
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): 08/02/2011

Stereotaxis, Inc.

(Exact name of registrant as specified in its charter)

Commission File Number: 000-50884

Delaware
(State or other jurisdiction of
incorporation)

94-3120386
(IRS Employer
Identification No.)

4320 Forest Park Avenue, Suite 100, St. Louis, MO 63108
(Address of principal executive offices, including zip code)

(314) 678-6100
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition

On August 8, 2011, Stereotaxis, Inc. issued a press release (the "Press Release") setting forth its financial results for the second quarter of fiscal 2011. A copy of the Press Release is being filed as Exhibit 99.1 hereto, and the statements contained therein are incorporated by reference herein.

In accordance with General Instruction B.2. of Form 8-K, the information contained in Item 2.02 and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On August 2, 2011, Daniel J. Johnston, Chief Financial Officer, notified the Company of his decision to resign from the Company effective August 15, 2011. The Company and Mr. Johnston entered into a Consulting Agreement for a term beginning on August 16, 2011 and ending on December 31, 2011. Under the Consulting Agreement, Mr. Johnston will provide consulting services to the Company for a minimum of ten hours per week. The foregoing summary of the Consulting Agreement is not complete and is qualified in its entirety by reference to the full text of the Consulting Agreement, which has been attached to this Report as Exhibit 99.2 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

99.1 Press release dated August 8, 2011.

99.2 Consulting Agreement dated August 5, 2011, between Stereotaxis, Inc. and Daniel J. Johnston.

SIGNATURES

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

Stereotaxis, Inc.

Date: August 08, 2011

By: /s/ Daniel J. Johnston

Daniel J. Johnston
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
EX-99.1	Press release dated August 8, 2011.
EX-99.2	Consulting Agreement dated August 5, 2011, between Stereotaxis, Inc. and Daniel J. Johnston.

Investor Contact:

EVC Group, Inc.
 Gregory Gin / Doug Sherk
 646-445-4801 / 415-568-4887

Media Contact:

Frank Cheng
 Senior Vice President,
 Marketing & Business
 Development
 314-678-6111

Stereotaxis Reports Second Quarter Financial Results; Rebalances Investment around Commercialization of Epoch™ and Odyssey™

-Q2 Revenue of \$11.6 Million-

-Recurring Revenue up 17.9% from Year Ago Quarter-

-Gross Margin Increased 250 Basis Points to 69.7% from Year Ago Quarter--Suspends 2011 Financial Guidance--Plan includes 15-20% Quarterly Opex Reduction to Minimize Cash Burn--Conference Call Today at 4:30 p.m. Eastern Time-

ST. LOUIS, MO, August 8, 2011—Stereotaxis, Inc. (NASDAQ: STXS) today reported financial results for the second quarter ended June 30, 2011. Revenue for the period was \$11.6 million, and included a 17.9% increase in recurring revenue. In addition, the Company announced an operating plan designed to ensure successful commercialization of its new Epoch™ platform and Odyssey platform. The plan includes a realignment and reduction of operating expenses in order to minimize cash burn. Stereotaxis also announced that Chief Financial Officer Dan Johnston will be leaving the Company, effective August 15, 2011 to pursue other professional interests.

Second Quarter 2011 Financial Results

Revenue for the second quarter was down 22.7% from \$15.0 million for the second quarter of 2010. The Company recognized revenue on three Niobe® robotic systems and \$1.6 million in Odyssey™ systems in the second quarter. Recurring revenue from disposables, services and accessories increased 17.9% to \$6.6 million from the year-ago quarter, and reflects continued growth in clinical procedures.

Gross margin for the second quarter ended June 30, 2011 was \$8.1 million, or 69.7% of net sales. Gross margin for the year ago quarter was \$10.1 million, or 67.2% of net sales. Operating expenses for second quarter 2011 totaled \$17.6 million.

