INC A CORPORATION DULY ORGANIZED AND EXISTING UNDER THE LAWS OF DELAWARE AND HAVING ITS HEADQUARTERS AT ST. LOUIS, USA

(hereinafter referred as "Stereotaxis")

and

SIEMENS AKTIENGESELLSCHAFT, MEDICAL SOLUTIONS, A CORPORATION DULY ORGANIZED AND EXISTING UNDER THE LAWS OF GERMANY AND HAVING OFFICES AT FORCHHEIM, GERMANY

(hereinafter referred to as "Siemens")

on the integration of the Stereotaxis magnetic guiding component (NIOBE) as well as the magnetic holding component (ASSERT Aneurysm) with Siemens Cardiac, Angio and Neuro X-Ray and Imaging components

TABLE OF CONTEXT
- ----------------

PREAMBLE

The mutual goal of the collaboration is the integration of the Stereotaxis System and Siemens X-Ray System to provide a unique solution to clinicians by creating an advanced interventional suite ("cath lab") with integration of digital instrument control and X-Ray imaging via a common interface ("the PRODUCT" as defined below): firstly in the field of cardiology; and secondly in neuro radiology and neuro surgery (including with respect to the treatment of aneurysm via magnetic embolic).

A Cath lab including the integrated Stereotaxis System, Siemens X-Ray System and the Product is referred to as an "Integrated Cath Lab". Initial Integrated Cath Lab placements will be used to assess the clinical value of the integrated solution, and will include one promotional Integrated Cath Lab provided free of charge by the parties to a mutually agreed site. It is anticipated that [***] or (such greater number of shipments as is mutually agreed) will be shipped to customer sites. Siemens will provide support in the field for all systems of Integrated Labs in the manner set out below.

A Neuro lab including the integrated Stereotaxis System, Siemens X-Ray System and common interface is referred to as an "Integrated Neuro Lab". Initial Integrated Neuro Lab placements will be used to assess the clinical value of the integrated solution.

Assert lab including the integrated Stereotaxis System, Siemens X-Ray System and common interface is referred to as an "Integrated Assert Lab". Initial Integrated Assert Lab placements will be used to assess the clinical value of the integrated solution.

1. DEFINITIONS

1.1 The terms "Stereotaxis System", "Siemens X-Ray System", and "Product" mean:

1.1.1 The "Stereotaxis System" means Stereotaxis' digital instrument control system, which allows navigation and control of guidewires, catheters and other instruments (with the NIOBE system or equivalent) and holding of a magnetic embolic for filling aneurysm (with the ASSERT aneurysm system or equivalent), in the body by external magnetic forces.

1.1.2 The "Siemens X-Ray System" means Siemens Card, Angio and Neuro imaging systems.

1.1.3 The "PRODUCT" means a user-friendly common interface necessary for the integration of Stereotaxis Systems and Siemens X-Ray System that is designed to ensure effective and safe

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use of the integrated imaging and guidance system. The PRODUCT will be specified fully in mutual understanding between the parties in a separate document later to be attached to this Agreement as an Annex.

1.2 The term "INFORMATION" means written and/or oral technical information with regard to the components mentioned in Section 1.1 herein above, such information being available to one party at any time during the term of this Agreement and not resulting from performing DEVELOPMENT WORK.

1.3 The term "DEVELOPMENT WORK" means any and all development work to be performed by the parties for the PRODUCT in accordance with Section 2 below.

1.4 The term "DEVELOPMENT RESULTS" means any and all results, whether patentable or not, in written or oral form, achieved by performing DEVELOPMENT WORK.

1.5 The term "LAB" or "INTEGRATED LAB" represents an Integrated Cath Lab or an Integrated Neuro Lab or an Integrated Assert Lab.

2. CARRYING OUT OF THE DEVELOPMENT WORK

2.1 Details of the DEVELOPMENT WORK are set forth in Annex 1 hereto.

2.2 Each party, insofar as it lawfully may, shall make available to the other within a reasonable period of time following the Effective Date of this Agreement, and from time to time during the carrying out of the DEVELOPMENT WORK its INFORMATION and DEVELOPMENT RESULTS insofar as it considers such INFORMATION and DEVELOPMENT RESULTS necessary for the other party for carrying out the DEVELOPMENT WORK.

Disclosure of INFORMATION and DEVELOPMENT RESULTS will be effected without charges to the receiving party.

2.3 The DEVELOPMENT WORK will be carried out in close cooperation between the parties and in a joint effort to keep cost and expenditures to a minimum.

2.4 Each party undertakes to carry out the DEVELOPMENT WORK as stipulated in this Agreement. Each party shall make a faithful effort to arrive at a successful completion of the relevant DEVELOPMENT WORK.

2.5 The DEVELOPMENT WORK shall be regarded as being completed successfully if the PRODUCT fulfills the specifications as agreed upon in accordance with Section 1.1. Time for the completion of the DEVELOPMENT WORK, including final system testing and readiness for shipment of the system to the customer is May 31, 2002

2.6 Each party shall bear the costs incurred by such party for its efforts under or in connection with the DEVELOPMENT WORK.

3. SALES AND EXCLUSIVITY

3.1 Stereotaxis' systems for magnetic navigation (represented by NIOBE, including equivalent, enhancements, new developments thereto whether sold under NIOBE or other trademarks) as well as components for magnetic holding of embolic in place (represented by ASSERT or equivalent, enhancements, new developments thereto whether sold under ASSERT or other trademarks), shall not be sold in a form that is integrated with third party imaging components comparable or competitive to the Siemens X-Ray System through a common or integrated user interface during the period from the date hereof to the date 30 months from the date hereof and this period of exclusivity ("Exclusivity Period") shall relate to all fields of medical application. Basis for this exclusivity is Siemens effort to define and develop in cooperation with Stereotaxis the PRODUCT and the provision of the INFORMATION, which represents considerable valuable know-how, which is normally not accessible to third parties and is dependent on the supply to Stereotaxis customers of Siemens' components of Integrated Labs (including the PRODUCT) [***] (or such other maximums as are mutually agreed) on a competitive basis and in timely fashion and the provision of support in the field as provided for herein. Without limitation to the foregoing, in the event Siemens reasonably determines it is unable to so supply such Siemens' components of Integrated Labs it will promptly inform Stereotaxis of the same, in which event the Exclusivity Period will lapse. Upon written request from Stereotaxis from time to time, Siemens will provide a prompt written response indicating whether it reasonably determines it will be able to so supply such components. Further, where Stereotaxis reasonably determines (upon request by Siemens from time to time or otherwise) that it is unable to so supply its components of such installations, it will promptly inform Siemens of the same, in which event Siemens may elect that the Exclusivity Period and its obligations in respect of the Development Work will lapse.

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Excluded from this exclusivity are Stereotaxis' components with super-conducting magnet (represented by TELSTAR) and the combination of Stereotaxis' magnetic navigation (NIOBE) and magnetic holding (ASSERT) with Stereotaxis' own biplane X-Ray and imaging components.

3.2

3.2.1 The Exclusivity Period shall not apply in respect of neuro applications if and as soon as Stereotaxis can evidence that there is a substantially superior Flat Panel Detector available to Stereotaxis on the market. "Substantially superior" as used herein shall mean that the detector shows in specifications and in practical use superiority in all materially significant respects over the Siemens detector.

3.2.2 Stereotaxis and Siemens agree that there will be reasonable compensation of licensing to third party vendors the Siemens intellectual property regarding the Product (and compatibility and interface of the Stereotaxis and Siemens components) after expiration of the Exclusivity Period and Siemens will so license to Stereotaxis and/or third parties on request to enable them to make, use and sell the Product or modifications thereof based on such compensation. The value of such Siemens intellectual property has to be defined on a case by case during the engineering process. The compensation per unit will be [***] of the total of such Siemens intellectual property value (to be determined as mutually agreed) sold in combination with or by non Siemens vendors, but will in no event exceed [***] of the sales price of the Stereotaxis System being sold in conjunction with the Product or modification thereof. The parties will, no later than 6 months prior to the termination of the Exclusivity Period, confer and mutually agree a final determination of the level of such compensation.

3.2.3 This agreement covers magnetic guiding (represented by NIOBE, including equivalent systems, enhancements, and new developments thereto whether sold under NIOBE or other trademarks) and magnetic holding (represented by ASSERT including equivalents, enhancements, and new developments thereto whether sold under ASSERT or other trademarks).

3.3 As appropriate, customer sales approach can be jointly or separately by each party. Where the Exclusivity Period applies each party shall inform the other promptly of any potential customer in respect of in respect of Integrated Lab(s) and each party agrees to fully cooperate with the other in respect of reasonable requests for coordination of customer sales efforts, provided that the parties continue to maintain distinct and separate business and sales operations and identities and that the distinct separation

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between the customer's purchase of Integrated Lab components from Stereotaxis and from Siemens will be evident to the customer.

3.4 Sales brochures, bid specification and customer payment will be made in a way that a distinct separation between the Stereotaxis components and Siemens components is evident to the customer.
Notwithstanding the above, there is a joint document for room planning and installation instructions.

3.5 Siemens will provide to the customer project management on site addressing room preparation, shipment and installation.

3.6 The countries listed in Annex 2 are excluded from this Agreement and the Exclusivity Period does not apply in respect of such countries. Section 3.2.2 will apply.

3.7 Contracts with customers will be signed by each party for their respective components to be delivered.

3.8 Siemens will manufacture, warrant, sell and deliver the Product in accordance with reasonable industry practices. For a period of 12 months after the Exclusivity Period, Siemens will continue to so manufacture, warrant, sell and deliver the Product and other Siemens components of Integrated Labs based on customer purchase orders for the same.

3.9 Further details on the sales cooperation will be agreed to by a "collaborative sales working group" to be established after the signing of this Agreement, the object being to promote sales and promotions cooperation between the parties while continuing to maintain distinct and separate business and sales operations and identities.

4. LOGISTICS

Stereotaxis as well as Siemens will ship directly to the customer site. Time schedule is coordinated by the Siemens project manager.
The first Integrated Labs will be tested in Siemens AX before shipment to the customer to assure compatibility.
The number of units which have to pass the compatibility test after the first units testing will be defined separately and mutually agreed.

Further details on logistics will be agreed to by a "collaborative logistics working group" to be established after the signing of this Agreement.

5. INSTALLATION AND SERVICE

5.1 For installation at least one Stereotaxis person is on the customer site at Stereotaxis cost and expense. Siemens will support the installation of Stereotaxis components to Siemens' system.

5.2 Service on site will be done by Siemens in accordance with a service contract between the customer and Siemens and Stereotaxis, on commercially reasonable terms to be mutually agreed.

Such service will include Stereotaxis' components. To enable Siemens to perform service Stereotaxis shall provide Siemens at no cost with INFORMATION necessary for Siemens to perform service on Stereotaxis' components and shall train at no cost to Siemens a reasonable number of Siemens' specialists in the service of Stereotaxis' components. Furthermore, Stereotaxis and Siemens shall cooperate to provide service call center support as well as spare parts in respect of Integrated Labs.

Details regarding service, including but not limited to response time and spare part logistics, will be handled agreed to by a "collaborative service working group" to be established after the signing of this Agreement.

Siemens agrees to provide such service on such terms for a period of at least 12 months following the expiration of the Exclusivity Period and for such additional term as may be mutually agreed.

6. SECRECY

6.1 Either Party expressly undertakes to retain in confidence, to protect with the same degree of care used in protecting its own INFORMATION and not to use for other purposes than contemplated by this Agreement or to disclose to any third party all INFORMATION in a written or other tangible form supplied by the other Party in relation to this Agreement and clearly marked as being "Confidential". Oral INFORMATION of a Party that is confidential and is restricted in use shall be reproduced in writing marked as being "Confidential" and sent to the other Party within one (1) month after its communication to the other Party. The receiving Party agrees to restrict access of such Confidential Information to employees and agents who have a need to know pursuant to their scope of employment or agency arrangement and further agrees to instruct its

employees and agents having access to such Confidential INFORMATION OF receiving Party's confidentiality obligations.

6.2 The aforementioned obligation shall not apply to INFORMATION which is:

6.2.1 published or otherwise made available to the public other than by a breach of this Agreement; or

6.2.2 rightfully received by a Party from a third party without confidential obligation; or

6.2.3 shown through competent evidence to have been independently developed by the other Party without reference to the INFORMATION; or to have been known by the receiving Party prior to its first receipt of such INFORMATION from the other Party; or

6.2.4 required to be disclosed pursuant to a legal, judicial, or administrative proceeding, or by law; or

6.2.5 approved for disclosure by prior written consent of an authorized corporate representative of the disclosing Party.

6.3 The aforementioned obligations do apply accordingly with regard to DEVELOPMENT RESULTS of the other Party.

6.4 The non-disclosure obligations set forth in this Section 6 shall survive expiration or termination of this Agreement by three (3) years.

6.5 Press releases or other information on the conclusion/content of this Agreement shall only be made available to third parties/press agencies (other than disclosure by Stereotaxis in relation to raising private equity funds or as legally required pursuant to an initial public offering of equity) with the prior written consent of the other Party hereto such consent not to be unreasonably withheld.

7. WARRANTIES AND LIMITATION OF LIABILITIES

7.1 Provided it complies with the provisions of Section 2.4 above, no party shall be liable towards the other party in the case that the DEVELOPMENT WORK cannot be successfully completed as per Section 2.5.

7.2 The sole obligation of each party with respect to its INFORMATION and DEVELOPMENT RESULTS shall be to forward same to the other party as provided in this Agreement, and, to correct errors that might have occurred in this INFORMATION and DEVELOPMENT RESULTS without undue delay after such errors become known to the party which forwarded the relevant INFORMATION or DEVELOPMENT RESULTS.

7.3 THE WARRANTIES SET FORTH IN THIS SECTION 7 APPLY TO ALL INFORMATION AND DEVELOPMENT RESULTS LICENSED OR KNOWINGLY DISCLOSED HEREUNDER AND ARE IN LIEU OF ALL WARRANTIES EXPRESS OR IMPLIED INCLUDING WITHOUT LIMITATION THE WARRANTIES THAT INFORMATION AND DEVELOPMENT RESULTS CAN BE USED WITHOUT INFRINGING STATUTORY AND OTHER RIGHTS OF THIRD PARTIES.

7.4 Warranties and liabilities regarding the delivery of the components of each party shall be governed by the contracts between each such party and the respective customer.

7.5 Should a customer forward a warranty or any liability claim - including product liability claims - to either party then such party shall be responsible for such claims only to the extent such claims relate to the components such party has delivered to the customer. Each party shall indemnify and hold the other party harmless from any claim, costs, expenses, and damages resulting from such claims if the claims relate to components delivered by the respective other party, provided however that the one party

a) notifies the other party of such claim, dispute or proceeding without undue delay,

b) does not admit liability on the claims,

c) provides the other party with the sole authority - as far as legally possible - to defend and settle such claim, dispute, or proceeding with counsel of its choice (the other party may participate at its costs with counsel of its choice), and

d) cooperates as reasonably requested by the other party.

7.6 Each party shall secure and maintain, for the useful life of the components delivered by it, a product liability insurance policy providing full coverage for product liability exposure (including negligence and strict liability) to third parties anywhere in the world for any defects whatsoever (such as design-, manufacture-, instruction defects) resulting from defects in the components supplied hereunder in the minimum of US $ [***]. At either party's request the other party shall prove compliance with the obligation to insure as hereinstated.

7.7 NEITHER PARTY SHALL HAVE ANY LIABILITY TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE, INDIRECT OR SPECIAL DAMAGES BY REASON OF ANY ACT OR OMISSIONS OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ITS USE OR OPERATION, INCLUDING BUT WITHOUT LIMITATION ANY LOSS OF USE, LOSS OF INFORMATION AND DATA, LOST REVENUES, LOST PROFITS, COSTS OF CAPITAL, COSTS OF SUBSTITUTE

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PRODUCTS, FACILITIES, OR SERVICES, COSTS OF REPLACEMENT POWER, COST ASSOCIATED WITH DOWN TIME, AND ANY SIMILAR AND DISSIMILAR LOSSES, COSTS AND DAMAGES.

7.8 The provisions of this Section 7. shall survive any termination of this Agreement.

8. DEVELOPMENT RESULTS, INFORMATION AND RIGHTS THEREUNDER

8.1 The DEVELOPMENT RESULTS shall, at the time they are made, become the sole property of such party, the employees of which have generated the respective DEVELOPMENT RESULTS. DEVELOPMENT RESULTS made jointly by employees of both parties shall become the joint ownership of both parties. In case DEVELOPMENT RESULTS consist of joint inventions, the parties shall agree on whether, and if so, where and at whose cost and expense statutory protection rights will be filed for. Joint DEVELOPMENT RESULTS, including any and all statutory protection issuing thereon, if any, may be used by each party in its field of activities.

8.2 Under its INFORMATION and DEVELOPMENT RESULTS each party hereby grants to the other party the non-exclusive, non-transferable, royalty free right to use same during the term of this Agreement for the purpose of carrying out the DEVELOPMENT WORK and thereafter to the extent necessary for the exploitation of the DEVELOPMENT RESULTS of the other party or of the joint DEVELOPMENT RESULTS.

8.3 Notwithstanding ownership under DEVELOPMENT RESULTS and the rights granted hereunder, the exclusivity granted under Section 3.1 shall prevail.

8.4 The stipulations of this Section 8. shall survive any termination of this Agreement.

9. TERM AND TERMINATION

9.1 This Agreement shall become effective on the date it is signed by both parties (Effective Date) and is terminated 30 months after the Effective Date unless renewed 6 months before first expiration.

9.2 This Agreement may be terminated at any time by the one party by giving of not less than four weeks' prior written notice to the other party

- if the other party hereto is declared bankrupt or otherwise cannot fulfill its financial obligations; or

- if the other party hereto substantially defaults in the performance of this Agreement and does not remedy the default within 4 weeks after receipt of a relevant written request of the one party; or

- if the other party comes under direct or indirect control or direction of any other entity competing with the one party.

9.3 Sections 6,7,8,10 and 11 shall survive termination of this Agreement.

10. ARBITRATION

10.1 Any differences or disputes arising from this Agreement or from agreements regarding its performance shall be settled by an amicable effort on the part of both parties to the Agreement. An attempt to arrive at a settlement shall be deemed to have failed as soon as one of the parties to the Agreement so notifies the other party in writing.

10.2 If an attempt at settlement has failed, the disputes shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce in Paris (Rules) by three arbitrators appointed in accordance with the Rules.

10.3 The place of arbitration shall be Berne, Switzerland. The procedural law of this place shall apply where the Rules are silent.

10.4 The arbitral award shall be substantiated in writing. The arbitral tribunal shall decide on the matter of costs of the arbitration.

11. SUBSTANTIVE LAW

All disputes shall be settled in accordance with the provisions of this Agreement and all other agreements regarding its performance, otherwise in accordance with the substantive law in force in the Canton of Berne, Switzerland, without reference to other laws.

12. MISCELLANEOUS

12.1 This Agreement may not be released, discharged, abandoned, changed or modified in any manner, except by an instrument in writing signed on behalf of each of the parties hereto by their duly authorized representatives.

12.2 The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part thereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

12.3 All notices or other communications required or permitted hereunder with regard to the interpretation, validity etc. of the Agreement shall be in writing and shall be given by certified mail addressed, if to Stereotaxis

Stereotaxis, Inc.
Attn. CEO
4041 Forest Park AVE.
St. Louis, MO 63108
U.S.A.

and, if to Siemens:
Siemens Aktiengesellschaft
Legal Services Med
Werner von Siemens Str. 50
91052 Erlangen
Germany

or to such other address that the parties might identify to each other for this purpose and with reference to this Agreement.

12.4 Subject to Section. 6.5 above, no party hereto shall issue any press release or public announcement or otherwise divulge the existence of this Agreement or the transactions contemplated hereby without the prior approval of the other party hereto.

12.5 This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors or assigns of the parties hereto.

12.6 Titles and headings to Sections herein are inserted for the convenience or reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

12.7 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

IN WITNESS WHEREOF, the parties have executed these presents on the dates specified below.