The net loss for the second quarter 2011 was \$(9.7) million, or \$(0.18) per share, compared to a net loss of \$(3.9) million, or \$(0.08) per share, reported for the second quarter 2010. The weighted average shares for the second quarter of 2011 totaled 54.8 million compared with 49.9 million in the second quarter of 2010. The increase was due in large part to the issuance of 4.6 million shares as part of the stock offering completed in November 2010.

At June 30, 2011, Stereotaxis had cash and cash equivalents of \$23.3 million, compared to \$35.2 million on December 31, 2010. Total debt was \$30.5 million, including \$15.8 million drawn against the Company's \$30 million line of credit. Cash burn for the second quarter of 2011 was \$5.9 million.

“Our revenue and new capital order performance is being impacted by a slowdown in Niobe II momentum and the related impact on the Odyssey business due to delays of Odyssey installations in Niobe labs,” said Michael P. Kaminski, President and Chief Executive Officer of Stereotaxis. “The slowdown in Niobe is due to the market’s demand for a more efficient solution for complex ablation procedures. We successfully introduced our new Epoch platform, the Niobe II replacement, at our industry’s most widely attended event, the Heart Rhythm Society annual meeting. The significant interest in Epoch’s dramatically enhanced efficiency in electrophysiology (EP) procedures has intensified the market shift away from the current Niobe II.” Kaminski continued, “Epoch’s technological improvements over Niobe II provide the foundation to accelerate broad adoption of our technology. We are encouraged by the significant market interest that Epoch is generating as a new potential standard of care for EP interventional medicine. Since Epoch’s release, we have scheduled 36 site visits with Niobe customers and potential customers to review the next generation system. The early, very positive reaction among key opinion leaders suggests that Epoch enables a faster, more efficient and dynamic magnetic catheter control for all types of robotic-assisted EP procedures while maintaining Niobe’s recognized benefits in safety, radiation reduction and clinical outcome. We are focused on converting the strong interest into orders as quickly as possible, and plan for initial shipments to customers in the fourth quarter 2011.” The Company generated global new capital orders of \$4.4 million in the second quarter, which were comprised of two Niobe systems, as well as \$1.7 million in orders related to Odyssey. Capital orders in the second quarter 2010 were \$10.2 million.

Epoch and Odyssey Commercial Plan

In order to ensure successful commercialization of Epoch and Odyssey platforms, as well as conserve resources, Stereotaxis is implementing a wide ranging plan that includes rebalancing and reducing operating expenses by approximately 15 to 20 percent. This plan is designed to minimize the Company's cash burn, while continuing to fund R&D investment in key growth areas. In addition, Stereotaxis is working on several options to raise cash with minimal or no dilution to shareholders. The Company expects the impact of these initiatives on operating expenses will begin to occur in the fourth quarter of 2011.

"We are committed to taking the necessary actions to improve our operating performance, enhance our competitive position and strengthen the business for the long term," Kaminski said. "We need to take difficult but prudent actions to significantly reduce our costs as the market awaits the availability of Epoch, and we are immediately implementing overhead cost-reduction initiatives that will significantly realign and reduce operating expenses and minimize cash burn, while maintaining R&D investments to fund high growth opportunities like the continued advancement of our robotic technology platform."

CFO Transition

Stereotaxis also announced that Dan Johnston has resigned from his post as Chief Financial Officer of the Company, effective as of August 15, 2011 to pursue other professional interests. The search for a replacement is underway and Dan will serve as a consultant to the Company through the end of the year.

Year-to-Date Financial Performance

Revenue for the first six months of 2011 was \$21.8 million, compared to \$25.6 million in the first six months of 2010. Gross margin was \$15.3 million, or 70.1% of revenue, compared with \$17.8 million, or 69.4% of revenue in the first six months of the prior year. Operating expenses were \$33.6 million for the first six months of 2011 compared with \$29.7 million in the same period of 2010. The net loss was \$(19.2) million for the first six months of 2011 compared with \$(12.3) million for the comparable period of 2010. Cash burn for the first six months of 2011, including payments against the Biosense Webster advance, was \$16.9 million compared with \$14.2 million in the first six months of 2010. Stereotaxis has historically included the repayment of the Biosense advance as part of cash burn as operationally the advance is reduced by the earning of royalties. Of the \$16.9 million in year-to-date cash burn, \$3.2 million is repayment of Biosense debt.

Financial Outlook

As a result of corporate developments and an uncertain business environment, Stereotaxis announced that it has withdrawn previous financial guidance and temporarily suspended providing financial guidance for 2011 until there is more predictability to the Company's magnetic platform business.

Conference Call and Webcast

Stereotaxis will hold a conference call and slide presentation via webcast today, August 8, 2011 at 4:30 p.m. Eastern Time, to discuss second quarter results and operational progress. The dial-in number for the conference call is 1-877-941-9205 for domestic participants and 1-480-629-9692 for international participants. Participants are asked to call the above numbers 5-10 minutes prior to the starting time. A real-time listen-only webcast of the conference call including the presentation slides will be accessible at

www.stereotaxis.com, in the in the "Investor Relations" section under "Events Calendar." If listening via telephone, to view the accompanying presentation slides, navigate to the live webcast as noted above and choose the "No Audio — Slides Only" option to view the slides in conjunction with the live conference call. Listeners should go to the website at least 15 minutes prior to the live conference call to install any necessary audio software.

An audio replay of the call will be available for seven days following the call, and can be accessed by dialing 1-800-406-7325 for domestic callers and 303-590-3030 for international callers, both using passcode 4459522#. The call will also be available on the Internet live and for 90 days thereafter at www.stereotaxis.com.

About Stereotaxis

www.stereotaxis.com

www.odysseyexperience.com

Stereotaxis designs, manufactures and markets an advanced cardiology instrument control system for use in a hospital's interventional surgical suite to enhance the treatment of coronary artery disease and arrhythmias. The Niobe[®] Remote Magnetic Navigation System is designed to enable physicians to complete more complex interventional procedures by providing image guided delivery of catheters and guidewires through the blood vessels and chambers of the heart to treatment sites. This is achieved using computer-controlled, externally applied magnetic fields that govern the motion of the working tip of the catheter or guidewire, resulting in improved navigation, shorter procedure time and reduced x-ray exposure.

Stereotaxis' Odyssey™ portfolio of products provides an innovative enterprise solution for integrating, recording and networking interventional lab information within hospitals and around the world. Odyssey™ Vision integrates data for magnetic and standard interventional labs, enhancing the physician workflow through a consolidated display of multiple systems and eliminating the challenge of interacting simultaneously with many separate diagnostic systems. Odyssey™ Enterprise Cinema then captures a complete record of synchronized procedure data that can be viewed live or from a comprehensive archive of cases performed. Odyssey™ then enables hospitals to efficiently share live and recorded clinical data anywhere around the world to maximize referrals and promote collaboration.

The core components of the Stereotaxis systems have received regulatory clearance in the U.S., Europe, Canada and elsewhere. For more information, please visit www.stereotaxis.com and www.odysseyexperience.com.

This press release includes statements that may constitute "forward-looking" statements, usually containing the words "believe," "estimate," "project," "expect" or similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products in the marketplace, the effect of global

economic conditions on the ability and willingness of customers to purchase our systems and the timing of such purchases, competitive factors, changes resulting from the recently enacted healthcare reform in the U.S., including changes in government reimbursement procedures, dependence upon third-party vendors, timing of regulatory approvals, and other risks discussed in the Company's periodic and other filings with the Securities and Exchange Commission. By making these forward-looking statements, the Company undertakes no obligation to update these statements for revisions or changes after the date of this release. There can be no assurance that the Company will recognize revenue related to its purchase orders and other commitments in any particular period or at all because some of these purchase orders and other commitments are subject to contingencies that are outside of the Company's control. In addition, these orders and commitments may be revised, modified, delayed or canceled, either by their express terms, as a result of negotiations, or by overall project changes or delays.