St. Louis, 8th June 2001	Forchheim, 30.05.01
Stereotaxis, Inc.	Siemens Aktiengesellschaft
/s/BEVIL J. HOGG	Illegible
Bevil J. Hogg	Illegible

ANNEX 1

DEVELOPMENT WORK

Interface specification will include:

- - Mechanical interface addressing magnetic compatibility and collision protection

- - Workflow and User Interface addressing the aspects of determining magnetic field vectors from image information and user control of magnetic fields

- - IT integration for assessment and clinical outcome documentation.

- - Integration capability for third party cath lab localization systems (such as Biosense, [***], etc.)

And may also include, as mutually agreed (following successful collaborative research):

- - Image fusion of pre-operative 3D data from MR, CT, etc.

Common Stereotaxis/Siemens interface specifications will be defined in the "Requirement Specification". This document will be jointly created and will be reviewed and released by both parties.

The compatibility of both components will be tested in a "System test". Results have to be documented and are the base for a joint release for shipment to customers.

Each of the two parties is responsible for their own component.

Details will be agreed by a "collaborative engineering working group" to be established after signing of this Agreement.

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ANNEX 2

EXCLUDED COUNTRIES

EXHIBIT 10.10

Extended COLLABORATION AGREEMENT

by and between

STEREOTAXIS, INC. A CORPORATION DULY ORGANIZED AND EXISTING UNDER THE LAWS OF DELAWARE AND HAVING ITS HEADQUARTERS AT ST. LOUIS, USA

(hereinafter referred as "Stereotaxis")

and

SIEMENS AKTIENGESELLSCHAFT, MEDICAL SOLUTIONS, A CORPORATION DULY ORGANIZED AND EXISTING UNDER THE LAWS OF GERMANY AND HAVING OFFICES AT FORCHHEIM, GERMANY

(hereinafter referred to as "Siemens")

on

the integration of the Stereotaxis magnetic guiding component (NIOBE) with Siemens Imaging Technology

PREAMBLE

Pursuant the COLLABORATION AGREEMENT of June 8, 2001 ("COLLABORATION AGREEMENT"), Siemens and Stereotaxis have integrated the NIOBE SYSTEM and the ARTIS dFC FLUOROSCOPY SYSTEM to provide an integrated interventional suite ("INTEGRATED CATH LAB") in the field of cardiology, providing unique clinical capabilities by integration of digital instrument control and X-ray imaging via the COMMON USER INTERFACE (defined below). Under the COLLABORATION AGREEMENT, Siemens and Stereotaxis have also coordinated their marketing, promotions and sales activities in respect of the INTEGRATED CATH LAB to facilitate placements at leading interventional institutions.

Siemens and Stereotaxis' mutual goal is to extend their collaboration:

(i) To co-develop and commercialize an advanced cardiology cath lab ("ADVANCED CARDIOLOGY CATH LAB") providing unique three dimensional navigation solutions to clinicians in endocardial electrophysiology (and where mutually agreed by the parties in writing, pediatric cardiology and interventional cardiology) by adding to the INTEGRATED CATH LAB (and where applicable, the NEXT GENERATION INTEGRATED CATH LAB defined below) the capability of navigating by utilization of proprietary Siemens' endocardial ultrasound integration technology or by utilization of proprietary Siemens' advanced registration of PRE-operative CT or MRI Imaging, that is registered to the ARTIS dFC FLUOROSCOPY SYSTEM (collectively, "PROPRIETARY SIEMENS REGISTERED IMAGING", as defined in more detail below);

(ii) To address the co-development and commercialization of an advanced interventional radiology cath lab ("ADVANCED IR LAB") providing such unique clinical solutions to clinicians in interventional radiology by way of adding specialized features to the INTEGRATED CATH LAB (and where applicable, the NEXT GENERATION INTEGRATED CATH LAB defined below), whether by way of utilization of PROPRIETARY SIEMENS REGISTERED IMAGING or otherwise, as are mutually agreed in writing by the parties in accordance with the terms of this Agreement;

(iii) To address the co development by Siemens and Stereotaxis of a version of the NEXT GENERATION NIOBE SYSTEM (defined below) utilizing [***] ("[***] NIOBE SYSTEM") to be incorporated into a next generation of the INTEGRATED CATH LAB ("NEXT GENERATION INTEGRATED CATH LAB");

(iv) To increase coordination of marketing, promotions and sales LABs by establishing co-sponsored Exhibition Sites and Centers of Excellence at selected leading electrophysiology and interventional cardiology sites, by increasing

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coordination of sales force incentives, sales force and customer training and conference presentations and publications;

(v) To provide for global first level service by Siemens of LABs; and

(vi) to provide for collaboration of the parties in respect of new technologies applicable to LABs by mutual agreement from time to time:

in the manner set out below.

1. DEFINITIONS

1.1 The terms "NIOBE SYSTEM", ARTIS dFC FLUOROSCOPY SYSTEM", and "COMMON USER INTERFACE" mean:

1.1.1 The "NIOBE SYSTEM" means Stereotaxis' digital instrument control system and subsequent generations of that system whether sold under NIOBE or other trademarks, which allows navigation and control of guidewires, catheters and other instruments in the body by external magnetic forces. Unless the context requires otherwise, this will be taken to include major accessories designed to be used with such system.

1.1.2 The "ARTIS dFC FLUOROSCOPY SYSTEM" means Siemens' ARTIS dFC digital cardiology X-ray imaging system and subsequent generations of Siemens digital cardiology X-ray system whether sold under ARTIS or other trademarks. Unless the context requires otherwise, this will be taken to include major accessories designed to be used with such system.

1.1.3 The "COMMON USER INTERFACE" means the common interface developed by the parties pursuant to the COLLABORATION AGREEMENT for the integration of the NIOBE SYSTEM and the ARTIS dFC FLUOROSCOPY SYSTEM to comprise the INTEGRATED CATH LAB.

1.2 The term "INFORMATION" means written and/or oral technical information with regard to the components mentioned in Section 1.1 herein above, such information being available to one party at any time during the term of this Agreement and not resulting from performing DEVELOPMENT WORK.

1.3 The term "ADVANCED CARDIOLOGY CATH LAB DEVELOPMENT WORK" means any and all development work to be performed by the parties to develop the ADVANCED CARDIOLOGY CATH LAB by adding to the INTEGRATED CATH LAB the capability of navigating using PROPRIETARY SIEMENS REGISTERED IMAGING, in accordance with Section 2 below.

1.4 The term "ADVANCED IR LAB DEVELOPMENT WORK" means any and all development work to be performed by the parties to develop the ADVANCED IR LAB, which will include (without being limited to) enhanced three dimensional imaging capabilities for applications that may include solutions for liver embolization and uterus myoma treatment and may additionally include applications for interventional neuroradiology including arteriovenous malformations and aneurysm.

1.5 The term "NEXT GENERATION NIOBE SYSTEM" means Stereotaxis' next commercial release of the NIOBE SYSTEM that has been integrated with a digital fluoroscopy system and designed to contain: (i) more compact magnet systems; and (ii) a primary set of rotational and other axes of motion for the magnets; both of which are contained in enclosed pods that can be affixed to secondary, external positioners. [***]

1.6 The term "[***] NIOBE SYSTEM DEVELOPMENT WORK" means any and all development work to be performed by the parties (pursuant to agreement under Section 2.2(i)) to modify Stereotaxis' NEXT GENERATION NIOBE SYSTEM to create an [***] NIOBE SYSTEM that is integrated with the ARTIS dFC FLUOROSCOPY SYSTEM.

1.7 The term "DEVELOPMENT WORK" means either of ADVANCED CARDIOLOGY CATH LAB DEVELOPMENT WORK, ADVANCED IR LAB DEVELOPMENT WORK or [***] NIOBE SYSTEM DEVELOPMENT WORK.

1.8 The term "DEVELOPMENT RESULTS" means any and all results, whether patentable or not, in written or oral form, achieved by performing DEVELOPMENT WORK.

1.9 The term "NEXT GENERATION INTEGRATED CATH LAB" means the [***] NIOBE SYSTEM integrated with the ARTIS dFC FLUOROSCOPY SYSTEM via a common user interface and will also include, where applicable, an ADVANCED CARDIOLOGY CATH LAB or an ADVANCED IR LAB in which the [***] NIOBE SYSTEM is a component.

1.10 The term "LAB" represents an INTEGRATED CATH LAB, an ADVANCED CARDIOLOGY CATH LAB, an ADVANCED IR LAB and/or a NEXT GENERATION INTEGRATED CATH LAB.

1.11 The term "PROPRIETARY SIEMENS REGISTERED IMAGING" has the meaning set forth in the paragraph (i) of the preamble to this Agreement and (notwithstanding anything contained elsewhere in this agreement): (i) will not be taken to include registration of output of rotational angiography conducted in a cath lab with a cath lab x-ray/fluoroscopy system; (ii) will be taken to include registration of such additional imaging modalities as is mutually agreed in writing by the parties; (iii) may include such advanced registration or integration technology as far as owned by Siemens alone or together with partners; and

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(iv) will not be taken to include imaging solutions that have become common practice or commonly available in the cath lab industry.

1.122. Carrying out of the DEVELOPMENT WORK

2.1 Details of the DEVELOPMENT WORK are set forth in Annex 1 hereto, which may be amended from time to time in writing by the parties.

2.2 The parties will coordinate and mutually consider within a period to be agreed (but in any event no later than [***] of the Effective Date) the feasibility of their developing and commercializing the [***] NIOBE SYSTEM in accordance with the timetable contemplated in this Agreement. At the end of such period, then either: (i) The parties will agree in writing to proceed with development and commercialization of the [***] NIOBE SYSTEM in accordance with the terms of this Agreement; or (ii) The terms of this Agreement relating to the [***] NIOBE SYSTEM will no longer be of any force or effect.

2.3 The parties will coordinate and mutually consider within a period to be agreed upon (but in any event no later than [***] of the Effective Date) the clinical solutions to be comprised in and the feasibility of developing and commercializing the ADVANCED IR LAB in accordance with the timetable contemplated in this Agreement. At the end of such period, then either: (i) The parties will agree in writing to proceed with the development and commercialization of the ADVANCED IR LAB in accordance with the terms of this Agreement; or (ii) The terms of this Agreement relating to the ADVANCED IR LAB will no longer be of any force or effect

2.4 The ADVANCED CARDIOLOGY CATH LAB DEVELOPMENT WORK will be undertaken by the parties in an expeditious fashion and the parties will use all reasonable commercial efforts to achieve completion of such work so as to enable the commercial introduction of the ADVANCED CARDIOLOGY CATH LAB during 2004. The ADVANCED CARDIOLOGY CATH LAB DEVELOPMENT WORK shall be regarded as being completed successfully if ADVANCED CARDIOLOGY CATH LAB fulfills the specifications as agreed upon in accordance with Section 1.1 and when final system testing and readiness for shipment of the system to the customer is achieved.

2.4.1 Stereotaxis agrees that from the date hereof until the expiration of the period of 12 months following the placement of the first ADVANCED CARDIOLOGY CATH LAB at a customer site or until year end 2005, whichever is the earlier, it will not place my NIOBE SYSTEMs or NEXT GENERATION NIOBE SYSTEMs that are integrated with a third party x-ray imaging system in a manner that incorporates registration to such x-ray imaging system of three dimensional pre-operative imaging so as to provide advanced electrophysiology solutions that are substantially comparable to advanced electrophysiology solutions provided by the ADVANCED CARDIOLOGY CATH LAB by

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reason of integration of PROPRIETARY SIEMENS REGISTERED IMAGING pursuant to this Agreement.

2.5 Subject to Section 2.2, the [***] NIOBE SYSTEM DEVELOPMENT WORK will be undertaken by the parties in an expeditious fashion and the parties will use all reasonable commercial efforts to achieve completion of such work so as to enable the commercial introduction of the [***] NIOBE SYSTEM during [***]. The [***] NIOBE SYSTEM DEVELOPMENT WORK shall be regarded as being completed successfully if NEXT GENERATION INTEGRATED CATH LAB fulfills the specifications as agreed upon in accordance with Section 1.1 and when final system testing and readiness for shipment of the system to the customer is achieved.

2.5.1 Stereotaxis agrees that during the period commencing on the date hereof and ending [***] following the placement of the first [***] NIOBE SYSTEM at a customer site or, until year end [***] whichever is the earlier, it will not place any NEXT GENERATION NIOBE SYSTEMS that are integrated with third party x-ray fluoroscopy systems and utilize [***] so as to be configured in like manner to the [***] NIOBE SYSTEM.

2.6 Subject to Section 2.3, the ADVANCED IR LAB DEVELOPMENT WORK will be undertaken by the parties in an expeditious fashion and the parties will use all reasonable commercial efforts to achieve completion of such work so as to enable the commercial introduction of the ADVANCED IR LAB during 2004. The ADVANCED IR LAB DEVELOPMENT WORK shall be regarded as being completed successfully if the ADVANCED IR LAB fulfills the specifications as agreed upon in accordance with Section 1.1 and when final system testing and readiness for shipment of the system to the customer is achieved.

2.7 Stereotaxis agrees that during the period commencing on the date hereof and ending 12 months following the placement of the first ADVANCED IR LAB at a customer site or until year end 2005, whichever is the earlier, it will not place any NIOBE SYSTEMs or NEXT GENERATION NIOBE SYSTEMs that are integrated with a third party x-ray imaging system and provide proprietary solutions that are substantially comparable to the proprietary advanced interventional radiology solutions provided by the ADVANCED IR CATH LAB. Each party shall bear the costs incurred by such party for its efforts under or in connection with the DEVELOPMENT WORK.

2.8 Each party, insofar as it lawfully may, shall make available to the other within a reasonable period of time following the Effective Date of this Agreement, and from time to time during the carrying out of the DEVELOPMENT WORK its INFORMATION and DEVELOPMENT RESULTS insofar as it considers such INFORMATION and DEVELOPMENT RESULTS necessary for the other party for carrying out the

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DEVELOPMENT WORK. Disclosure of INFORMATION and DEVELOPMENT RESULTS will be effected without charges to the receiving party.

2.9 The DEVELOPMENT WORK will be carried out in close cooperation between the parties and in a joint effort to keep cost and expenditures to a minimum.

2.9.1 Each party undertakes to carry out the DEVELOPMENT WORK as stipulated in this Agreement.

3. CERTAIN ITEMS REGARDING LAB PLACEMENTS AND SALES

3.1 The parties' goal is to achieve installation of [***] and the parties will coordinate and use all reasonable commercial efforts to achieve these goals. Siemens and Stereotaxis will each provide their components of LABs to customers on commercially reasonable terms and on a competitive basis and in timely fashion and together with the provision of service for LABs as provided for herein. For purposes of this Section 3.1, components will be offered on a competitive basis where provided on terms that are: (i) where applicable, reasonably comparable to the basis upon which such components or their equivalent are provided to customers for placements that are not integrated in LABs; or (ii) for components of a type that are unique to LABs, based on margins that are reasonably comparable margins generally achieved on other components of LABs.

3.2 Stereotaxis will not make available to third parties via integration of the NIOBE SYSTEM or otherwise any proprietary Siemens PROPRIETARY SIEMENS REGISTERED IMAGING. Section 6.4 shall apply accordingly.

3.3 Stereotaxis may integrate the NEXT GENERATION NIOBE SYSTEM with a third party X-ray system in like manner to the [***] NIOBE SYSTEM, provided that Stereotaxis will provide Siemens with reasonable compensation for Siemens' licensing to third party vendors any Siemens' intellectual property relating to electrical and mechanical integration know how (in the version as available at and used by Siemens) upon its transfer to such third party vendors that may be required to permit such third party integration. Siemens agrees that it will so license Stereotaxis and/or third parties on request to enable them to make, use and sell such third party integrated NEXT GENERATION NIOBE SYSTEMs or components thereof or modifications thereof based on such compensation. The value of any such Siemens' intellectual property used with or by third party vendors will be mutually agreed by Siemens and Stereotaxis based on reasonable commercial terms. The parties will, no later than [***] after the date of this Agreement confer in good faith and mutually agree a final determination of the level of such compensation.

3.4 As appropriate, customer sales approach in respect of LABs can be jointly or separately by each party. Each party shall inform the other promptly of any potential customer and each party agrees to fully cooperate with the other in respect of reasonable requests for

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coordination of customer sales efforts, provided that the parties continue to maintain distinct and separate business and sales operations and identities and that the distinct separation between the customer's purchase of components from Stereotaxis and from Siemens will be evident to the customer:

(i) In respect of INTEGRATED CATH LABs, as set forth in the COLLABORATION AGREEMENT;

(ii) In respect of NEXT GENERATION INTEGRATED CATH LABs, until such time as any NEXT GENERATION NIOBE SYSTEM that is integrated with a third party X-ray system in like manner to the [***] NIOBE SYSTEM is commercially released, or otherwise as mutually agreed in writing;

(iii) In respect of ADVANCED CARDIOLOGY CATH LABs and ADVANCED IR LABs, until such time as either party provides the other with written notice to the contrary.

3.5 For placements of LABS, sales brochures, bid specification and customer payment will be made in a way that a distinct separation between the Stereotaxis components and Siemens components is evident to the customer.

(i) Notwithstanding the above, there is a joint document for room planning and installation instructions.
(ii) Siemens will provide to the customer project management on site addressing room preparation, shipment and installation.
(iii) Contracts with customers will be signed by each party for their respective components to be delivered.
(iv) Each party will manufacture, warrant, sell and deliver its components of such LABs in accordance with reasonable industry practices and will not cease to so manufacture, warrant, sell and deliver such components based on customer purchase orders without 18 months prior notice to the other party.

3.6 Stereotaxis and Siemens may mutually agree upon cross-incentive programs to enhance sales force focus on placement on LABs

3.7 For placements of ADVANCED CARDIOLOGY CATH LABs, Stereotaxis and Siemens will cooperate to:

(i) Coordinate salesforce and customer training activities;

(ii) Confer and consider in good faith arrangements whereby Siemens would distribute [***] NIOBE SYSTEMs on reasonable commercial terms;

(iii) Coordinate and facilitate publications and conference presentations as mutually agreed;
(iv) Coordinate and establish a minimum of two Exhibition Sites at Barnes in St. Louis and at such other site as mutually agreed (likely at St. Georg in Hamburg) [***]

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[***] The parties will ensure that at the time of installation and thereafter that their components provided to such LAB have the most up to date software releases installed that are designed for use with such components. Such demonstration site will remain installed until such time as mutually agreed by the parties. [***] and

(v) Coordinate and establish Center of Excellence Clinical Sites targeting key interventional hospitals such as [***] and such other sites as are mutually agreed, the object being to promote the capabilities of the integrated systems and to establish new clinical solutions.

Further details on the sales cooperation will be agreed to by a "collaborative sales working group" to be established after the signing of this Agreement, the object being to promote sales and promotions cooperation between the parties while continuing to maintain distinct and separate business and sales operations and identities.

4. LOGISTICS

For placements of LABs, Stereotaxis as well as Siemens will ship directly to the customer site. Time schedule is coordinated by the Siemens and Stereotaxis project managers. The first unit of any LAB will be tested in Siemens AX before shipment to the customer to assure successful integration and system performance. The number of units that have to pass the compatibility test after the first units testing will be defined separately and mutually agreed. Further details on logistics will be agreed to by the collaborative logistics working group established pursuant to the Collaboration Agreement, which will also be used to coordinate logistics issues arising under this Agreement.

5. INSTALLATION AND SERVICE

5.1 For installations of LABs, at least one Stereotaxis person will be on site at the customer facility, at Stereotaxis cost and expense, at the time of installation. Siemens will support the installation of Stereotaxis components to Siemens' system.

5.2 Service of LABs on site will be done by Siemens in accordance with a service contract between the Siemens and Stereotaxis, on commercially reasonable terms to be mutually agreed or, where applicable, in accordance with existing service contracts in respect of LABs that are already in place.

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Such service will include Stereotaxis' components of LABs. To enable Siemens to perform service Stereotaxis shall provide Siemens at no cost with INFORMATION necessary for Siemens to perform service on Stereotaxis' components and shall train at no cost to Siemens a reasonable number of Siemens' specialists in the service of Stereotaxis' components. Furthermore, Stereotaxis and Siemens shall cooperate to provide service call center support as well as spare parts in respect of LABs.

Details regarding service of LABs including but not limited to response time and spare part logistics, will be agreed to by the collaborative service working group established pursuant to the Collaboration Agreement, which will also be used to coordinate service issues arising under this Agreement.

Regarding service for LABs, Siemens agrees to provide Stereotaxis with no less than 24 months written notice of termination of such service. Details regarding the installation will be separately agreed upon.

6. SECRECY

6.1 Either Party expressly undertakes to retain in confidence, to protect with the same degree of care used in protecting its own INFORMATION and not to use for other purposes than contemplated by this Agreement or to disclose to any third party all INFORMATION in a written or other tangible form supplied by the other Party in relation to this Agreement and clearly marked as being "Confidential". Oral INFORMATION of a Party that is confidential and is restricted in use shall be reproduced in writing marked as being "Confidential" and sent to the other Party within one (1) month after its communication to the other Party. The receiving Party agrees to restrict access of such Confidential information to employees and agents who have a need to know pursuant to their scope of employment or agency arrangement and further agrees to instruct its employees and agents having access to such Confidential INFORMATION of receiving Party's confidentiality obligations.

6.2 The aforementioned obligation shall not apply to INFORMATION that is:

6.2.1 published or otherwise made available to the public other than by a breach of this Agreement; or

6.2.2 rightfully received by a Party from a third party without confidential obligation; or

6.2.3 shown through competent evidence to have been independently developed by the other Party without reference to the INFORMATION; or to have been known by the receiving Party prior to its first receipt of such INFORMATION from the other Party; or

6.2.4 required to be disclosed pursuant to a legal, judicial, or administrative proceeding, or by law; or

6.2.5 approved for disclosure by prior written consent of an authorized corporate representative of the disclosing Party.

6.3 The aforementioned obligations do apply accordingly with regard to DEVELOPMENT RESULTS of the other Party.

6.4 The non-disclosure obligations set forth in this Section 6 shall survive expiration or termination of this Agreement by three (3) years.

6.5 Press releases or other information on the conclusion/content of this Agreement shall only be made available to third parties/press agencies (other than disclosure by Stereotaxis in relation to raising private equity funds or as legally required pursuant to an initial public offering of equity) with the prior written consent of the other Party hereto such consent not to be unreasonably withheld.

7. WARRANTIES AND LIMITATION OF LIABILITIES

7.1 Provided it complies with its development obligations pursuant to Section 2, no party shall be liable towards the other party in the case that the DEVELOPMENT WORK cannot be successfully completed.

7.2 The sole obligation of each party with respect to its INFORMATION and DEVELOPMENT RESULTS shall be to forward same to the other party as provided in this Agreement, and, to correct errors that might have occurred in this INFORMATION and DEVELOPMENT RESULTS without undue delay after such errors become known to the party which forwarded the relevant INFORMATION or DEVELOPMENT RESULTS.

7.3 THE WARRANTIES SET FORTH IN THIS SECTION 7 APPLY TO ALL INFORMATION AND DEVELOPMENT RESULTS LICENSED OR KNOWINGLY DISCLOSED HEREUNDER AND ARE IN LIEU OF ALL WARRANTIES EXPRESS OR IMPLIED INCLUDING WITHOUT LIMITATION THE WARRANTIES THAT INFORMATION AND DEVELOPMENT RESULTS CAN BE USED WITHOUT INFRINGING STATUTORY AND OTHER RIGHTS OF THIRD PARTIES.

7.4 Warranties and liabilities regarding the delivery of the components of each party shall be governed by the contracts between each such party and the respective customer.

7.5 Should a customer forward a warranty or any liability claim - including product liability claims - to either party then such party shall be responsible for such claims only to the extent such claims relate to the components such party has delivered to the customer. Each party shall indemnify and hold the other party harmless from any claim, costs,

expenses, and damages resulting from such claims if the claims relate to components delivered by the respective other party, provided however that the one party

a) notifies the other party of such claim, dispute or proceeding without undue delay,
b) does not admit liability on the claims,
c) provides the other party with the sole authority -- as far as legally possible -- to defend and settle such claim, dispute, or proceeding with counsel of its choice (the other party may participate at its costs with counsel of its choice), and
d) cooperates as reasonably requested by the other party.

7.6 Each party shall secure and maintain, for the useful life of the components delivered by it, a product liability insurance policy full coverage for product liability exposure (including negligence and strict liability) to third parties anywhere in the world for any defects whatsoever (such as design-, manufacture-, instruction defects) resulting from defects in the components supplied hereunder in the minimum of US [***]. At either party's request the other party shall prove compliance with the obligation to insure as herein stated.

7.7 NEITHER PARTY SHALL HAVE ANY LIABILITY TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE, INDIRECT OR SPECIAL DAMAGES BY REASON OF ANY ACT OR OMISSIONS OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ITS USE OR OPERATION, INCLUDING BUT WITHOUT LIMITATION ANY LOSS OF USE, LOSS OF INFORMATION AND DATA, LOST REVENUES, LOST PROFITS, COSTS OF CAPITAL, COSTS OF SUBSTITUTE PRODUCTS, FACILITIES, OR SERVICES, COSTS OF REPLACEMENT POWER, COST ASSOCIATED WITH DOWN TIME, AND ANY SIMILAR AND DISSIMILAR LOSSES, COSTS AND DAMAGES.

7.8 The provisions of this Section 7. shall survive any termination of this Agreement.

8. DEVELOPMENT RESULTS, INFORMATION AND RIGHTS THEREUNDER

8.1 The DEVELOPMENT RESULTS shall, at the time they are made, become the sole property of such party, the employees of which have generated the respective DEVELOPMENT RESULTS. DEVELOPMENT RESULTS made jointly by employees of both parties shall become the joint ownership of both parties. In case DEVELOPMENT RESULTS consist of joint inventions, the parties shall agree on whether, and if so, where and at whose cost and expense statutory protection rights will be filed for. Joint DEVELOPMENT RESULTS, including any and all statutory protection issuing thereon, if any, may be used by each party in its field of activities.

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8.2 Under its INFORMATION and DEVELOPMENT RESULTS each party hereby grants to the other party the non-exclusive, non-transferable, royalty free right to use same during the term of this Agreement for the purpose of carrying out the DEVELOPMENT WORK and thereafter to the extent necessary for the exploitation of the DEVELOPMENT RESULTS of the other party or of the joint DEVELOPMENT RESULTS.

8.3 Notwithstanding ownership under DEVELOPMENT RESULTS and the rights granted hereunder, the exclusivity granted under Section 3.2 shall prevail.

8.4 The stipulations of this Section 8. shall survive any termination of this Agreement.

9. JAPANESE MARKET DEVELOPMENT

Pursuant to an Agreement between the parties of even or approximate date herewith, the parties intend to collaborate in respect of Japanese market development for LABs. Details will be agreed upon in a separate agreement between Stereotaxis and the Siemens affiliated company in Japan.

10. SIEMENS INVESTMENT IN STEREOTAXIS

This Agreement will be of no force or effect unless and until Siemens' investment of $10 million in Stereotaxis Series E Preferred Stock is closed.

11. TERM AND TERMINATION

11.1 This Agreement shall become effective on the date it is signed by both parties (Effective Date) and is terminated or expires in accordance with the terms hereof, in any event no later than 36 months after becoming effective. No later than 12 months before the end of this 36 month period, both parties will commence in good faith negotiations on extending the collaboration.

11.2 This Agreement may be terminated at any time by the one party by giving of not less than four weeks' prior written notice to the other party.

- if the other party hereto is declared bankrupt or otherwise cannot fulfill its financial obligations; or

- if the other party hereto substantially defaults in the performance of this Agreement and does not remedy the default within 4 weeks after receipt of a relevant written request of the one party; or

- if the other party comes under direct or indirect control or direction of any other entity competing with the one party.

11.3 Sections 6, 7, 8, 11, 12 shall survive termination of this Agreement.

12. ARBITRATION

12.1 Any differences or disputes arising from this Agreement or from agreements regarding its performance shall be settled by an amicable effort on the part of both parties to the Agreement. An attempt to arrive at a settlement shall be deemed to have failed as soon as one of the parties to the Agreement so notifies the other party in writing.

12.2 If an attempt at settlement has failed, the disputes shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of commerce in Paris (Rules) by three arbitrators appointed in accordance with the Rules.

12.3 The place of arbitration shall be Berne, Switzerland. The procedural law of this place shall apply where the Rules are silent.

12.4 The arbitral award shall be substantiated in writing. The arbitral tribunal shall decide on the matter of costs of the arbitration.

13. SUBSTANTIVE LAW

All disputes shall be settled in accordance with the provisions of this Agreement and all other agreements regarding its performance, otherwise in accordance with the substantive law in force in the Canton of Berne, Switzerland, without reference to other laws.

14. MISCELLANEOUS

14.1 This Agreement may not be released, discharged, abandoned, changed or modified in any manner, except by an instrument in writing signed on behalf of each of the parties hereto by their duly authorized representatives.

14.2 The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part thereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

14.3 All notices or other communications required or permitted hereunder with regard to the interpretation, validity, etc. of the Agreement shall be in writing and shall be given by certified mail addressed, if to Stereotaxis

Stereotaxis, Inc.
Attn. Chief Executive Officer
Atten Chief Financial Officer
4041 Forest Park AVE.
St. Louis, MO 63108
U.S.A.

and, if to Siemens:
Siemens Aktiengesellschaft
Legal Services Med
Werner von Siemens Str. 50
91052 Erlangen
Germany

or to such other address that the parties might identify to each other for this purpose and with reference to this Agreement.

14.4 Subject to Section. 6.5 above, no party hereto shall issue any press release or public announcement or otherwise divulge the existence of this Agreement or the transactions contemplated hereby without the prior approval of the other party hereto.

14.5 This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors or assigns of the parties hereto.

14.6 Titles and headings to Sections herein are inserted for the convenience or reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

14.7 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

IN WITNESS WHEREOF, the parties have executed these presents on the dates specified below.

St. Louis, 27 May 2003
Stereotaxis, Inc.

/s/ BEVIL J. HOGG

Forchheim, 27.05.2003
Siemens Aktiengesellschaft

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ANNEX 1

DEVELOPMENT WORK

ADVANCED CARDIOLOGY CATH LAB DEVELOPMENT WORK RELATING TO PROPRIETARY SIEMENS REGISTERED IMAGING

Subject to the results of determining the feasibility of this project, image registration and integration of PROPRIETARY SIEMENS REGISTERED IMAGING that will include:

1. Allowing target based navigation from a CT or MRI pre-operative image that is registered to the fluoroscopy output. Included in this approach would be a fluoroscopy image that is registered to a pre-operative image which in turn may be registered to a Biosense CARTO map

Additional consideration will be given as to include navigational control using endocardial ultrasound

Common Stereotaxis/Siemens image integration specifications will be defined in the "Requirement Specification". This document will be jointly created and will be reviewed and released by both parties. The image integration will be tested in a "System test" applied to both the Stereotaxis and Siemens components of the ADVANCED CARDIOLOGY CATH LAB. Results have to be documented and are the base for a joint release for shipment to customers. Each of the two parties is responsible for their own component. Details will be agreed by a "collaborative 3D engineering working group" to be established after signing of this Agreement.

[***] NIOBE SYSTEM DEVELOPMENT WORK

Subject to the results of determining the feasibility of this project, common Stereotaxis/Siemens specifications for the [***] configuration of the NEXT GENERATION INTEGRATED CATH LAB will be defined in the "Requirement Specification". This document will be jointly created and will be reviewed and released by both parties. The [***] NIOBE SYSTEM configuration and the NEXT GENERATION INTEGRATED CATH LAB will be tested in a "System test" applied to both the Stereotaxis and Siemens components. Results have to be documented and are the base for a joint release for shipment to customers. Each of the two parties is responsible for their own component. Details will be agreed by a "collaborative [***] configuration working group" to be established after signing of this Agreement.

ADVANCED IR LAB DEVELOPMENT WORK

Subject to the results of determining the feasibility of this project, common Stereotaxis/Siemens specifications for unique clinical solutions in interventional radiology comprised in the ADVANCED IR LAB will be defined in the "Requirement Specification". This document will be

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jointly created and will be reviewed and released by both parties. The ADVANCED IR LAB configuration will be tested in a "System test" applied to both the Stereotaxis and Siemens components. Results have to be documented and are the base for a joint release for shipment to customers. Each of the two parties is responsible for their own component. Details will be agreed by a "collaborative ADVANCED IR LAB configuration working group" to be established after signing of this Agreement.

Exhibit 10.19

THIRD PARTY SERVICES AGREEMENT

This THIRD PARTY SERVICES AGREEMENT (the "Agreement") is made as of this 5th day of August, 2002 ("Effective Date") by and between STEREOTAXIS, Inc., a Delaware corporation with an address at 4041 Forest Park Ave., St. Louis, Missouri 63108 (hereafter referred to as "Stereotaxis") and SIEMENS MEDICAL SOLUTIONS USA, Inc., a Delaware corporation with an address at 51 Valley Stream Parkway, Malvern, PA 19355 (hereafter referred to as "Siemens").

WITNESSETH:

WHEREAS, Stereotaxis and Siemens Aktiengesellschaft, Medical Solutions, Forchheim, Germany, have entered into a Collaboration Agreement dated June 8, 2001 ("Collaboration Agreement"), with respect to the integration of Stereotaxis' magnetic guiding component (NIOBE) as well as its magnetic holding component (ASSERT Aneurysm) (collectively, the "Stereotaxis Products") with Siemens' Cardiac, Angio and Neuro X-Ray and imaging components (collectively, the "Siemens Products"); and

WHEREAS, Stereotaxis will enter into agreements with customers for the sale, installation and servicing of the Stereotaxis Products; and

WHEREAS, Stereotaxis has determined that it may be more cost-efficient for Siemens to provide certain services with respect to the Stereotaxis Products in conjunction with the services that Siemens provides for the Siemens Products; and

WHEREAS, Stereotaxis wishes to retain Siemens to provide certain site planning, project management and equipment maintenance and support services with respect to the Stereotaxis Products, which Stereotaxis is obligated to provide under the terms of agreements with its customers;

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, the parties agree as follows:

1. SCOPE of AGREEMENT. This Agreement has been entered into by the parties in order to implement some of the requirements of the Collaboration Agreement and will be read subject to the terms of the Collaboration Agreement. Subject to the terms and conditions of this Agreement, Stereotaxis hereby engages Siemens and Siemens hereby accepts such engagement to provide site planning, project management and equipment maintenance and support services with respect to the Stereotaxis Products in accordance with the terms of this Agreement and further in accordance with the terms and conditions set forth in one or more Purchase Orders to be issued by Stereotaxis to Siemens in accordance with Section 5 hereof (the "Services").

2. TERM. The term of this Agreement shall be for a period commencing on the Effective Date and ending on December 31, 2004, unless sooner terminated in accordance with the terms of this Agreement. The term of this Agreement may be extended for additional periods of one (1) year each upon mutual written consent of the parties. In the event that Stereotaxis has issued one or more Purchase Orders to Siemens in accordance with Section 5 of this Agreement and the Services to be performed by Siemens pursuant to the terms thereof extend beyond the termination of this Agreement, then Siemens shall continue to act under the terms of this Agreement until all Services pursuant to any outstanding Purchase Order(s) have been completed.

3. PRICING. Prices for the Services are as set forth in Exhibit A (captioned "Pricing for Services"). Siemens shall provide the Services at the Prices specified in Exhibit A as ordered by Stereotaxis pursuant to Purchase Orders issued pursuant to Section 5 of this Agreement.

4. PAYMENT TERMS. Siemens shall invoice Stereotaxis for its Services on a monthly basis. Payment terms are net thirty (30) days from the date of the invoice. Past due amounts shall bear interest at the rate of 1 1/2% per month unless subject to bona fide dispute. If Stereotaxis disputes any invoice, it must notify Siemens in writing within ten (10) days of receipt of the invoice and must pay the undisputed portion of the invoice in accordance with the terms of this Agreement. In the event it is determined that the disputed amount is owed to Siemens, then Stereotaxis shall pay interest on such amount at the rate set forth of 0.7% per month, which interest shall accrue from the date such payment was originally due.

5. ORDERING OF SERVICES. Siemens agrees to provide the Services described herein, at such locations and times and in accordance with the specific requirements set forth in one or more purchase orders ("Purchase Orders") to be issued by Stereotaxis from time to time during the term of this Agreement and directed to the attention of William Paines at the Siemens Uptime Service Center Processing Department (or to such other individual who is designated by Siemens). Purchase Orders shall refer to and indicate that they are being submitted subject to the terms and conditions of this Agreement. All Purchase Orders submitted under this Agreement shall be governed and controlled by the conditions of this Agreement. In the event of any inconsistency between the terms of this Agreement and the terms of a specific Purchase Order, the terms of the Agreement shall prevail.

6. TERMINATION.

(a) It shall constitute a default under the Agreement, with the corresponding right of termination as stated below, if any of the following shall occur:

(i) In the event of a material violation by a party of any provision of this Agreement (the non-payment of undisputed monies due to Siemens shall constitute a material violation of the Agreement) which violation continues uncured for a period of thirty (30) days after written notice to the other party specifying such violation, then the Agreement may be immediately terminated by the non-breaching party.

(ii) In the event a party makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated insolvent or bankrupt, a proceeding is filed against said party to declare said party a bankrupt and said proceeding is not dismissed within thirty (30) days, or said party commences any proceeding under any reorganization, arrangement, readjustment of debt or similar law or statute of any jurisdiction, then this Agreement may be terminated by the other party on five (5) days written notice.

(b) In addition, either party may terminate this Agreement by giving thirty (30) days prior written notice to the other party in the event that the obligations in respect of the provision of service to Stereotaxis pursuant to the Collaboration Agreement expire or terminate, in which case Siemens will continue to provide through the effective date of termination any Services accepted and acknowledged prior to its receipt of Stereotaxis' notice or the date of its notice of termination, and Stereotaxis will accept and pay for all such Services in accordance with the terms of this Agreement.

(c) Any termination of this Agreement shall not affect any obligations that accrued prior to the effective date of termination.

7. COOPERATION. The parties will use their reasonable best efforts to effectuate the purposes of this Agreement and shall cooperate with each other respecting the same. Specifically, the parties shall cooperate in reviewing and determining the desired performance level of each item of equipment covered by this Agreement. Although Siemens shall assume primary responsibility for assembling the service documentation, Stereotaxis and Siemens agree to cooperate in this effort. Further, equipment performance and cost analysis will be reviewed semi-annually and any changes to the Services may be discussed. Each site may be reviewed and evaluated at this time.

8. FORCE MAJEURE. Siemens will not be liable for any failure to fulfill its obligations under this Agreement due to causes beyond its reasonable control and without its fault or negligence including, but not limited to, governmental laws and regulations, acts of God or the public, war or other violence, acts of terrorism, civil commotion, blockades, embargoes, calamities, floods, fires, earthquakes, explosions, accidents, storms, strikes, lockouts, work stoppages, labor disputes, or unavailability of labor, raw materials, power or supplies. In addition, in the event of any determination pursuant to the provisions of a collective bargaining agreement preventing or hindering the performance of any of the obligations of Siemens under this Agreement, or determining that the performance of any such obligations violates provisions of that collective bargaining agreement, or in the event a trade union, or unions, otherwise prevents Siemens from performing any such obligations, then Siemens shall be excused from the performance of such obligations unless Stereotaxis makes all required arrangements with the trade union, or unions, to permit Siemens to perform the work. Any additional costs incurred by Siemens that are related to such arrangements made by Stereotaxis in respect of such labor dispute(s) shall be paid by Stereotaxis.