Tables to Follow

STEREOTAXIS, INC. BALANCE SHEETS (Unaudited)

	June 30, 2011	December 31, 2010
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 23,260,465	\$ 35,248,819
Accounts receivable, net of allowance of \$241,690 and \$367,536 in 2011 and 2010, respectively	10,178,401	13,915,569
Current portion of long-term receivables	64,271	30,800
Inventories	5,915,043	5,441,475
Prepaid expenses and other current assets	3,586,186	4,557,718
Total current assets	43,004,366	59,194,381
Property and equipment, net	3,725,044	3,840,622
Intangible assets	2,429,070	2,578,986
Long-term receivables	79,730	109,266
Other assets	44,609	38,537
Total assets	\$ 49,282,819	\$ 65,761,792
Liabilities and stockholders' equity		
Current liabilities:		
Current maturities of long-term debt	\$ 24,533,194	\$ 20,894,091
Accounts payable	7,930,044	8,796,182
Accrued liabilities	7,851,494	6,966,571
Deferred contract revenue	6,699,750	6,600,313
Warrants	2,901,043	3,541,798
Total current liabilities	49,915,525	46,798,955

Long-term debt, less current maturities	6,000,000	8,000,000
Long-term deferred contract revenue	398,352	478,850
Other liabilities	3,848	8,741
Stockholders' equity:		
Preferred stock, par value \$0.001; 10,000,000 shares authorized at 2011 and 2010; none outstanding at 2011 and 2010	-	-
Common stock, par value \$0.001; 100,000,000 shares authorized at 2011 and 2010; 55,431,423 and 54,746,240 issued at 2011 and 2010, respectively	55,431	54,746
Additional paid-in capital	355,736,551	354,002,770
Treasury stock, 40,151 shares at 2010 and 2009	(205,999)	(205,999)
Accumulated deficit	(362,620,889)	(343,376,271)
Total stockholders' equity	(7,034,906)	10,475,246
Total liabilities and stockholders' equity	\$ 49,282,819	\$ 65,761,792

STEREOTAXIS, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenue				
System	\$ 5,024,543	\$ 9,439,857	\$ 9,312,719	\$ 14,673,611
Disposables, service and accessories	6,577,596	5,578,221	12,514,124	10,961,076
Total revenue	11,602,139	15,018,078	21,826,843	25,634,687
Cost of revenue				
System	2,520,431	4,313,774	4,704,909	6,390,490
Disposables, service and accessories	995,915	612,379	1,816,416	1,456,332
Total cost of revenue	3,516,346	4,926,153	6,521,325	7,846,822
Gross margin	8,085,793	10,091,925	15,305,518	17,787,865
Operating expenses:				
Research and development	3,311,177	3,358,008	6,705,436	6,727,546
Sales and marketing	9,712,519	8,446,612	18,050,855	15,141,730
General and administration	4,606,555	3,976,057	8,856,824	7,866,394
Total operating expenses	17,630,251	15,780,677	33,613,115	29,735,670
Operating loss	(9,544,458)	(5,688,752)	(18,307,597)	(11,947,805)
Other income	620,409	2,507,221	640,755	970,052
Interest income	2,133	2,148	5,320	4,930
Interest expense	(772,769)	(682,804)	(1,583,096)	(1,315,921)
Net loss	\$ (9,694,685)	\$ (3,862,187)	\$ (19,244,618)	\$ (12,288,744)
Net loss per common share:				
Basic and diluted	\$ (0.18)	\$ (0.08)	\$ (0.35)	\$ (0.25)

Weighted average shares used in computing net loss per common share:

Basic and diluted

54,780,872

49,885,589

54,750,443

49,753,046

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CONSULTING AGREEMENT

This Consulting Agreement ("Agreement") is made effective as of August 5, 2011 by and between Stereotaxis, Inc., a Delaware company (hereinafter "Company") with offices at 4320 Forest Park Ave, Suite 100, St. Louis, MO, 63108, USA, and Daniel J. Johnston (hereinafter "Consultant") with an address at 1939 Newburyport Rd, Chesterfield, MO, 63005.