9. DEVELOPMENT OF A JOINT PLANNING GUIDE. Stereotaxis shall provide reasonably sufficient information to jointly develop with Siemens a site-planning guide for use in preparing customer sites to accept the Stereotaxis Products. This activity shall consist of reviewing the AXIOM Artis dFC planning guide 100.891.01 and developing specifications, drawings and verbiage to describe the required room construction for the Stereotaxis Products. This data and information shall be incorporated into a joint site-planning guide and issued by Siemens as a released document with an assigned Siemens document number. The information to be provided shall include, but not be limited to, the following:

- Structural requirements including:
  - Component weights and centers of gravity
  - Desired anchoring methods for the following floor types:
    - Slab on grade
    - Screed floors
    - Computer flooring
    - Through bolting
- Electrical requirements including:
  - Power specification(s)
  - Power Distribution
  - Cable types and lengths including a connection diagram with fixed points
  - Cable separation requirements, if any
  - Conduit sizes required
- Environmental requirements including:
  - Temperature and humidity specification
  - Temperature and humidity gradients
  - Heat dissipation of components
  - Cabinet airflow
  - Noise
  - Temperature & Humidity specifications for transport and storage
- Room Planning
  - Minimum and recommended room sizes
  - Movement ranges of equipment
  - Service Access
  - Detailed drawings of equipment sizes
  - Details of magnetic shielding options

- Equipment Transportation & Delivery
    - Requirements for equipment ingress, weights, sizes, special precautions, etc.
    - Details of pre-installations kit and required work by the contractor

10. CREATION OF SITE PLANS.

(a) SIEMENS' RESPONSIBILITIES. Siemens shall create site plans for customer installations that include details of room preparation requirements for both the Stereotaxis Products and the Siemens

Products. These site plans shall be based upon the information provided in the joint site-planning guide. Siemens shall provide to Stereotaxis details of turnaround commitments for specific site planning drawings. Siemens shall provide the estimated amount of extra work (hours) for each site plan over and above those required in respect of the Siemens Products when including details for the Stereotaxis Products. Based upon this estimate, the parties shall negotiate the compensation to be paid to Siemens by Stereotaxis for these services, which shall be on a time basis at the rate set forth in Exhibit A. Siemens will use its best efforts to provide Preliminary plans or revisions to Preliminary plans within a 7 calendar day turnaround time. Siemens will use its best efforts to provide final plans or revisions to final plans within a 21 calendar day turnaround time.

(b) STEREOTAXIS' RESPONSIBILITIES. Until such time as Siemens and Stereotaxis agree upon site planning proficiency, Stereotaxis will review each site plan involving Stereotaxis Products and will not unreasonably withhold its approval of same.

11. PROJECT MANAGEMENT OF THE ROOM PREPARATION.

(a) SIEMENS' RESPONSIBILITIES. Siemens' project managers shall coordinate the site construction of the room for both the Stereotaxis Products and the Siemens Products. Siemens' project managers shall provide Stereotaxis with weekly updates on current construction projects via e-mail. Should Stereotaxis choose to initiate visits to a customer site during the construction process, Siemens' project managers shall assist in facilitating these visits. Siemens' project managers shall furnish a project timeline for each construction project including projected installation start dates and such timelines shall be consistent to the extent reasonably feasible with the installation start dates agreed to at the time of issuance by the relevant customer of purchase orders to Stereotaxis and Siemens for the Stereotaxis Products and the Siemens Products. This timeline shall be updated regularly by Siemens' project managers (no less than monthly). Siemens shall provide the estimated amount of extra work (hours) for each site's project management activities over and above those required in respect of the Siemens Products. Based upon this estimate, the parties shall negotiate the compensation to be paid to Siemens by Stereotaxis for these services, which shall be on a time basis at the rate set forth in Exhibit A.

(b) STEREOTAXIS' RESPONSIBILITIES. Stereotaxis will visit each site one time at the completion of the site construction to verify that the room is correctly prepared. Siemens and Stereotaxis will mutually determine if additional Stereotaxis visits are to be made during the construction phase. Stereotaxis will provide technical support to Siemens' project managers as reasonably required. Stereotaxis will provide a dedicated telephone number for service related issues. Stereotaxis will track all questions and develop a frequently asked questions list for distribution to Siemens' personnel and inclusion in the site-planning guide.

12. PRE-INSTALLATION MATERIALS/DEVELOPMENT OF PRE-INSTALLATION KIT. Stereotaxis will develop a pre-installation kit for use prior to equipment delivery. This kit will comprise the following:.

- Alignment jig for locating Niobe floor bolt locations relative to the AXIOM Artis dFC system.
- All items that can be installed prior to equipment delivery such as floor plates, rotational tracks, etc.

The pre-installation kit shall be available for shipment to the customer site as requested by Siemens' project manager. For the first 5 systems installed, a Stereotaxis service representative shall visit the site to aid in accurate installation of the pre-installation kit. Detailed instructions on the use/installation of the pre-installation kit shall be provided by Stereotaxis in both English and German.

13. INSTALLATION SERVICES. Stereotaxis, where commercially feasible, will contract with the same subcontractor that Siemens uses for the mechanical installation and cabling part of the equipment installation. Stereotaxis will provide adequate training and documentation for the subcontractor to perform these duties in accordance with the required specifications. Stereotaxis will also provide a field service engineer on site to complete power on, system verification and calibration. Siemens' customer service engineer ("CSE") shall be available on site for the duration of this phase for on site training.

14. WARRANTY/SUPPORT SERVICES.

(a) Siemens' CSEs will provide front line (first call) support for the Stereotaxis Products during the term of this Agreement, including the product warranty period (generally one year from the date of installation).

(b) Subject to Section 14(f) below, Siemens will provide the following break/fix services during the term of this Agreement: (i) initial call receipt by Siemens UPTIME Service Center (available 24/7 hours); (ii) remote diagnosis, if available, by Siemens technical support; (iii) dispatch of Siemens CSE to customer site; (iv) diagnosis of problem and corrective action (no part call); (v) ordering of necessary part(s), removal and replacement of parts, calibration and corrective action; (vi) escalation of problems to Stereotaxis that are beyond the level of training provided to Siemens' CSEs; and (vii) continued on-site support as required to assist the Stereotaxis field service engineer and to resolve the customer problem.

(c) Siemens will install all software and hardware updates as released by Stereotaxis.

(d) Siemens will provide reporting of any complaints related to Stereotaxis' Products to Stereotaxis.

(e) Reimbursement to Siemens for these services will be on a time basis at the rates set forth in Exhibit A attached hereto.

(f) Prior to Siemens dispatching a Siemens CSE to a customer site, as described in Section 14(b)(iii) above, Siemens shall notify Stereotaxis' technical support staff and obtain its approval to render such service. In the event that Stereotaxis fails to respond to Siemens within one (1) hour of such notification, then Siemens will proceed to render such services. If Siemens dispatches a CSE to the customer site before receiving the approval of Stereotaxis or, in the absence of any such approval, before the expiration of the one (1) hour period, then Siemens will not bill the travel time to Stereotaxis. The response time for Siemens to provide to any customer the services described in Sections 14(b)(i) through 14(b)(iii) inclusive shall not exceed 4 hours during the customer's principal coverage period; provided, however, that the time during which Siemens is waiting for Stereotaxis' approval to dispatch a CSE to the customer site shall not count towards the 4 hours' response time requirement.

15. STEREOTAXIS TECHNICAL SUPPORT.

(a) Stereotaxis will provide 24x7 hours technical support to Siemens' CSEs. The initial support plan is as follows:

- Stereotaxis will create a toll-free, dedicated service support telephone number.
- This number will ring at key personnel's desks in St. Louis during regular work hours. If the line is not answered within 4 rings or it is after regular business hours, the call will forward to an answering service.
- The answering service will page the on-call service support engineer.
- Response time for technical support is within 2 hours of call receipt.
- Technical support will log all inbound calls including all pertinent information such as date, time, customer, problem description, problem resolution, etc.

(b) After Stereotaxis has completed a sufficient number of sales of Stereotaxis Products, Stereotaxis will investigate the following alternatives based upon the service needs/frequency of calls/installed base requirements gathered during the initial sales phase. The preferred option of Stereotaxis will be discussed and agreed by Siemens before implementation:

- Option 1. Establish a dedicated support staff that are available 24x7 hours and are Stereotaxis employees.
- Option 2. Outsource technical support to a 3rd party company that is staffed 24x7 hours. This will require in depth training for the 3rd party company. Maintain a level 3 support response on an as required pager basis.

- Option 3. Should after hours support needs be low as the mean time between failures ("MTBF") is found to be very high, Stereotaxis may elect to stay with after hours technical support provided on an as required pager basis.

16. SPARE PARTS LOGISTICS. All spare parts necessary to repair the Stereotaxis Products shall be provided to Siemens at no charge.

(a) SPARE PARTS LIST. Stereotaxis will create a recommended spare parts list. This list will include anticipated replacement parts items along with expected MTBF.

(b) SPARE PARTS INVENTORY. Stereotaxis will maintain an inventory of spare parts in the United States. Spare parts will be defined and assigned Stereotaxis and Siemens part numbers according to service needs and requirements. Returnable parts will be marked with "REP". Spare parts inventory levels will be determined by Stereotaxis. At a minimum Stereotaxis will review inventory levels annually and make any necessary adjustments based upon usage. If Siemens elects, it can stock above the inventory level established by Stereotaxis by purchasing additional parts from Stereotaxis. Stereotaxis will reimburse Siemens for parts used from this additional inventory level.

(c) PARTS ORDERING AND ORDER FULFILLMENT. For the Siemens CSE, the process for order processing and fulfillment will be the same as for Siemens parts:

- Siemens CSE identifies the need for replacement part(s) and places an order as with Siemens spare parts.
- The order is processed by Siemens and shipped by the order processing and fulfillment center.
- Certain pre-selected parts, based upon cost or complexity, require pre-approval by Stereotaxis' service personnel to ensure complete and accurate troubleshooting has been conducted.
- Siemens ships returnable parts (REP) to Stereotaxis.
- Stereotaxis repairs returned parts as appropriate and returns them to service stock.

17. TECHNICAL TRAINING.

(a) In order for Siemens' service personnel to be adequately prepared to service the Stereotaxis Products, Stereotaxis will provide technical training classes (including on-site training) for a commercially reasonable number of Siemens service personnel and will, based on reasonable requests by Siemens, make such classes available at various locations, including (i) St. Louis (at the Stereotaxis facility) for Niobe stand alone training, (ii) Forchheim, Germany (at the Siemens facility) for the first year or until the Niobe system is de-installed, and (iii) at customer facilities.

(b) The training materials to be provided by Stereotaxis shall contain, at a minimum, the following: (i) theory of operation, (ii) installation & calibration, (iii) interface with Siemens Products, (iv) user interface, (v) periodic maintenance, (vi) troubleshooting, (vii) hands-on lab time, and (viii) magnetic precautions and personal safety.

(c) Course length will vary but will generally consist of 3-5 days of instruction. Two Siemens CSEs will be trained for each Niobe installation (a primary and a secondary CSE). Should additional training be required later (e.g., due to any personnel changes), it will be provided with the next training class/on site training under the same conditions. All costs for delivering training shall be borne by Stereotaxis. Travel expenses for Siemens CSEs, including airfare, meals and lodging, while attending training shall be borne by Siemens.

18. FIELD MODIFICATION INSTRUCTIONS AND TRACEABILITY.

(a) Stereotaxis will maintain files that track software and hardware revisions for all customers. All installed updates will have return paperwork that will trigger a revision to this database upon receipt.

(b) For all Field Modification Instructions (FMIs), Stereotaxis will contract Siemens to install the updates. Safety FMIs will be installed on an emergency basis; routine FMIs will be installed at the next routine service calls. Siemens will be reimbursed for these services on a time basis in accordance with the rates set forth on Exhibit A attached hereto.

(c) Distribution of the FMIs and routing of return paperwork for traceability shall be agreed to by the parties, with the goal of using Siemens normal distribution channels. Stereotaxis will write the instructions and Siemens will distribute the FMIs to the responsible person(s) within Siemens. If parts are needed they will be handled like spare parts with a Siemens Part number and distributed by the order processing and fulfillment center.

19. SERVICE DOCUMENTATION. Stereotaxis will develop the following service documents for the Stereotaxis Products. Stereotaxis will provide a hard copy of such documents (in English) to each customer and such documents will be provided in Adobe Acrobat Portable Document Format (PDF) for Siemens" internal use and distribution.

Site Planning Guide
Pre-Installation Manual
Installation Manual
Service Manual
Periodic Maintenance
Parts & Special Tools Manual
User Manual
System Maintenance Requirements, Hazardous Waste Disposal instructions

20. SERVICE TOOLS. Standard service tools will be used by Siemens during installation of the Stereotaxis Products prior to the time of magnet mounting. Specialized tools required for installation of the magnet and for servicing of the same will be provided by Stereotaxis and will remain on the customer site after installation is completed. The kit will include the test leads for limit switch adjustment and a small kit of fuses, drift pins, etc. Stereotaxis will provide Siemens with a list of part numbers of the specialized tools and the toll kit in order to expedite any ordering of additional items. Subsequent service work performed by both Siemens and Stereotaxis can be performed using standard tools so long as adequate safety precautions are taken. Service training shall include instruction on such safety precautions.

21. ACCESS. Stereotaxis will provide Siemens with access to the equipment being serviced, subject to Stereotaxis' customers' reasonable security requirements. Stereotaxis' personnel will be available to respond to Siemens' technicians when Siemens is performing Services.

22. INSURANCE. At all times throughout the term of this Agreement, Siemens shall maintain in full force and effect the following insurance coverage, and shall provide Stereotaxis with a certificate of insurance evidencing such coverage upon request of Stereotaxis:

(a) Workman's compensation insurance in accordance with the jurisdiction in which the work is to be performed.

(b) General liability Insurance with limits of at least [***] per occurrence and an annual aggregate of [***].

23. INDEPENDENT CONTRACTORS. Based solely on this Agreement, and without regard to relationships based on other agreements to which Siemens and Stereotaxis may be parties, Siemens and Stereotaxis are independent contractors, neither is the agent or representative of the other; and neither is authorized to enter into any agreements to bind the other. The relationship between Siemens and Stereotaxis based on this Agreement shall remain that of independent contractors and nothing herein shall create or imply any relationship or agreement of joint venture, partnership, franchise, or hire. Siemens' personnel that are assigned to perform any Services hereunder shall be and remain at all times during such assignment employees of Siemens. Siemens and its employees and personnel shall be solely responsible for any and all city, state and federal income taxes, social security

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

withholding taxes and any other tax obligation to which the employees and personnel of Siemens may be subject. NEITHER PARTY HAS AUTHORITY TO ASSUME OR CREATE ANY OBLIGATIONS ON THE OTHER'S BEHALF, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS OR OTHERWISE. Without limiting the generality of the foregoing, neither party shall make any representation, guarantee or warranty on the other party's behalf. Neither party shall use the other party's company name, logo, artwork designs or abbreviations thereof in any way which may result in confusion as to Stereotaxis and Siemens being separate entities.

24. CONFIDENTIAL INFORMATION. During the term of this Agreement, and in fulfilling each party's obligations under this Agreement, the parties and their respective employees and agents will be exposed to and learn confidential information belonging to the other party. All confidential information shall be and remain the sole property of the disclosing party and may only be used or disclosed by the receiving party and its employees and agents for the sole purpose of fulfilling its obligations under this Agreement and for no other purpose. The parties shall use all reasonable precautions to assure that the confidential information of the disclosing party is protected from unauthorized persons and from unauthorized use or disclosure. The restrictions on disclosure of confidential information shall not apply to information (i) which is or becomes public knowledge through no fault of the receiving party and its employees and agents, or any third party not under an obligation of non-disclosure to the disclosing party, (ii) which is made available to the receiving party or its employees or agents by an independent third party with no obligation of non-disclosure to the disclosing party, (iii) which is already in the possession of the receiving party or its employees or agents at the time of receipt from the disclosing party (and such prior possession can be properly demonstrated by documentary evidence), or (iv) which is required by law to be disclosed. Confidential information shall not be deemed to be public knowledge merely because any part of said information is embodied in general disclosures or because individual features, components or combinations thereof are now or become known to the public. The receiving party's obligations with respect to confidential information shall continue for a period of five (5) years from the expiration or termination of this Agreement. For purposes of this Agreement, "confidential information" means any information belonging to the disclosing party which it considers to be valuable and proprietary including but not limited to, know-how, technical data, processes, diagnostic software, techniques, developments, inventions, research products, and plans for future developments, and proprietary matter of a business or technical nature, including but not limited to information about cost, profits, markets, products sales, and names and lists of customers. confidential information includes all written materials (including correspondence, memoranda, manuals, notes and notebooks) and all computer software, models, mechanisms, devices, programs, drawings, or plans which shall be disclosed or made available embodying confidential information.

25. SOFTWARE LICENSE.

(a) To perform its obligations under this Agreement, Siemens may need to use certain Stereotaxis software ("Software"). This Software is and shall remain included in the definition of Confidential Information. Stereotaxis hereby grants to Siemens a royalty-free, non-assignable, non-exclusive license to use the Software solely to service equipment as required to fulfill Siemens' obligations under this Agreement and for no other purpose. Upon termination of this Agreement, the Software (and all full or partial copies thereof) will be returned to Stereotaxis or Siemens will certify as to the destruction thereof.

(b) Except as provided in Section 25(a) above, Siemens has no right, title or interest in the Software, including but not limited to, no right to (a) make or have made any copy or copies of the Software except as otherwise required to perform its obligations under this Agreement, (b) make or have made any products incorporating all or any part of the Software, (c) modify, adapt, disassemble or create any derivative work or works based on the Software, unless in any case consented to by Stereotaxis.

(c) Siemens shall use its best efforts to ensure that its employees comply with the restrictions herein. Siemens shall make its employees aware of the limited scope of this license. Siemens will, at its sole cost and expense, upon the written request of Stereotaxis, take any action reasonably requested to prevent any unauthorized use of the Software arising out of or caused by Stereotaxis' license of the Software to Siemens.

26. NOTICES. All notices from one party to the other under this Agreement shall be in writing and either personally delivered or sent by overnight delivery service or certified mail (E-mail or other electronic media are not acceptable), postage prepaid and return receipt requested to:

Stereotaxis: Stereotaxis, Inc.
4041 Forest Park Ave.
St. Louis, MO 63108
Attn: CEO and CFO

Siemens: Siemens Medical Solutions USA, Inc.
110 MacAlyson Court
Cary, NC 27511-6495
Attn: Richard Kubsch

With copy to: Siemens Corporation
Legal Department
Associate General Counsel
51 Valley Stream Parkway
Malvern, PA 19355

or to such other person or places as either party may designate from time to time by notice hereunder. Such notices shall be deemed effective upon receipt if sent by personal delivery or by overnight delivery service or three (3) days after deposit in the mails in accordance herewith.

27. GOVERNING LAW; JURISDICTION. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without giving effect to choice of laws provisions thereunder.

28. SEVERABILITY. If any one or more of the provisions, or portions of provisions, of this Agreement shall be deemed by any court or quasi-judicial authority to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions, or portions of provisions contained herein, shall not in any way be affected or impaired thereby, so long as the Agreement still expresses the intent of the parties. If the intent of the parties cannot be preserved, this Agreement shall either be renegotiated or rendered null and void.

29. LANGUAGE CONSTRUCTION. The language of this Agreement shall be construed in all cases, according to its fair meaning, and not for or against any party hereto. The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

30. DISPUTE RESOLUTION. Any disputes or differences arising from or relating to this Agreement or the breach, termination, or validity thereof, whether at common law or under statute shall be settled by an amicable effort of the parties. An attempt to arrive at a settlement shall be deemed to have failed as soon as one party so notifies the other party in writing. If an attempt at settlement has failed, such disputes and differences shall be exclusively and finally settled by arbitration brought before the American Arbitration Association in New York, New York, according to its Commercial Arbitration Rules, by three (3) arbitrators appointed in accordance with such Rules. Unless prohibited or restricted by law, each party agrees to provide to the arbitrators and to the other party such documents, other evidence or witness testimony as may reasonably be requested by the other party and as are relevant to the issues being arbitrated. Such request shall be subject to a strict confidentiality agreement and shall not affect time limits provided for in such Rules and/or in this Agreement. The award, determinations and decisions of the arbitrators shall be substantiated in writing. The arbitration tribunal shall decide on the matter of costs of the arbitration and which of the parties shall bear the costs or in what proportions the costs shall be borne by the parties. The award of the arbitrators shall be final and binding, and no appeal shall lie therefrom. Judgment on the award or any order final or interim ordered

by the arbitrators may be entered, registered or filed for enforcement purposes in any court having jurisdiction thereof.

31. GOVERNMENT ACCESS CLAUSE. Until the expiration of four (4) years after the furnishing of any services under this Agreement, the parties shall make available upon written request of the Secretary of Health and Human Services, the Comptroller General, or any of their duly authorized representatives, this Agreement and the books, documents and records of the each of the parties that are necessary to certify the nature and extent of costs incurred under this Agreement or any agreements that Stereotaxis enters into with customers for the sale, installation and servicing of the Stereotaxis Products. This clause shall apply if, and solely to the extent that, Section 1861(V)(1)(I) of the Social Security Act applies to this Agreement or any agreements that Stereotaxis enters into with customers for the sale, installation and servicing of the Stereotaxis Products.

32. DEBARMENT CERTIFICATION. The parties each represent that (i) neither it nor any of its employees or agents has been debarred, excluded or suspended from, or otherwise determined to be ineligible to participate in, Medicare, Medicaid or any other federal or state health care programs, nor is it or any of its employees or agents the subject of any inquiry or investigation regarding participation in such programs which could reasonably lead to suspension, debarment or exclusion from, or ineligibility to participate in, such programs, (ii) neither it nor any of its employees or agents has ever been convicted of a criminal offense related to the provision of health care items or services, and (iii) it shall not knowingly employ or contract with, with or without compensation, any individual or entity listed by a federal agency as debarred. The parties hereby agree to promptly notify the other party of any threatened, proposed, or actual exclusion from Medicare, Medicaid or any federal or state health care programs. In the event that a party or any of its employees or agents is debarred, excluded or suspended from, or otherwise determined to be ineligible to participate in, Medicare, Medicaid or any federal or state health care programs during the term of this Agreement, or if at any time after the Effective Date, it is determined that a party is in breach of this Section 32, this Agreement shall, at the option of the other party as of the effective date of such debarment, exclusion, suspension or breach, terminate.

33. HIPAA. Without limiting the obligations of either party as otherwise set forth in this Agreement or imposed by applicable law, the parties agree and acknowledge that they shall comply with all applicable requirements of the Health Insurance Portability and Accountability Act ("HIPAA"). Without limiting the generality of the foregoing, the parties represent and warrant that they will appropriately safeguard protected health information ("PHI") of their respective customers that is made available to or obtained by the parties pursuant to this Agreement or otherwise in the course of performing services hereunder, and that they shall each indemnify and hold the other party harmless from any and all claims, liabilities, damages, suits, causes of action, judgments, penalties, fines, costs and expenses arising from or related to that party's breach of the foregoing. The parties agree that this Agreement shall be amended from time to time if, and to the extent required by, the provisions of HIPAA and regulations promulgated thereunder, in order to assure that this Agreement is compliant therewith.

Specifically, each of the parties agrees that it shall:

(a) not use or further disclose PHI other than as permitted or required by this Agreement or as required by law;

(b) use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement;

(c) report to the other party and customer any use or disclosure of PHI of such customer not provided for by this Agreement of which a party becomes aware;

(d) ensure that any approved subcontractors who may have access to PHI agree to the same restrictions and conditions that apply to the parties with respect to PHI;

(e) make PHI available to the customer in accordance with applicable law;

(f) make its internal practices, books, and records relating to the use and disclosure of PHI received from Siemens or customer available to the Secretary of the United States Health & Human Services for purposes of determining the customer's compliance with applicable law; (in addition, a party shall immediately notify the other party and the customer upon receipt by that party of any such request, and shall provide the other party with copies of any such materials);

(g) make available the information required to provide an accounting of disclosures of PHI pursuant to applicable law, and

(h) on termination of this Agreement, return or destroy all PHI that a party still maintains in any form and retain no copies of PHI.

34. FURTHER ASSURANCES. Each party agrees to do such further acts, execute such further documents, secure such written assignments and acknowledgments necessary to carry out the terms and conditions hereof.

35. ADDITIONAL DOCUMENTS. Each of the parties hereto agrees to execute any document or documents that may be reasonably requested from time to time by the other party to implement or complete such party's obligation pursuant to this Agreement

36. WAIVER. No term or provision of this Agreement, or of the Exhibits attached hereto, shall be deemed to be waived, or a breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any waiver of a breach, whether express or implied, shall not constitute a consent to or waiver of any different or subsequent breach.

37. ADVERSE ACTS. Each party shall not at any time engage in any acts (including entry into any agreements or arrangements with third parties) to oppose, dilute, reduce, defeat, or adversely affect the rights of the other party under this Agreement.

38. HEADINGS; NUMBER. The titles or headings used herein are inserted merely for convenience and shall be given no legal effect. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely.

39. ENTIRE AGREEMENT. This Agreement, together with the attached Exhibits, each of which is incorporated fully and is made part of this Agreement by this reference, sets forth the entire and only agreement between Siemens and Stereotaxis concerning the subject matter hereof. No provisions of this Agreement can be modified except by a written amendment signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

SIEMENS MEDICAL SOLUTIONS USA, INC.	STEREOTAXIS, INC.
By: /s/ Richard Kubsch	By: /s/ Nicola Young
Title: Product Manager	Title: CFO
Date: 11-24-02	Date: 11/18/02

EXHIBIT A -- PRICING FOR SERVICES

CREATION OF SITE PLANS (Reference: Section 10(a) of the Agreement): Stereotaxis will reimburse Siemens for Site Planning services for all booked orders at the rate of [***] per hour; Siemens estimates that for most projects the cost of these services will be [***] (6 hours of work). Preliminary site plans for lost orders can be billed to Stereotaxis should the quantity of these plans become excessive.

PROJECT MANAGEMENT (Reference: Section 11(a) of the Agreement): . Stereotaxis will reimburse Siemens for Project Management services at the rate of [***] per hour; Siemens estimates that for most projects the cost of these services will be [***] (34 hours).

WARRANTY/SUPPORT SERVICES (References: Sections 14(e) and 18(b) of the Agreement):
Stereotaxis will reimburse Siemens for travel and services performed by Siemens and referred to in Sections 14(e) and 18(b) of the Agreement at Siemens' current applicable commercially reasonable hourly rates, which rates, at the date of the Agreement, are those specified in Schedule 1 for Angio/Cardiac under the subheadings "All Travel", "Regular", "Overtime", and "Double time", subject to the following discount schedule:

0 -- 100 hours in 1 year or less: a [***] discount will be granted off the applicable rates.

101 -- 200 hours in 1 year or less: a [***] discount will be granted off the applicable rates.

201 hours and more in 1 year or less: a [***] discount will be granted off the applicable rates.

The hours will be monitored quarterly and the discounts adjusted, if applicable.

SPARE PART LOGISTICS (Reference: Section 16 of the Agreement):
Costs for the handling fees incurred by Siemens for returns processing and to be paid by Stereotaxis will be determined under separate agreement or amendment to the Agreement.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

SCHEDULE 1

HOURLY SERVICE RATES

The following hourly service rates will be in effect as of June 15, 2002. These rates are subject to change in accordance with the then applicable commercially reasonable rates of Siemens.

[***]

GENERAL TERMS

Regular time hours will be in effect from 8:00 AM - 5:00 PM, Monday - Friday, excluding Siemens holidays.

Overtime hours will be in effect from 5:00 PM -- 8:00 AM, Monday - Friday, and all day Saturday until 5:00 PM.

Double time hours will be in effect from 5:00 PM Saturday - 8:00 AM Monday, and on the following Siemens holidays: New Years Day, Memorial Day (observed), Independence Day, Labor Day, Thanksgiving Day, Christmas Day. If one of the foregoing holidays falls on a Saturday, then the holiday will be observed on the previous Friday, and if the holiday falls on a Sunday, the holiday will be observed on the following Monday.

A minimum charge of 4 hours plus travel time applies for labor requested outside of regular working or contract coverage hours.

TIME AND MATERIAL CUSTOMERS

Customers will be charged at the applicable billing rate for the hours worked at either the regular, overtime or double-time rate plus travel.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

EXHIBIT 10.29

DISTRIBUTOR AGREEMENT

This Agreement (this "Agreement") made this 17 day of SEPTEMBER, 2003, by and between Stereotaxis, Inc., a Delaware corporation ("Stereotaxis") having its principal place of business at 4041 Forest Park Avenue, St. Louis, MO, 63108 USA, and [AB Medica], a INCORPORATED COMPANY organized under the laws of ITALY having its principal place of business at VIA NERVIANO 31 LAINATE (H1) ("Distributor"). Stereotaxis and Distributor are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties."

I. Appointment.

A. Subject to all the terms and conditions of this Agreement, Stereotaxis hereby appoints Distributor, and Distributor accepts such appointment, as its distributor within the Territory (as defined below) for resale, for use only in the Territory, of those particular products and services (the "Products") described in SCHEDULE ONE attached hereto. Notwithstanding the foregoing, Products shall not include any products or services that are subject to distribution alliances or agreements with major manufacturers of imaging or interventional products including, without limitation, those products or services which are subject to the agreement dated May 7, 2002 between Stereotaxis and Biosense Webster, Inc. The list of Products may be enlarged or diminished in respect of the provisions of Section V.E. at any time and from time to time during the term of this Agreement, but only by written notice from an authorized representative of Stereotaxis.

B. Stereotaxis and Distributor acknowledge and agree that the foregoing appointment is exclusive, provided that Distributor both (i) at all times and continuously achieves at least one hundred percent (100%) of the sales quota (the "Sales Quota") as set forth below in Section I.C. for the years ending December 31, 2003 and December 31, 2004 and in each and every annual Sales Quota Agreement (as defined below) between the Parties, and (ii) is not at any time in breach of any of its obligations under this Agreement, then Stereotaxis shall not appoint any other distributor for distribution of the Products, nor shall Stereotaxis itself distribute the Products, in the Territory during the term hereof. The preceding sentence contains additional, and not exclusive, remedies available to Stereotaxis in the event that Distributor breaches this Agreement. Notwithstanding the foregoing, Stereotaxis shall be entitled to appoint other distributors within or for the Territory for any of its products not specified in SCHEDULE ONE, including products identical to the Products except for the brand name, during the term hereof, or to sell such products itself in the Territory.

C. For the year ending December 31, 2003, the Sales Quota shall equal [***] including [***] as more fully described on SCHEDULE ONE hereto, ordered and installed. For the year ending December 31, 2004, the Sales Quota shall equal

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

[***] NIOBE System order and installed per [***] for a total of [***] NIOBE Systems ordered and installed for the entire year. It shall be a mutual goal of the Parties that each NIOBE System placed by Distributor hereunder shall be utilized by Distributor's customers for an average of five procedures per week by 12 months following installation, and any NIOBE System which does not reach such level of customer utilization shall not be counted toward Distributor achieving any Sales Quotas hereunder.

II. Territory. "Territory" shall mean Italy and the following [cantons/regions] in Switzerland, which comprise the Italian speaking geographic region in Switzerland: [Ticino]. [DISTRIBUTOR TO CONFIRM AND/OR COMPLETE WITH ADDITIONAL REFERENCES.]

III. Certain Covenants of Distributor. Distributor agrees during the term of this Agreement, and at its own cost:

A. In order to ensure patient safety, not to use or permit others to use the NIOBE System with any disposable devices, software or other accessories except those provided by or approved in writing by Stereotaxis or with any fluoroscopy system other than the Siemens ARTIS digital fluoroscopy system that has been integrated by Stereotaxis and Siemens to allow use with the NIOBE System or any other fluoroscopy system approved in writing by Stereotaxis. Distributor further agrees that it will not, or permit others to, modify the NIOBE System or any of the devices or software provided by Stereotaxis for use with the system;

B. To use its best efforts to sell, advertise and otherwise promote the sale and use of the Products throughout the Territory, to maintain a representative, and to fulfill such additional goals as it may agree upon with Stereotaxis;

C. To maintain an adequate sales and service staff, as well as adequate facilities;

D. To use its best efforts to assist end users in acquiring replacement of defective parts, through Stereotaxis or an approved vendor of Stereotaxis;

E. To appoint and supervise such persons as may be necessary to provide adequate sales throughout the Territory and instruct them as to appropriate methods of sales, advertisement, demonstration and promotion of the Products;

F. To prepare and transmit to Stereotaxis regular, timely, accurate and complete reports and other information pertinent to the sale of the Products and semi-annual, annual and other statements of its financial condition, all in form and substance satisfactory to Stereotaxis. Such information shall include (i) a quarterly non-binding forecast of Products to be purchased by Distributor (which shall include projected NIOBE System and disposable sales) from Stereotaxis during the following year (on a quarterly basis) and (ii) a list of customers and potential customers of Distributor, including information describing the contacts with such potential customer and the status of the discussions, in reasonable detail;

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G. To pay and perform in a timely and full manner all obligations owing to Stereotaxis at any time. Stereotaxis reserves the right to charge, and Distributor agrees to pay, a finance charge in respect of any past due obligation or indebtedness of 3 months libor $ + spread 4 points on a yearly basis, subject to the maximum amount permitted under Delaware law;

H. To comply with any and all Stereotaxis instructions regarding the recall of the Products. In the event Stereotaxis instructs Distributor to recall the Products, Stereotaxis shall reimburse Distributor for direct costs incurred by Distributor in connection with such recall, except those direct costs that Stereotaxis determines, in its reasonable discretion, are outside the scope of the acts required by Distributor to effect the recall. Notwithstanding the foregoing, Distributor shall reimburse Stereotaxis for all costs and expenses of or related to the recall incurred by Stereotaxis if the recall arises in whole or in part from an act or omission of Distributor;

I. Beginning on January 1, 2005, and annually thereafter, but in no event later than January 30th of each calendar year, to mutually agree in good faith with Stereotaxis the targeted sales quota for such calendar year (a "Targeted Sales Quota Agreement"), on reasonable commercial terms and substantially in the form attached hereto as SCHEDULE TWO, or in such other form as Stereotaxis may from time to time prescribe. The Targeted Sales Quota Agreements may be amended from time to time by the mutual written consent of the Parties;

J. Not to distribute, sell or solicit the sale of the Products outside of the Territory, or for use outside of the Territory, or to any Distributor within the Territory which Distributor has reason to believe intends to use, distribute or resell any of the Products outside of the Territory;

K. To pay from its own funds and without reimbursement from Stereotaxis all direct selling, marketing, translation and advertising expenses, costs of all promotional expenses and all general and administrative expenses incurred in connection with the discharge of its duties hereunder;

L. To promptly notify Stereotaxis of any complaints from customers regarding the Products and to cooperate with Stereotaxis to administer and resolve any such complaints;

M. To protect the proprietary rights of Stereotaxis as specified in this Agreement and agrees to notify Distributor's employees of its obligations specified and enforce their compliance therewith; and

N. To promptly notify Stereotaxis of any infringement of the proprietary rights of Stereotaxis that come to Stereotaxis' attention, and to cooperate with Stereotaxis without charge, in any action by Stereotaxis to investigate or remedy any such infringement or said rights.

IV. Certain Covenants of Stereotaxis.

A. Stereotaxis agrees to provide initial training for all sales, marketing and service employees of Distributor, who are employees of the Distributor at the time of execution of this Agreement and who will sell and/or service the Products (the "Initial Training"). Such training shall consist of two sessions, one of which shall relate to the sales and marketing of the Products and one of which shall relate to the servicing of the Products. Distributor shall require its personnel performing functions covered by any such training course to attend such course. The costs of travel and related expenses shall be borne by the Party incurring such travel. The Parties agree that such training shall be provided at locations and with methods that minimize the total cost of travel and location expense. Upon completion of the Initial Training and other than as provided in Section IV.B., Distributor agrees to be responsible for the training of all of its sales, marketing and service employees, including the training of any new employees.

B. Distributor shall appoint a marketing or training coordinator in order to supervise the training, including the Initial Training, of such personnel. In connection with any new advancements in technology related to the Products, Stereotaxis agrees to provide additional training to the marketing or training coordinator selected by the Distributor. Distributor shall require its marketing or training coordinator to attend such training. The costs of travel and related expenses of such training shall be borne by the Party incurring such travel. The Parties agree that such training shall be provided at locations and with methods that minimize the total cost of travel and location expense.

C. Stereotaxis agrees to provide, or cause to be provided, clinical applications support to the customer for the [***] NIOBE Systems sold by Distributor until the Distributor sells its [***] NIOBE System. Upon the sale by the Distributor of its third NIOBE System, Stereotaxis will cease providing clinical applications support to the customers for any of the NIOBE Systems sold by the Distributor and Distributor agrees to become solely responsible for providing such clinical applications support to such customers for all NIOBE Systems sold by the Distributor. Distributor represents and warrants to Stereotaxis that Distributor will establish and maintain an adequate Stereotaxis trained technically competent staff to provide all required service and support to Distributor's customers. This representation is a material inducement for Stereotaxis to enter into and continue this Agreement.

D. Stereotaxis shall have the right to subcontract to Siemens AG or a designated affiliate thereof any services to be performed by Stereotaxis in connection with any NIOBE Systems sold hereunder by Distributor.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

V. Sales and Terms.

A. Products will initially be sold to Distributor at such prices and terms as set forth on SCHEDULE THREE attached hereto. Thereafter, in November of each year during the term hereof, Stereotaxis shall establish the prices for the Products, which shall be equal to [***] below the net sales price in the US (exclusive of shipping and installation charges). Such prices shall be effective for purchase orders made by the Distributor in the following calendar year, provided that any Products so ordered are shipped within nine months of such order; otherwise the effective price for Products shipped more than nine months after the date of the purchase order shall be the then-prevailing pricing in effect for such Products. Distributor shall submit a written purchase order in substantially the form provided to Distributor by Stereotaxis from time to time, for each of the Products sold hereunder, which shall be subject to the terms and conditions in this Agreement.

B. Distributor shall be responsible for and shall defray all costs and expenses pertaining to the importation of the Products into the Territory (including all costs associated with shipping and installation) and shall pay all taxes, duties, fees and charges, including all value added taxes, related to the importation of the Products into the Territory and the conclusion and fulfillment of this Agreement (other than as provided in Section V.G.).

C. Sales shall be governed only by this Agreement and Stereotaxis' standard terms and conditions for the Products in effect at the time of shipment. A current form of Stereotaxis' standard terms and conditions is attached hereto as SCHEDULE FOUR and is hereby incorporated by reference into this Agreement. Resales by the Distributor shall also be made subject to Stereotaxis' standard terms and conditions. The terms and conditions of this Agreement take precedence over all purchase orders, acknowledgment forms and other documents between the Parties relating to the Products. The provisions of this Section shall survive termination, for whatever reason, of this Agreement.

D. Stereotaxis will endeavor to make the Products available as ordered, but reserves the right to allocate its available Products as it may determine in its sole and absolute discretion, without thereby incurring any liability to Distributor or otherwise provided that the delivery of the ordered Products is not unreasonably delayed and that Stereotaxis, upon written request of the Distributor, is able to indicate an estimated date of delivery and respects such date of delivery. Stereotaxis also reserves the right to add a service charge, or alternatively to refuse orders for Products for less than minimum dollar values or less than standard quantities as established by Stereotaxis from time to time.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

E. Stereotaxis reserves the right from time to time in its sole and absolute discretion, without thereby incurring any liability to Distributor or otherwise, to discontinue or to limit its production of any Product, to alter the design or construction of any Product, and to add new and additional Products. In case Stereotaxis decides to discontinue or limit the Production of any product, then Stereotaxis will need to give the Distributor a sixty (60) day written notice, and will be bound to deliver Distributor any Product ordered prior to the decision to discontinue or limit the production or during the sixty (60) day notice period in order to limit potential liabilities of Distributor toward its Customers.