WHEREAS, Consultant has experience in financial and accounting matters and the Company wishes to retain Consultant in a consulting capacity and Consultant desires to perform such consulting services; and

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the parties agree as follows:

1. **Services.**

(a) Consultant shall provide the Company with consulting services in the area(s) of

finance, accounting, business development and assistance with the transition of the finance function (the "Services"), as mutually agreed by the parties. Consultant shall keep accurate records of the time expended in performing the Services hereunder. Such reports shall identify any authorized expenses incurred, accompanied by supporting receipts. Written monthly reports on the progress of Consultant's activities will be required on the first Friday of every month. This report will describe the work accomplished during the previous calendar month. In response to a request by an officer or duly appointed representative of the Company, Consultant shall provide consultation over the telephone, in person at Consultant's office, or through written correspondence. In addition, Consultant shall, from time-to-time, make himself/herself available in person at the Company's offices or other locations as agreed upon and requested by the Company.

(b) In performing Services for the Company, Consultant shall comply, to the best of his or her knowledge, with all business conduct, regulatory and health and safety guidelines established by the Company or any governmental authority with respect to the Company business. Consultant will provide Services in a competent and professional manner consistent with industry standards, including exercising good judgment. Consultant is and will remain free from any commitments that would create a conflict of interest in any way affecting Consultant's completion of Services under this Agreement.

2. **Consideration.**

(a) In consideration for the Services provided by Consultant under Section 1 hereof,

Consultant will be compensated at the rate of \$165 per hour. During the Term of this Agreement, the Company agrees to pay Consultant, and Consultant agrees to provide Services, for a minimum of ten (10) hours per week. Company agrees to reimburse Consultant for out-of-pocket expenses directly related to the Services and travel and related expenses actually incurred by Consultant and pre-approved by the Company.

(b) Consultant shall submit invoices to the Company at the end of each month for which Services have been performed. Consultant's invoices shall identify the dates and number of hours Consultant performed Services and all reimbursable expenses and include

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documentation for such expenses. If Consultant travels in the performance of Services, Consultant shall comply with the Company's travel guidelines and policies.

(c) The Company shall remit payment for Consultant's invoice within thirty (30) days after submission by Consultant and approval by Company. Consultant acknowledges and agrees that the payments provided for above represent Company's full and complete obligation for any and all Services to be rendered, and expenses incurred, on behalf of the Company under this Agreement.

3. **Term and Termination.**

(a) This Agreement shall commence on August 16, 2011, and shall terminate

December 31, 2011 (the "Term").

(b) In the event that either party hereto shall commit a material breach with respect to the performance of any of its obligations hereunder and if such breach shall not be remedied within thirty (30) days after written notice of such breach by the nonbreaching party to the breaching party, then the nonbreaching party may, but shall not be obligated to, terminate this Agreement immediately upon further notice. Any termination hereof shall not waive any legal or equitable remedy available to the nonbreaching party against the breaching party by reason of such breach.

4. **Medical and Dental Insurance Benefits.** The Company agrees to provide continuation of medical and dental benefits under the Company's benefit plans for the benefit of Consultant (and his spouse and dependents, if applicable), under the same benefit elections in effect for Consultant immediately before the commencement of this Agreement, at active employee rates. Such medical and dental coverage will be the same coverage that the Company's benefit plans provide to other participants and beneficiaries under such plans. Consultant shall pay to the Company the same contributions that active employees pay pursuant to Company policies. After the expiration or termination of this Agreement, continuation of medical and dental benefits shall be available for the benefit of Consultant (and his spouse and dependents) under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") and Consultant shall pay the full COBRA cost of such benefits.