F. Distributor agrees not to sell (i) as Stereotaxis products any merchandise or accessories that have not been made, approved in writing, or supplied by Stereotaxis or (ii) any merchandise or accessories for use with or incorporation onto or into the Products that, in Stereotaxis' sole and absolute discretion, adversely affect the operation or safety of the Products.

G. Stereotaxis shall be responsible for using all reasonable commercial efforts to obtain the necessary regulatory approval for the Products from the European Union and shall be responsible for all costs and expenses associated therewith. Distributor and Stereotaxis agree to cooperate with each other in order to obtain such approval.

H. Distributor agrees to comply with all laws and regulations of the Territory pertaining to the importation, distribution, sale and marketing of the Product in the Territory and agrees to be responsible for obtaining all necessary regulatory approvals in the Territory (other than as provided in Section V.G.) and agrees to be responsible for all costs and expenses associated therewith. Stereotaxis and Distributor agree to cooperate with each other in order to comply with such laws and regulations. Without limiting the generality of the foregoing, Distributor agrees not to make any incorrect or false claims regarding the features, operations or marketing of any Product(s); not to make any incorrect or false claims regarding the features, operations or marketing of any Product(s); not to employ deceptive, illegal or unethical practices in marketing the Product(s); and to represent Stereotaxis in a way that will protect and enhance the reputation of Stereotaxis.

I. The ownership of the legal and beneficial title to, the risk of loss and the right to possession and control over, all of the Products to be distributed by Distributor hereunder shall be F.O.B. Origin (factory).

J. Payment for the Products shall be made in U.S. dollars within sixty (60) days following the date of Stereotaxis' invoice.

VI. Labeling

A. Stereotaxis shall provide Distributor with Product information needed by Distributor to prepare labeling in compliance with applicable laws and

regulations. For jurisdictions within the Territory where Distributor advises Stereotaxis that Stereotaxis' U.S. labeling is acceptable, Stereotaxis shall be responsible for preparing and attaching said labeling to the Product. Stereotaxis warrants that the content of such labeling shall be in compliance with any applicable U.S. governmental regulations. When Stereotaxis' U.S. labeling is not in compliance with applicable laws and regulations in a particular jurisdiction in the Territory, Distributor shall be responsible, at Distributor's sole cost and expense, for providing Stereotaxis with "camera-ready" label art work and content as required by applicable laws and regulations within such Territory and as reasonably required by Stereotaxis' production schedule, and Stereotaxis shall prepare the labeling in accordance with Distributor's art work and attach said labeling to the Product.

VII. Installation.

A. The installation of the Products covered shall be the responsibility of, and at the expense of, Distributor. Distributor will cause the Products covered hereby and to be installed and connected in accordance with installation specifications supplied by Stereotaxis. Distributor is responsible for ensuring compliance with local regulations relating to installation at its sole cost and expense.

VIII. Warranties.

A. Distributor agrees to make no warranty in respect of the Products to its customers or otherwise in addition to, different from or inconsistent with any warranty contained in Stereotaxis' standard terms and conditions (or in any other applicable Product warranty form of Stereotaxis in effect at the date of sale). The provisions of this Section shall survive termination, for whatever reason, of this Agreement.

B. Stereotaxis warrants that the Products manufactured by Stereotaxis and sold hereunder will be free from defects in material or workmanship under normal use and service for the period a period of one year following completion of installation in accordance with the terms hereof, which date will be confirmed in writing by Stereotaxis. Stereotaxis makes no warranty for any Products made by persons other than Stereotaxis, or its affiliates, and Distributor's sole warranty therefore, if any, is the original manufacturer's warranty, which Stereotaxis agrees to pass on it Distributor, as applicable.

C. No warranty extended by Stereotaxis will apply to any Products which have been damaged by accident, misuse, abuse, negligence, improper application or alteration or by a force majeure occurrence or by the Distributor's failure to operate the Products in accordance with the manufacturer's instructions or to maintain the recommended operating environment and line conditions; which are defective due to unauthorized attempts to repair, relocate, maintain, service, add to or modify the Products by the Distributor or any third party or due to the attachment and/or use of non-Stereotaxis supplied equipment without Stereotaxis' prior written approval; which failed due to causes from the use of operating

supplies or consumable parts not approved by Stereotaxis. In addition and without limitation, no warranty extended by Stereotaxis will apply to any failure to comply with Section III.A or any failure due to events such as cracking from high impact drops, cable rupture from rolling equipment over cables, or delamination from cleaning with inappropriate solutions. Stereotaxis' obligation under this warranty is limited to the repair or replacement, at Stereotaxis' option, of defective parts. Stereotaxis may effectuate such repair at the installed site for any NIOBE System sold, delivered and installed hereunder, provided Stereotaxis is furnished safe and sufficient access for such repair. Repair or replacement may be with parts or products that are new, used or refurbished. Repairs or replacements will not interrupt, extend or prolong the term of the warranty. Distributor will pay Stereotaxis its normal charges for service and parts for any inspection, repair or replacement that is not, in Stereotaxis' sole judgment, required by noncompliance with the warranty set forth in Section VIII.B. Stereotaxis' warranty does not apply to consumable materials, except as specifically stated in writing, nor to products or parts thereof supplied by Distributor.

D. This warranty is made on condition that immediate written notice of any noncompliance is given to Stereotaxis and Stereotaxis' inspection reveals that the Distributor's claim is valid under the terms of the warranty (i.e. that the noncompliance is due to traceable defects in original materials and/or workmanship).

E. All services performed at times outside of any standard service package purchased by Distributor's customers shall be at an additional charge at Stereotaxis' then current rates. Stereotaxis may utilize sub-contractors for purposes of carrying out warranty service.

F. STEREOTAXIS MAKES NO WARRANTY OTHER THAN THE ONE SET FORTH HEREIN, WHICH WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSES, AND SUCH CONSTITUTES THE ONLY WARRANTY MADE WITH RESPECT TO THE PRODUCTS AND ANY PRODUCT, SERVICE OR OTHER ITEM FURNISHED UNDER THIS AGREEMENT.

G. The Parties acknowledge that the Products available for resale by Distributor will include Stereotaxis' standard service maintenance, repair and service plans in effect from time to time (which currently include the "Gold" and, where available, "Platinum" service plans), which will be priced at [***] below the net sales price in the US for such plans, subject to adjustment on an annual basis each November during the term hereof as provide in Section V.A. above.

IX. LIMITATION OF LIABILITY

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

A. In no event will Stereotaxis' liability hereunder exceed the actual loss or damage sustained by Distributor, up to the purchase price of the Products.

B. STEREOTAXIS SHALL NOT BE LIABLE FOR ANY LOSS OF USE, REVENUE OR ANTICIPATED PROFITS, LOSS OF STORED, TRANSMITTED OR RECORDED DATA, OR FOR ANY INCIDENTAL, UNFORESEEN, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SALE OR USE OF THE PRODUCTS. This provision does not affect third party claims for personal injury arising as a result of Stereotaxis' negligence or product defect. THE FOREGOING IS A SEPARATE, ESSENTIAL TERM OF THIS AGREEMENT AND SHALL BE EFFECTIVE UPON THE FAILURE OF ANY REMEDY, EXCLUSIVE OR NOT.

X. INTELLECTUAL PROPERTY INFRINGEMENT CLAIMS.

A. Infringement by Stereotaxis. Stereotaxis warrants that the Products manufactured by Stereotaxis and sold hereunder do not infringe any patent or copyright in the Territory. If Distributor receives a claim that any such Product, or parts thereof, infringe upon the rights of others under any U.S. patent or copyright, Distributor will notify the Stereotaxis in writing. As to all infringement claims relating to Products or parts manufactured by Stereotaxis or one of its affiliates:

(1) Distributor will give Stereotaxis information, assistance and exclusive authority to evaluate, defend and settle such claims; and

(2) Stereotaxis will then, at its own expense, defend or settle such claims, procure the right to use the Products, or remove or modify them to avoid infringement. If none of these alternatives is available on terms reasonable to Stereotaxis, then Distributor will return (or cause to be returned) the Products to Stereotaxis, and Stereotaxis will refund to Distributor the purchase price paid by the Distributor less reasonable depreciation for Distributor's use of the Products.

B. Infringement by Distributor. If some or all of the Products sold hereunder are made by Stereotaxis pursuant to drawings or specifications furnished by the Distributor or one of its customers, or if the Distributor modifies or combines, operates or uses the Products other than as specified by Stereotaxis or with any product, data, software, apparatus or program not provided or approved by Stereotaxis, then the indemnity obligation of Stereotaxis under Section 13.1 will be null and void and should a claim be made that such Products infringe the rights of any third party under patent, trademark or otherwise, then Distributor will indemnify and hold Stereotaxis harmless against any liability or expense, including reasonable attorneys fees, incurred by Stereotaxis in connection therewith.

XI. DESIGNS AND TRADE SECRETS/LICENSE

A. Any drawings, data, designs, software programs or other technical or confidential information supplied by Stereotaxis to Distributor in connection with the sale of the Products are not included in the sale of the Products to Distributor, will remain Stereotaxis' property and will at all times be held in confidence by Distributor. Such information will not be reproduced or disclosed to others without Stereotaxis' prior written consent.

B. Distributor acknowledges and agrees that any and all software incorporated into the NIOBE System, or contained or comprised in any Products or other accessories provided by Stereotaxis to Distributor for use with the NIOBE System remains the property of Stereotaxis or where applicable, its licensor(s) and is licensed to Distributor on a non-exclusive, non-transferable basis (for the license fees described in any purchase order), not sold. This software is the confidential information of Stereotaxis and Distributor will not copy or modify this software, reverse engineer, decompile or disassemble or use this software except in conjunction with the NIOBE System at the installation site. Notwithstanding anything else contained in this Agreement there is no warranty or condition of non-infringement, quiet enjoyment or possession or title regarding such software. Distributor acknowledges that the software is of such complexity that it may have inherent or latent defects and agrees that its sole remedy for any defects during the warranty period is that Stereotaxis will correct documented software errors. There are no licenses or rights in respect of software upgrades or future software products implied or provided for by this Agreement

C. Distributor agrees that it will not use the Products in a manner that infringes any of Stereotaxis' patents.

XII. Distributor is not Agent. Distributor is an independent contractor and this Agreement does not create the relation of principal and agent between Stereotaxis and Distributor. Distributor shall not act or assume to act as a representative or agent of Stereotaxis, nor will it contract or incur debts or other obligations in the name of or on behalf of Stereotaxis. Stereotaxis shall have no obligation to make withholdings of any kind from amounts payable to Distributor, including without limitation, any obligations for income tax, workers compensation or unemployment compensation.

XIII. Term; Breach and Termination.

A. This Agreement shall be effective as of the date first written above upon signature hereof by the Parties and shall remain in effect through December 31, 2004, unless earlier terminated or extended pursuant to the provisions hereof. This Agreement shall be automatically renewed for one (1) year at the end of the initial term hereof and for successive one-year renewal periods thereafter, unless either Party shall provide written notice to the other Party at least ninety (90) days prior to the end of the initial term or any subsequent one-year renewal thereof.

B. Stereotaxis shall have the right in its discretion and at its option upon the occurrence of any one or more of the following events, to terminate this Agreement by giving notice of such termination to Distributor, the same to become effective upon the giving of such notice or, if so stated in such notice, upon the termination date specified therein:

1. If the Distributor breaches or fails to perform any term or provision hereof, or covenant or obligation herein, or to pay promptly when due any sum owed to Stereotaxis under this Agreement or otherwise and fails to cure it breach or failure to perform within thirty (30) days from reception of written notice from Stereotaxis;

2. If the Distributor is declared insolvent (however defined or evidenced) or commits an act of bankruptcy or assignment for the benefit of creditors or appoints a committee of creditors or makes or sends notice of an intended bulk transfer or if there shall be convened a meeting of the creditors or principal creditors of Distributor;

3. If any petition or application to any court or tribunal, at law or in equity, by or against Distributor, is made for the appointment of a custodian, receiver or trustee for Distributor or for any substantial portion of the property or assets of Distributor;

4. If Distributor shall cease to function as a going concern or if the usual business of Distributor shall be terminated or suspended; or

5. If any representation or warranty or any other statement of fact made to Stereotaxis at any time, whether in writing or orally, by or on behalf of Distributor pursuant to or in connection with this Agreement or otherwise, shall have been false or misleading in any material respect when made.

C. Upon the giving of such notice of termination, Stereotaxis may, at its option, with or without further notice to or demand upon Distributor, declare all obligations of Distributor to Stereotaxis under this Agreement or otherwise, immediately due and payable.

D. This Agreement (except those covenants, terms and provisions that are intended to survive termination) may be terminated at any time by either Party hereto, in the event there is a Change in Control of either Party, said termination to be effective immediately. "Change in Control" shall be defined as: (i) any merger or other business combination involving either Party after which the former stockholders of such Party own less than two-thirds of the outstanding stock of the surviving company; (ii) any sale of all or substantially all of the assets of either Party, or any similar transaction; or (iii) any transaction or series of related transactions by a Party in which in excess of 50% of the voting securities of such Party are transferred; but will exclude effects on ownership occurring pursuant to a public offering of securities by a Party.

E. The right of termination, as provided herein, is absolute and the parties recognize that termination of this Agreement may result in loss or damage to either Party, but hereby expressly agree that neither Party shall be liable to the other by reason of any loss or damage resulting from the termination of this Agreement by the other for cause including, without limitation, any loss of prospective profits, or any damage occasioned by loss of goodwill or by reason of any expenditures, investments leases or commitments made in anticipation of the continuance of this Agreement. Without limiting the generality of the foregoing reciprocal releases of liability for loss or damage occasioned by termination, Distributor agrees that Stereotaxis may, at any time, be at liberty to negotiate with and appoint any other person, firm or corporation with respect to the replacement of Distributor in whole or in part as a distributor in the Territory, and Stereotaxis shall not be liable or responsible to Distributor for any loss of profits or other damage that may be suffered by Distributor by reason of any publicity attendant upon any such negotiation or appointment or otherwise.

F. Any notice of termination shall be deemed fully and completely given upon the posting of the same by registered or certified mail, return receipt requested, in an envelope properly addressed to the other Party at the address set forth above or to such other or further address as such other Party, by like notice, may have theretofore designated or by personal delivery to the office of the other Party.

XIV. Rights and Obligations of the Parties Upon Termination.

A. Upon the giving by either Party of notice of termination, Stereotaxis shall have the following rights, each exercisable in its sole and absolute discretion:

1. to reject, in whole or in part, any order or orders for the Products theretofore submitted by Distributor;

2. Upon termination of the Agreement, the Distributor shall be entitled to receive the products that are necessary to fill valid and binding orders received from its customers before termination and/or to respect contractual obligation undertaken with Public Hospitals through tendering procedures before termination. To this extent, within 20 days from effective termination date, the Distributor will provide Stereotaxis with a detailed list of the binding orders received from its Customers and of the contractual obligation undertaken to Public Hospital before termination, together with an estimate of the requested delivery dates of such products. For these supplies, if termination is a consequence of Ab Medica's breach of its contractual obligations, Stereotaxis will be entitled to demand anticipated or immediate payment of the merchandise to be delivered.

3. to purchase from Distributor at such time or times, within the ninety day period immediately following the termination date or such other period as Stereotaxis in its sole discretion may determine, and on the terms and conditions hereinafter set forth all or any portion of Distributor's inventory

of the Products on the termination date, which is defined as the date upon which this Agreement terminates pursuant to any notice of termination provided for by this Agreement.

B. The purchase price of such Products as are undamaged, in original packaging and still listed in Stereotaxis' most current price sheets as of the date of such sale by Distributor to Stereotaxis shall be at Stereotaxis' original invoice price to Distributor less a handling and restocking charge in effect at the time of such purchase (which shall in no event be less than [***] of the price as determined above).

C. If Stereotaxis elects to purchase the Products as provided above, Distributor shall deliver to Stereotaxis, not more than fifteen days after the termination date, an itemized listing showing all such Products on the termination date, together with serial numbers where appropriate. Distributor shall immediately ship and deliver to Stereotaxis at such shipping point as Stereotaxis may designate, the Products to be purchased by Stereotaxis. Stereotaxis shall have the right to inspect and approve the Products so shipped and the sale shall be complete only upon such inspection and written approval by Stereotaxis.

D. The provisions of this Section XI shall survive termination, for whatever reason, of this Agreement.

E. From and after the termination of this Agreement, and such termination notwithstanding, the parties shall remain liable to one another for any and all indebtedness incurred prior to the effective date of such termination and for any breach of the Agreement occurring prior thereto, and for the performance of all obligations hereunder that expressly or impliedly are to survive termination of the Agreement.

F. The acceptance of any order from, or the sale of any Product to, Distributor shall not be deemed a waiver of the effect of such termination or renewal or extension of this Agreement.

XV. Advertising. Distributor agrees to provide Stereotaxis with sample copies (in English) of advertisements and promotional materials prepared by Distributor relating to the Products. Stereotaxis reserves the right to disapprove any advertising used by Distributor in promoting and selling Products, in which case Distributor shall not utilize such advertising. Failure of Stereotaxis to disapprove advertising shall not constitute any waiver of its right of approval of such advertising.

XVI. Parts Purchases/Redemption against Warranties. The dollar value of the replacement parts charged back to Stereotaxis annually under the Product's warranty must not exceed the corresponding dollar value of the parts purchased from Stereotaxis during the prior calendar year. Distributor agrees that all costs and expenses related to any Product's warranty shall be billed to Siemens AG, or a designated affiliate thereof, which shall then bill Stereotaxis directly.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

XVII. Compliance with Law. In performing under this Agreement and in conducting its business, Distributor shall comply, at Distributor's cost, with all applicable federal, state and local laws, regulations and rules.

XVIII. Indemnity. Distributor shall indemnify, defend and hold Stereotaxis harmless from and against any and all expenses, costs (including reasonable attorney's fees), claims, demands, damages, liability, suits or the like arising from or related to (a) the failure of Distributor to perform any of its obligations hereunder; (b) breach on the part of Distributor of any representation, warranty, covenant, term or provision herein; (c) provision by Distributor of any services or products (other than the Products), including by way of example and not limitation, provision of any replacement parts not supplied by Stereotaxis; or (d) any act or omission on the part of Distributor or its employees, agents or representatives. The provisions of this Section shall survive termination, for whatever reason, of this Agreement.

XIX. Agreement Not Assignable. The rights and privileges granted herein are personal in character and cannot be assigned or transferred by Distributor, by operation of law or otherwise, without the consent in writing of an authorized representative of Stereotaxis and any purported assignment or transfer without such consent shall have no legal effect whatsoever.

XX. Entire Agreement, etc. This Agreement constitutes the entire understanding between the parties and shall be deemed to supersede any and all prior agreements, verbal or written, between the parties. All previous negotiations and representations not included herein are hereby abrogated. Except as provided herein, this Agreement cannot be changed, modified or varied, except by a written instrument signed by the authorized representatives of the parties hereto. The captions of the various sections of this Agreement shall not be construed as a waiver of any such term and the right of Stereotaxis thereafter to enforce such term.

XXI. Governing Law. This Agreement shall be exclusively governed by and construed in accordance with the laws of the State of Delaware, United States of America, without giving effect to any conflict-of-law rules requiring the application of the substantive law of any other jurisdiction; provided, however, that the United Nations Convention on Contracts for the International Sale of Goods shall in no way apply to the interpretation of this Agreement.

XXII. Arbitration.

A. All disputes arising out of or in connection with this Agreement (the "Dispute") including the arbitrability of any Dispute, shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the "ICC") in effect on the date of this Agreement (the "Rules") by three arbitrators. In the event of a conflict between the Rules and the provisions of this Section, the provisions of this Section shall govern. The place of arbitration shall be in St Louis, Missouri. The arbitration shall be governed by Chapter 2 of the United States Arbitration Act, 9 U.S.C. Sections 201-208. The two arbitrators appointed by the parties shall

appoint the third arbitrator, who shall be neither a citizen nor resident of either the United States or the Territory, within thirty (30) days of the appointment of the second arbitrator. The language of the arbitration shall be English, and all three arbitrators must be fluent in English.

B. Each Party acknowledges and agrees that arbitration pursuant to this Section shall be the sole and exclusive procedure for resolving any Dispute, and that any award rendered by the arbitral tribunal shall be final and binding upon the parties. Judgment upon the award may be entered, and application for judicial confirmation or enforcement of the award may be made, in any competent court having jurisdiction thereof, and the parties hereto submit to the jurisdiction of such court for purposes of enforcement of this Section and any award rendered hereunder.

C. In the event of any Dispute, the parties shall continue to perform their respective obligations under this Agreement during the pendency of arbitration proceedings unless and until the arbitral tribunal otherwise orders.

D. The expenses of the arbitration, including all arbitrators' and attorneys' fees, shall be borne by the non-prevailing Party unless the arbitral tribunal determines that it would be unjust or inequitable by reason of the substantive effect of its award to have one Party bear all such expenses and fees, in which case it shall, in its award, so divide and allocate all such expenses on a basis which it determines to be just and equitable in the circumstances.]

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION, WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the date set forth above.

FOR DISTRIBUTOR:

By /s/ Filippo Pacinotti

Name: Filippo Pacinotti
Title: Business Manager Robotics
Company: AB Medica

FOR STEREOTAXIS:

By /s/ Michael P. Kaminski

Name: Michael P. Kaminski
Title: COO
Company: Stereotaxis, Inc.

BCLLP DRAFT DATED 07/01/03
[SUBJECT TO E.U./ITALIAN COUNSEL REVIEW]

SCHEDULE ONE - PRODUCTS*

NIOBE(TM) MAGNETIC SYSTEM	001-003000-2
NAVIGANT(TM) ADVANCE USER INTERFACE	020-004500-2
ENDOCARDIAL(TM) APPSPEC	
ENDOVASCULAR(TM) APPSPEC	
HELIOS(TM) ABLATION CATHETER	001-001140-2
HELIOS(TM) CABLE	001-001255-1
CRONUS(TM) PROGRAMMABLE GUIDEWIRE FAMILY	
ENDOVASCULAR 210CM FULL COAT	001-001096-1
ENDOVASCULAR 300CM FULL COAT	001-001096-2
ENDOVASCULAR 210CM PARTIAL COAT	001-001096-3
ENDOVASCULAR 300CM PARTIAL COAT	001-001096-4
FLOPPY 180CM FULL COAT	001-001232-1
FLOPPY 300CM FULL COAT	001-001232-2
FLOPPY 180CM PARTIAL COAT	001-001232-3
FLOPPY 300CM PARTIAL COAT	001-001232-4
I WIRE 210CM FULL COAT	001-001263-1
I WIRE 210CM PARTIAL COAT	001-001263-3
CARDIODRIVE(TM)	001-001169-3
CONNEXION(TM) VECTOR PEN	503-000763-101

* Products shall not include any products or services which are subject to distribution alliances or agreements with other distributors, including, without limitation, those products or services which are subject to the agreement dated May 7, 2002 between Stereotaxis and Biosense Webster, Inc.

SCHEDULE TWO -
TARGETED SALES QUOTA AGREEMENT

Date:_____

DISTRIBUTOR:_____

Address:_____
_____
_____

Distributor Number:_____

Territory (primary area of responsibility):_____
_____
_____

Minimum/Sales Quota:_____

Special Notes:_____
_____
_____
_____

By:_____
Name:_____
Distributor Representative

By:_____
Name:_____
Stereotaxis Representative

SCHEDULE THREE -
PRICES

NIOBE(TM) MAGNETIC SYSTEM	001-003000-2	[***]
NAVIGANT(TM) ADVANCE USER INTERFACE	020-004500-2	
ANNUAL LICENSING FEE AFTER 1ST YEAR		[***]
HELIOS(TM) ABLATION CATHETER	001-001140-2	[***]
HELIOS(TM) CABLE	001-001255-1	[***]
CRONUS(TM) PROGRAMMABLE GUIDEWIRE FAMILY		
ENDOVASCULAR 210CM FULL COAT	001-001096-1	[***]
ENDOVASCULAR 300CM FULL COAT	001-001096-2	[***]
ENDOVASCULAR 210CM PARTIAL COAT	001-001096-3	[***]
ENDOVASCULAR 300CM PARTIAL COAT	001-001096-4	[***]
FLOPPY 180CM FULL COAT	001-001232-1	[***]
FLOPPY 300CM FULL COAT	001-001232-2	[***]
FLOPPY 180CM PARTIAL COAT	001-001232-3	[***]
FLOPPY 300CM PARTIAL COAT	001-001232-4	[***]
I WIRE 210CM FULL COAT	001-001263-1	[***]
I WIRE 210CM PARTIAL COAT	001-001263-3	[***]
CARDIODRIVE(TM)	001-001169-3	[***]
CONNEXION(TM) VECTOR PEN	503-000763-101	[***]

*Pricing on the Niobe Magnetic System is for systems sold through March 2004.

[*** Indicates portions of this exhibit that have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

SCHEDULE FOUR -
STANDARD TERMS AND CONDITIONS

1. GENERAL

1.1 Contract Terms

These terms and conditions constitute an integral part of the quotation to which they are attached ("the Quotation") provided by the Seller to sell products ("Products", which includes the Niobe Magnetic Navigation System) to Purchaser and will govern the sale of the Products. Seller will not be bound by, and specifically objects to, any term, condition or other provisions which are different from or in addition to the provisions of this Agreement (whether or not it would materially alter this Agreement) which is proffered by Purchaser in any purchase order, receipt, acceptance, confirmation, correspondence or otherwise, unless Seller specifically agrees to any such provision in writing signed by Seller. Products may contain used, reworked or refurbished parts and components that comply with performance and reliability specifications. Purchaser acknowledges that this is a commercial and not a consumer transaction.

1.2 Acceptance

Acceptance of an order by Seller is expressly made conditional on Purchaser's acceptance of these terms and conditions. Purchaser will be deemed to have assented to Purchaser's completion or execution of this Agreement and Purchaser's acceptance of all or any part of the Products subject to this Agreement or by issuance of a purchase order to Seller pursuant to the Quotation ("Purchase Order).

1.3 Authorized Use

In order to ensure patient safety Purchaser agrees that it will not use or permit others to use the Niobe Magnetic Navigation System with any disposable devices, software or other accessories except those provided by or approved in writing by Seller or with any fluoroscopy system other than the Siemens ARTIS FD digital fluoroscopy system or any other fluoroscopy system approved in writing by Seller. Purchaser further agrees that it will not modify the Niobe Magnetic Navigation System or any of devices or software provided by Seller for use with the system.

2. PRICING

2.1 Quotations

Unless otherwise agreed to in writing or set forth in the quotation, all prices quoted by Seller are based on U.S. dollars F.O.B. Seller's facility or other shipping point and include standard and customary packaging. Domestic prices apply only to purchasers located in, and who will use the Products in, the U.S. International prices apply to all purchasers located outside of, or who will use or ship or facilitate shipment of the Products outside of, the U.S. Unless otherwise stated, the Quotation will only be valid for forty-five (45) days from the date thereof.

2.2 Delay in Acceptance of Delivery

Should the agreed delivery date be postponed by Purchaser, Seller will have the right to delivery to storage at Purchaser's risk and expense, and any payments due upon delivery will become on the agreed delivery date provided Seller is ready to deliver.

2.3 Escalation

Unless otherwise agreed to in writing, except as to goods to be delivered within six (6) months of Seller's acceptance by Seller of Purchaser's order, Seller reserves the right to increase its prices to those in effect at the time of shipment.

2.4 Disposable Devices

Seller will make available to Purchaser from during the life of the Niobe Magnetic Navigation System such disposable devices as are cleared by applicable regulatory bodies for use with such system on reasonable commercial terms and in a manner consistent with Seller's then general pricing and other practices in respect of the same.

3. TAXES

Any sales, use or manufacturer's tax which may be imposed upon the sale or use of Products, or any property tax levied after readiness to ship, or any excise tax, license or similar fee required under this transaction, will be in addition to the quoted prices and will be paid by Purchaser.

4. TERMS OF PAYMENT

4.1 Due Date

Unless otherwise set forth in the Quotation, Seller's payment terms are as follows: an initial deposit of 10% of the purchase price for each Product is due upon submission of the purchase order, an additional 80% of the purchase price for each Product is due upon its delivery and the final 10% of purchase price is due upon completion of installation (or in the case of Products for which no installation is required, upon delivery of the Product). Unless otherwise agreed, all payments other than the initial deposit are due net thirty (30) days from the date of invoice. Unless otherwise agreed to in writing, all amounts payable pursuant to this Agreement are denominated in United States dollars, and Purchaser will pay all such amounts in lawful money of the United States. Partial shipments will be billed as made, and payments for such shipments will be made in accordance with the foregoing payment terms.

4.2 Late Payment

A service charge of 1 1/2% per month, not to exceed the maximum rate allowed by law, will be made on any portion of Purchaser's outstanding balance which is not paid within thirty (30) days after invoice date, which charge will be determined and compounded on a daily basis from the due date until the date paid. Payment of such service charge will not excuse or cure Purchaser's breach or default for late payment. In addition, in the event that Purchaser fails to make any payment to Seller within this thirty (30) day

period, including but not limited to any payment with Seller, then Seller will have no obligation to continue performance under any agreement with Purchaser.

4.3 Payment of Lesser Amount

If Purchaser pays, or Seller otherwise receives, a lesser amount than the full amount provided for under this Agreement, such payment or receipt will not constitute or be construed other than as on account of the earliest amount due Seller. Seller may accept any check or payment in any amount without prejudice to Seller's right to recover the balance of the amount due or pursue any other right or remedy. No endorsement or statement on any check or payment will constitute or be construed as an accord or satisfaction.

4.4 Where Upon Installation or Completion

In respect of amounts payable upon completion of installation, where such completion is delayed for any reason for which Seller is not responsible, the Products will be deemed installed within 30 days of delivery and, if no other terms were agreed in writing by the parties, the balance of payments will be due no later than thirty (30) days thereafter, regardless of the actual date of completion of installation.

4.5 Failure of Purchaser to Pay

Upon Purchaser's failure to pay when due any amount required to be paid to Seller under this Agreement the, at Seller's election: (a) the entire amount of any indebtedness and obligation due Seller under this Agreement and interest thereon will become immediately due and payable without notice, demand, or period of grace; (b) Purchaser will put Seller in possession of the Products upon demand; (c) Seller may enter any premises where the Products are located and take possession of the Products without notice or demand and without legal proceedings; or (d) at the request of Seller, Purchaser will assemble the Products and make them available to Seller at a place designated by Seller which is reasonable and convenient to all parties. Where this Agreement is referred to an attorney for collection or realization then Seller will be entitled to recover amounts including, without limitation, a reasonable sum for attorneys fees, expenses of title search, all court costs and other reasonable legal expenses and where any partial collection is made, Purchaser will pay any deficiency remaining after collection of or realization by Seller on the Products.

5. EXPORT TERMS

5.1 Permits & Licenses

Purchaser will procure all necessary permits and licenses for shipment and compliance with any governmental regulations concerning control of final destination of Products.

5.2 Compliance With Regulations

Purchaser will not, directly or indirectly, violate any applicable law, regulation or treaty, or any other international treaty or agreement relating to the export or re-export of any Product or associated technical data, to which the U.S. adheres or with which the U.S. complies. Purchaser will defend, indemnify and hold Seller harmless from any claim, damage, liability or expense (including but not limited to reasonable attorney fees) arising out of or in connection with any violation of the preceding sentence. If Purchaser purchases a Product at the domestic price and exports such Product, or transfers such Product to a third party for export, outside of the U.S., Purchaser will pay to Seller the difference between the domestic price and the international retail price of such Product pursuant to the payment terms set forth herein. Purchaser will deliver to Seller, upon Seller's request, written assurance regarding compliance with this section in form and content reasonably acceptable to Seller.

6. DELIVERY, RISK OF LOSS

6.1 Delivery Date

Delivery and completion schedules are approximate only and are based on conditions at the time of acceptance of Purchaser's order by Seller. Seller will make every reasonable effort to meet delivery date(s) quoted or acknowledged, but will not be liable for any failure to meet such date(s). Partial shipments may be made.

6.2 Risk of Loss, Title

Unless otherwise agreed to in writing, delivery will be complete upon transfer of possession to common carrier, F.O.B. point of origin, whereupon title to and all risk of loss, damage to or destruction of the Products will pass to Purchaser. All freight charges and other transportation, packing and insurance

costs, license fees, customer duties and other similar charges will be the sole responsibility of the Purchaser unless otherwise agreed to in writing by the Seller. In the event of any loss or damage to any of the Products during shipment, Purchaser should make claim against the carrier.

7. SECURITY AND INTEREST/FILING

Seller will have a purchase money security interest in the Products (and all accessories and replacements thereto and all proceeds thereof) until payment in full by Purchaser and satisfaction of all other obligations of Purchaser hereunder. Purchaser authorizes Seller to file (and Purchaser will promptly execute, if requested by Seller) and (ii) irrevocably appoints Seller its agent and attomey-in-fact to execute in the name of Purchaser and file, with such authorities and at such locations as Seller may deem appropriate, any financing statements required by applicable regulation with respect to the Products and/or this Agreement. Purchaser also agrees that an original or a photocopy of this Agreement (including any addenda, attachments and amendments hereto) may be filed by Seller as a Uniform Commercial Code financing statement in the U.S. Purchaser further represents and covenants that (a) it will keep the Products in good order and repair until the purchase price has been paid in full, (b) it will promptly pay all taxes and assessments upon the Products or the use thereof, (c) it will not attempt to transfer any interest in the Products until the purchase price has been paid in full, and (d) it is solvent and financially capable of paying the full purchase price for the Products.

8. CHANGES, CANCELLATION, AND RETURN

8.1 Orders Final

Orders accepted by Seller are not subject to change except upon written agreement. Orders accepted by Seller are non-cancelable.

8.2 Design Updates

Seller will have the right to change the manufacture and/or design of its Products if, in the judgment of Seller, such change does not alter the general function of the Products.

9. FORCE MAJEURE

Seller will make every effort to complete shipment, and installation where indicated, but will not be liable for any loss or damage for delay in delivery, inability to install or any other failure to perform due to causes beyond its reasonable control including, but not limited to, acts of government or compliance with any governmental rules or regulations, acts of God or the public, war, civil commotion, blockades, embargos, calamities, floods, fires, earthquakes, explosions, storms, strikes, lockouts, labor disputes, or unavailability of labor, raw materials, power or supplies. Should such a delay occur, Seller may reasonably extend delivery or production schedules or, at its option, cancel the order in whole or part without liability other than to return any unearned deposit or prepayment.

10. WARRANTY

10.1 Seller warrants that the Products manufactured by Seller and sold hereunder will be free from defects in material or workmanship under normal use and service for the period a period of one year following completion of installation in accordance with 12.6 hereof, which date will be confirmed in writing by Seller. Seller makes no warranty for any Products made by persons other than Seller, or its affiliates, and Purchaser's sole warranty therefore, if any, is the original manufacturer's warranty, which Seller agrees to pass on it Purchaser, as applicable.

10.2 No warranty extended by Seller will apply to any Products which have been damaged by accident, misuse, abuse, negligence, improper application or alteration or by a force majeure occurrence as described in Section 9 hereof or by the Purchaser's failure to operate the Products in accordance with the manufacturer's instructions or to maintain the recommended operating environment and line conditions; which are defective due to unauthorized attempts to repair, relocate, maintain, service, add to or modify the Products by the Purchaser or any third party or due to the attachment and/or use of non-Seller supplied equipment without Seller's prior written approval; which failed due to causes from the use of operating supplies or consumable parts not approved by Seller. In addition and without limitation, no warranty extended by Seller will apply to any failure to comply with Section 1.3 or any failure due to events such as cracking from high impact drops, cable rupture from rolling equipment over cables, or delamination from cleaning with inappropriate solutions. Seller's obligation under this warranty is limited to the repair or replacement, at Seller's option, of defective parts. Seller may effectuate such repair at Purchaser's facility, and Purchaser will furnish Seller safe and sufficient access for such repair. Repair or replacement may be with parts or products that are new, used or refurbished. Repairs or replacements will not interrupt, extend or prolong the term of the warranty. Purchaser will pay seller its normal charges for service and parts for any inspection, repair or replacement that is not, in Seller's sole judgment, required by noncompliance with the warranty set forth in Section 10.1. Seller's warranty does not apply to consumable materials, except as specifically stated in writing, nor to products or parts thereof supplied by Purchaser.

10.3 This warranty is made on condition that immediate written notice of any noncompliance is given to Seller and Seller's inspection reveals that the Purchaser's claim is valid under the terms of the warranty (i.e. that the noncompliance is due to traceable defects in original materials and/or workmanship).

10.4 Warranty service will be provided without charge during Seller's regular working hours (8:30 - 5:00), Monday through Friday, except Seller's recognized holidays. If Purchaser requires that service be performed other than during these times, such service can be made available at an additional charge, at Seller's then current rates. Seller may utilize sub-contractors for purposes of carrying out warranty service.

SELLER MAKES NO WARRANTY OTHER THAN THE ONE SET FORTH HEREIN, WHICH WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSES, AND SUCH CONSTITUTES THE ONLY WARRANTY MADE WITH RESPECT TO THE PRODUCTS AND ANY PRODUCT, SERVICE OR OTHER ITEM FURNISHED UNDER THIS AGREEMENT.

11. LIMITATION OF LIABILITY

11.1 In no event will Seller's liability hereunder exceed the actual loss or damage sustained by Purchaser, up to the purchase price of the Products.

11.2 SELLER SHALL NOT BE LIABLE FOR ANY LOSS OF USE, REVENUE OR ANTICIPATED

PROFITS, LOSS OF STORED, TRANSMITTED OR RECORDED DATA, OR FOR ANY INCIDENTAL, UNFORESEEN, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SALE OR USE OF THE PRODUCTS. This provision does not affect third party claims for personal injury arising as a result of Seller's negligence or product defect. THE FOREGOING IS A SEPARATE, ESSENTIAL TERM OF THIS AGREEMENT AND SHALL BE EFFECTIVE UPON THE FAILURE OF ANY REMEDY, EXCLUSIVE OR NOT.

12. INSTALLATION

12.1 General

Unless otherwise expressly stipulated in writing, the Products covered hereby will be installed (where applicable) by and at the expense of Seller.

12.2 Installation bv Seller.

Subject to fulfillment of the obligations set forth in 12.4 below, Seller will install the Products covered hereby and connect same to the requisite safety switches and power lines to be installed by Purchaser. Except as otherwise specified below, if such installation and connection are performed by Seller's technical personnel, prices shown include the cost thereof, provided that the installation

and connection can be performed during normal business hours. Any overtime charges or other special expenses will be additional charges to the prices show.

12.3 Trade Unions

If a trade union, or unions, prevents Seller from performing the above work, the Purchaser will make all required arrangements with the trade union, or unions, to permit Seller completion of said work. Moreover, any additional costs related to such any such arrangements or labor disputes will be paid by the Purchaser and Seller's obligations under such circumstances will be limited to providing engineering supervision of installation and connection of Seller equipment to existing wiring.

12.4 Purchaser's Obligations

Purchaser will, at its expense, provide all proper and necessary labor and materials for plumbing service, carpentry work, conduit wiring, and other preparations required for such installation and connection. All such labor and materials will be completed and available at the time of delivery of the Products by Seller. Additionally, the Purchaser will provide free access to the premises of installation and, if necessary, safe and secure space thereon for storage of Products and equipment prior to installation by Seller. If any special work of any type must be performed in order to comply with requirements of any governmental authority, including procurement of special certificates, permits and approvals, the same will be performed or procured by Purchaser at Purchaser's expense. Purchaser will provide a suitable environment for the Products and will ensure, at its sole cost and expense, that its premises are free of asbestos, hazardous conditions and any concealed dangerous conditions and that all site requirements are met. Purchase is responsible for ensuring compliance with local regulations relating to installation. Seller is not an architect and all drawings furnished by Seller are not construction drawings.

12.5 Regulatory Reporting

Seller will only report activity performed by its authorized personnel and in all other respects Purchaser will be responsible for fulfilling any and all regulatory reporting requirements.

12.6 Completion of Installation

Installation will be complete upon the conclusion of final calibration and checkout under Seller standard procedures to verify that the Products meet applicable written performance specifications. Notwithstanding the foregoing, first use of the Products by Purchaser, its agents or employees for any purpose after delivery will constitute completion of installation.

13. INTELLECTUAL PROPERTY INFRINGEMENT CLAIMS

13.1 Infringement by Seller.

Seller warrants that the Products manufactured by Seller and sold hereunder do not infringe any patent or copyright in the country of the installation site identified in the Quotation. If Purchaser receives a claim that any such Product, or parts thereof, infringe upon the rights of others under any U.S. patent or copyright Purchaser will notify the Seller in writing. As to all infringement claims relating to Products or parts manufactured by Seller or one of its affiliates:

(a) Purchaser will give Seller information, assistance and exclusive authority to evaluate, defend and settle such claims; and

(b) Seller will then, at its own expense, defend or settle such claims, procure for the Purchaser the right to use the Products, or remove or modify them to avoid infringement. If none of these alternatives is available on terms reasonable to Seller, then Purchaser will return the Products to Seller and Seller will refund to Purchaser the purchase price paid by the Purchaser less reasonable depreciation for Purchaser's use of the Products.

13.2 Infringement bv Purchaser

If some or all of the Products sold hereunder are made by Seller pursuant to drawings or specifications furnished by the Purchaser, or if the Purchaser modifies or combines, operates or uses the Products other than as specified by Seller or with any product, data, software, apparatus or program not provided or approved by Seller, then the indemnity obligation of Seller under Section 13.1 will be null and void and should a claim be made that such Products infringe the rights of any third party under patent, trademark or otherwise, then Purchaser will indemnify and hold Seller harmless against any liability or expense, including reasonable attorneys fees, incurred by Seller in connection therewith.

14. DESIGNS AND TRADE SECRETS/LICENSE

14.1 Any drawings, data, designs, software programs or other technical or confidential information supplied by Seller to Purchaser in connection with the sale of the Products are not included in the sale of the Products to Purchaser, will remain Seller's property and will at all times be held in confidence by Purchaser. Such information will not be reproduced or disclosed to others without Seller's prior written consent.

14.2 Purchaser acknowledges and agrees that any and all software incorporated into the Niobe Magnetic Navigation System, or contained or comprised in any Products or other accessories provided by Seller to Purchaser for use with the Niobe Magnetic Navigation System remains the property of Seller or where applicable, its licensor(s) and is licensed to Purchaser on a non exclusive, non-transferable basis (for the license fees described in the Quotation) not sold. This software is the confidential information of Seller and Purchaser will not copy or modify this software, reverse engineer, decompile or disassemble or use this software except in conjunction with the Niobe Magnetic Navigation System at the installation site. Notwithstanding anything else contained in this Agreement there is no warranty or condition of non-infringement, quiet enjoyment or possession or title regarding such software. Purchaser acknowledges that the software is of such complexity that it may have inherent or latent defects and agrees that its sole remedy for any defects during the warranty period is that Seller will correct documented software errors. There are no licenses or rights in respect of software upgrades or future software products implied or provided for by this Agreement

14.3 Purchaser agrees that it will not use the Products in a manner that infringes any of Seller's patents.

15. ENGINEERING CHANGES

Seller makes no representation that engineering changes that may be announced in the future will be suitable for use on, or in connection with, the Products.

16. ASSIGNMENT

Neither party may assign any right or obligations under this Agreement without the written consent of the other and any attempt to do so will be void, except that Seller may assign this Agreement without consent to any subsidiary or affiliated company or an acquirer of all or a substantial portion of the assets of Seller. This Agreement will inure to and be binding upon the parties and their respective successors, permitted assigns and legal representatives.

17. DAMAGES, COSTS AND FEES

In the event that any dispute or difference is brought arising from or relating to this Agreement or the breach, termination or validity thereof, the prevailing party will NOT be entitled to recover from the other party any punitive damages. The prevailing party will be entitled to recover from the other party all reasonable attorneys fees incurred, together with other such expenses, costs and disbursements as may be allowed by law.

18. MODIFICATION

This Agreement may not be changed, modified or amended except in writing signed by duly authorized representatives of the parties.

19. GOVERNING LAW

This Agreement will be governed by the laws of the State of Delaware.

20. INTEGRATION

These terms and conditions, including any attachments or other documents incorporated by reference herein, constitute the entire agreement and the complete and exclusive statement of agreement with respect to the subject matter hereof, and supercedes any and all prior agreements, understandings and communications between the parties with respect to the Products.

21. SEVERABILITY; HEADINGS

No provision of this Agreement that may be deemed unenforceable will in any way invalidate any other portion or provision of this Agreement. Section headings are for convenience only and will have no substantive effect.

22. WAIVER

No failure and no delay in exercising, on the part of any party, any right under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right preclude the further exercise of any other right.

23. NOTICES

Any notice or other communication under this Agreement will be deemed properly given if given in writing and delivered in person or mailed, properly addressed and stamped with the required postage, to the intended recipient at its address specified on the face hereof. Either party may from time to time change such address by giving the other party notice of such change in accordance with this section.

24. RIGHTS CUMULATIVE

The rights and remedies afforded to Seller under this Agreement are in addition to, and do not in any way limit, any other rights or remedies afforded to Seller by any other agreement, by law or otherwise.

25. END USER CERTIFICATION

Purchaser represents, warrants and covenants that it is acquiring the Products for its own end use and not for reselling, leasing or transferring to a third party (except for lease back financing)

26. TRANSFER OF PRODUCTS

Purchaser grants Seller a right of first refusal on substantially equivalent terms with respect to any proposed sale of any Products to any third part

MAY 2004

JAPANESE MARKET DEVELOPMENT LETTER AGREEMENT

Stereotaxis, Inc. ("Stereotaxis") -- on the one side -- and Siemens Aktiengesellschaft, Medical Solutions ("Siemens") and Siemens Asahi Medical Technologies Ltd. ("SAM") -- on the other side -- set forth in this letter agreement (this "Agreement") the general terms of their collaboration in respect of development of the Japanese market for NIOBE Systems, whether integrated with Siemens imaging systems or those of third parties, as follows:

1. OVERVIEW

The objective of the collaboration of Stereotaxis and Siemens in respect of the Japanese market is to facilitate penetration of the Japanese interventional cardiology and electrophysiology cath lab markets with NIOBE Systems and the utilization of these systems by Japanese customers. Siemens, through its subsidiary SAM, will take primary responsibility for and coordinate the regulatory process to achieve approval by the Ministry of Health, Labour and Welfare of Japan ("MHLW") under the Pharmaceutical Affairs Law to obtain regulatory clearance ("Shonin") for commercial use of the NIOBE System in Japan in a manner that permits the Shonin to be transferred to Stereotaxis at Stereotaxis election, in the manner set out below. Siemens will also, at Stereotaxis' request, support the regulatory process to achieve Shonin regulatory clearance in respect of disposable products for use with the NIOBE System in a manner that permits the Shonin to be transferred to Stereotaxis on its written request, in the manner set out below. In order to facilitate these objectives, except as noted in paragraph 3(c) of this Agreement, Stereotaxis agrees to appoint SAM as its sole distributor in Japan on the terms and conditions set forth herein. Stereotaxis and SAM agree that the pricing defined in sections 5 and 8 below of this Agreement applies to the current generation of the Niobe system only.

2. REGULATORY PROCESS

Siemens will be ready to submit its sponsorship of the regulatory protocol for Shonin regulatory clearance on or before the date which is 30 days following the time Siemens

has received all of the information necessary for submission of the protocol, which sponsorship shall include the NIOBE System and its accessories (described below under "Accessories for Japanese Market"). SAM will also, at Stereotaxis' request, support the regulatory process to achieve Shonin regulatory clearance in respect of disposable products for use with the NIOBE System. In all cases, regulatory clearance shall be sought in a manner that permits transfer of the Shonin (or where feasible, transfer of the application for the Shonin) to Stereotaxis at Stereotaxis' election and at Stereotaxis' expense. Stereotaxis may make such election by written notice to Siemens in respect of any Stereotaxis product at any time.

3. DISTRIBUTION

(a) Subject to Paragraphs 3(b) and (c) below, SAM is appointed sole distributor for NIOBE System and related accessories (but not disposable instruments) in Japan and will use all reasonable commercial efforts to maximize the placements of such products in Japan. This Agreement shall not entitle Siemens or SAM to any distribution rights in respect of any disposable instruments used with the NIOBE System. It is the intention of the parties that the term of this distribution arrangement will be five years, commencing January 1, 2004 and ending December 31, 2008, unless this Agreement is not renewed or is otherwise terminated in accordance with the terms herein. However, during such five-year period, the parties will confer at least annually to mutually agree upon commercially reasonable distribution goals in Japan for the next year and to quarterly review performance against goals for the calendar year, provided that the parties agree that the initial distribution goals (including the promotional site placements described in Section 8) will be as set forth on SCHEDULE A. Where goals were achieved for the prior year and the parties reach such mutual agreement as to goals for the next year, SAM's appointment as sole distributor of the NIOBE System and related accessories in Japan will be renewed for the next year. If Siemens has not achieved the distribution goals with respect to the prior 12-month period (ending on December 31 of each year during the term hereof) or the parties are not able to reach agreement as to goals for the following year, Stereotaxis may elect to terminate this Agreement prior to the expiration of the five-year term upon 3 months' written notice to Siemens. Within 12 months prior to December 31, 2008, the parties will confer and negotiate in good faith whether to further extend the appointment of SAM as distributor of the NIOBE Systems and accessories in Japan. In the event of a change of control of

Stereotaxis, Stereotaxis may elect to terminate this Agreement and the appointment of SAM as sole distributor of the NIOBE System and accessories in Japan hereunder upon 12 months' written notice to Siemens, regardless of whether SAM has achieved the agreed upon distribution goals prior to such time.

(b) In the event that the appointment of SAM as distributor for the NIOBE System and accessories in Japan is not renewed in the manner set out above during the five year period ending December 31, 2008 (including pursuant to a change of control of Stereotaxis) and where SAM has complied with its obligations as distributor and has achieved the distribution goals agreed upon as provided in the previous paragraph, Stereotaxis will pay to Siemens an amount comprising the reasonable costs actually incurred by SAM for regulatory and other NIOBE distribution start-up costs in Japan, [***]. The determination of such regulatory and distribution start-up costs shall be determined on a reasonable and customary basis as agreed between the parties. Siemens shall provide an annual accounting for such actual costs incurred, subject to the approval of Stereotaxis.

(c) Japanese distribution and service of the NIOBE System and accessories will encompass placements that are integrated with the ARTIS dF FLUOROSCOPY System and with third party imaging systems. Stereotaxis can provide marketing and promotional support for NIOBE System and accessories that are integrated with third-party imaging systems, including related activities such as sales force training and presentations to customers. In the case of such placements, SAM shall act as the import and distribution agent (subject to the limitations on transfer pricing set forth below), and SAM shall be responsible for the installation and service of such NIOBE Systems, provided that SAM may subcontract such installation and service obligations to one or more parties acceptable to Stereotaxis and to the third party imaging company. SAM agrees use its best efforts to carry out its distribution, installation and service obligations under this Agreement on a timely basis in connection with such sales and marketing activities between Stereotaxis and such third party imaging companies.

(d) Stereotaxis will provide a level of training to SAM's Japanese sales force in respect of NIOBE Systems and accessories as would be commercially reasonable for equivalent U.S. sales force training. Stereotaxis shall provide two days of training per

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year to the Japanese sales force in Japan. Each party will be responsible for the travel and expenses of their respective representatives to attend such two-day training. Stereotaxis will forward a training schedule to SAM after the two training days are determined. Siemens will pay for any additional training requests at a [***] per Stereotaxis representative per day, plus the reasonable travel and expenses of such Stereotaxis representatives. Additional training days will include training of new sales representatives during the same agreement year and training for any software upgrades provided at no charge. For each new software release purchased at an agreed upon incremental cost, Stereotaxis will provide one day of training by a Stereotaxis representative at Stereotaxis' cost, at a time and location to be mutually determined by the parties.

(e) Further details of the distributor relationship between Stereotaxis and SAM will be set forth in a Distributorship Agreement to be separately concluded not later than 60 days after the date of this Agreement, provided that the terms of the Distribution Agreement shall be consistent with, and shall not conflict with, this Agreement.

(f) Subject to availability of NIOBE Systems integrated to x-ray imaging suitable for neurological applications having competitive functional characteristics and commercial terms, the parties will consider in good faith the inclusion of interventional neurosurgery sites in the scope of the Japanese collaboration.

(g) In the event that Siemens and Stereotaxis proceed to commercialization of the ADVANCED IR CATH LAB for interventional radiology pursuant to the Extended Collaboration Date between the parties dated as of May 28, 2003, the parties will consider in good faith the inclusion of interventional radiology sites in the scope of the Japanese collaboration.

(h) The inclusion of any additional applications contemplated by subparagraphs (f) and (g) shall be subject to a mutually agreed upon increase of NIOBE System distribution goals specific to the clinical application for a specified period of time. Stereotaxis may integrate either application with third party imaging systems other than the ARTIS dF FLUOROSCOPY System. If the parties do not agree to move forward with respect to the neurological or the interventional radiology applications described in

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subparagraphs (f) and (g), then Stereotaxis shall have the right to pursue either or both of those applications with one or more third parties.

(i) SAM will provide all necessary translations of documents into Japanese relating to the matters set forth herein and will also be responsible for importation and customs processes for products landed in Japan at SAM's cost and expense (with reasonable cooperation from Stereotaxis).

4. COSTS OF REGULATORY CLEARANCE

[***] SAM and Stereotaxis will contribute [***] of the reasonable costs of obtaining regulatory clearance for the NIOBE System and accessories (except in respect of clinical trials, for which costs will be split [***] between SAM, Stereotaxis and Stereotaxis' appointed Japanese distributor for disposables). Stereotaxis or its disposables partner will pay for all incremental costs associated with disposable devices clearance.

5. TRANSFER PRICE

The transfer price of NIOBE Systems and accessories to SAM for distribution in Japan will be [***] for the first [***] systems placed after regulatory clearance. For units placed thereafter, the transfer price will be based on [***], as adjusted annually for Japanese market factors to be mutually agreed upon. Shipping and insurance charges which will be borne by SAM, delivery FOB St. Louis, Missouri (INCOTERMS). Payment terms will be 100% net 60 days following date of shipment by Stereotaxis. For placements of NIOBE Systems integrated with a third party X-ray system for which Siemens acts as a distribution agent hereunder, Siemens shall not resell the NIOBE System (including accessories) for more than a [***] premium to the transfer price. The pricing for a third party hereunder will be determined and denominated in U.S. Dollars and does not include any services such as shipping, insurance, room preparation or installation.

6. ACCESSORIES FOR JAPANESE MARKET

NIOBE accessories covered by the distribution alliance will comprise the Navigant Advanced Workstation, the CardioDrive catheter advancer hardware (but not including the Stereotaxis CardioDrive disposable device), discrete navigation software products and such other accessories as are reasonably nominated by Stereotaxis from

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time to time that are designed for use with the NIOBE system. "Accessories" shall not include disposable interventional devices such as catheters, guidewires and stent delivery devices.

7. JAPANESE SERVICE, WARRANTY AND RECURRING COSTS/LICENSE FEES

(a) Service and Warranty. Stereotaxis will subcontract to SAM the warranty and all service for the NIOBE Systems and accessories placed in Japan and all obligations and benefits related thereto, including for NIOBE System placements that are integrated with third party imaging systems. SAM shall perform its service and warranty obligations on commercially reasonable terms and conditions, including as to price, and such terms, conditions, pricing and performance levels shall be the same for NIOBE placements integrated with the Siemens' imaging systems as for those placements integrated with third party imaging systems. Stereotaxis will provide spare parts as reasonably required to SAM for the Japanese market at commercially reasonable transfer prices (refer to Schedule C, spare parts Stereotaxis will provide a level of training to SAM's Japanese service and field support representatives in respect of NIOBE Systems and accessories as would be commercially reasonable for equivalent U.S. service and field support representatives training. If training is required in Japan, each party will be responsible for the travel and expenses of their respective representatives to attend such training. [***]

(b) [***] Recurring Costs/License Fees. There shall be a license fee for the Navigant(TM) software of [***]. Navigant(TM) is tailored toward either electrophysiology or interventional cardiology applications. If both applications are chosen the license fee for Navigant(TM) will be [***]. Software license fees are a condition of the sale of the Navigant software and will continue after the termination or expiration of this Agreement. [***].

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(c) Stereotaxis may from time to time develop additional software options which will be available for sale to SAM or if SAM declines, for sale to customers directly. Each of these software options may have annual license fees which will be the responsibility of SAM from the date the option is sold. These annual license fees will also continue after the termination or expiration of this Agreement.

8. JAPANESE PROMOTIONS

(a) SAM and Stereotaxis will mutually agree upon [***] promotional sites [***]. SAM will cooperate to facilitate timely installation of these systems in [***]. [***] sites are targeted to be installed in [***] in order to qualify as research institutions for their respective applications. [***].

(b) [***].

(c) Stereotaxis and SAM to cooperate so as to jointly exhibit at trade shows set forth in SCHEDULE B in 2004 and 2005. [***].

9. MISCELLANEOUS

(a) Notwithstanding any other provision of this Agreement, this Agreement may be terminated (i) by the Parties at any time and for any reason upon the Parties' mutual written agreement, or (ii) by either Party for a material breach by the other Party if such breach continues unremedied for a period of thirty (30) days after receipt by the breaching Party of notice of the breach from the non-breaching Party.

(b) This Agreement shall be construed and enforced in accordance with the laws of the State of New York, USA.

(c) All disputes arising out of this Agreement shall be finally resolved by arbitration conducted in the English language in accordance with the commercial

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arbitration rules of the American Arbitration Association ("AAA"), in New York, New York, USA. Within thirty (30) days after a request or demand for arbitration is filed with the AAA, each Party shall appoint one (1) arbitrator. The two arbitrators so appointed shall jointly appoint a third arbitrator within fifteen (15) days. If a Party fails to appoint an arbitrator, the AAA shall appoint an arbitrator for such Party. The AAA shall be the administrator of the arbitration proceedings. The award entered by the arbitrator(s) shall be final and binding on all parties to arbitration. Each party shall bear its respective arbitration expenses and shall each pay fifty percent (50%) of the arbitrator's charges and expenses.

AGREED TO THIS 18 DAY OF MAY, 2004 BY:

STEREOTAXIS, INC:

BY /s/ BEVIL HOGG
NAME: BEVIL HOGG
TITLE: CEO

SIEMENS AKTIENGESELLSCHAFT, MEDICAL SOLUTIONS

BY /s/ ILLEGIBLE	/s/ R. THOMAS
NAME: ILLEGIBLE	R. THOMAS
TITLE: PRESIDENT AX	CFO AX

SIEMENS ASAHI MEDICAL TECHNOLOGIES LTD.

BY /s/ W. BEITZ	/s/ E. WENNINGER
NAME: WOLFGANG BEITZ	E. WENNINGER
TITLE: VICE-PRESIDENT	DIRECTOR