5. **Disclosure of Information.** Consultant shall disclose to the Company only such information as Consultant is legally free to disclose and agrees that the Company shall have the right forever to freely use any and all information disclosed by Consultant to the Company without any payment other than the payments provided for in Section 2.

6. **Consultant Discoveries.** Consultant will promptly and fully disclose to the Company any inventions and discoveries, whether or not patentable, conceived, developed, or first reduced to practice by Consultant or anyone working on his/her behalf, either alone or jointly with others, while performing Services pursuant to this Agreement (the "Consultant Discoveries"). Consultant agrees to, and hereby does, assign to the Company all of his/her right, title, and interest in and to any such Consultant Discoveries. Consultant agrees to take such actions and execute such documents as reasonably required by Company to secure and enforce Company's rights in Consultant Discoveries, including the documents required for Company to apply for, obtain, and enforce patents or copyrights in any and all countries on such Consultant Discoveries. Consultant hereby irrevocably designates the Secretary of the Company as his/her agent and attorney-in-fact to execute and file any such document and to do all lawful acts necessary to apply for and obtain patents and copyrights, and to enforce the Company's rights under this paragraph. This Section 6 will survive the termination of this Agreement with respect to Consultant Discoveries. Without limiting the foregoing, the Company

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shall have the exclusive right to use and exploit economically, to divulge, to publish, to record, to translate, to distribute and modify all the papers, publications and any other document or information relating to Consultant Discoveries. The documents, papers, and other information (including such Consultant Discoveries) shall not be transferred, communicated to third parties, divulged or published for any reason without the Company's prior written consent.

7. **Confidentiality.**

(a) Consultant acknowledges that, during the course of performing Services

pursuant to this Agreement, the Company will be disclosing information to Consultant, including information about the Company's technology, research, products and product plans, projects, suppliers, customers, personnel, marketing, business plans and finances, as well as other commercially valuable information, and that Consultant will be developing information related to the business of the Company, including but not limited to Consultant Discoveries, (hereinafter "Company Information"). Consultant acknowledges that the Company's business is extremely competitive; dependent in part upon the maintenance of secrecy, and that any improper disclosure of the Company Information would result in serious and irreparable harm to the Company.

(b) Consultant agrees that Consultant shall only use the Company Information in connection with providing Services to Company hereunder, and that Consultant shall not use Company Information in any way that is detrimental to the Company.

(c) Consultant shall not disclose, directly or indirectly, the Company Information to any third person or entity, other than to officers or duly appointed representatives or agents of the Company. Consultant will treat the Company Information as confidential and the proprietary property of the Company.

(d) Nothing in this Agreement shall prevent Consultant from disclosing or using information that

(i) Consultant can prove by documentary evidence was already in his/her possession and at his/her free disposal before the disclosure to him/her hereunder; or (ii) is subsequently disclosed to Consultant by a third party not under any obligations of confidentiality to the Company; or (iii) is or becomes generally available to the public through no fault of Consultant; or (iv) is independently developed by Consultant without the use of any other Confidential Information of the Company; or (v) is required by law to be disclosed by Consultant, subject to Section 7(e)

below.

(e) Consultant may disclose Company Information hereunder solely to the extent such disclosure is reasonably necessary in connection with submissions to any governmental authority in connection with this Agreement or in filing or prosecuting patent applications contemplated under this Agreement, prosecuting or defending litigation, complying with applicable laws or for the purposes expressly permitted by this Agreement; *provided that* in the event of any such disclosure of Company Information by Consultant, Consultant will, except where impracticable, give reasonable advance notice to the Company of such disclosure requirement so that the Company may seek a protective order and or other appropriate remedy or waive compliance with the confidentiality provisions of this Section 7, and will reasonably cooperate with the Company in any efforts to secure confidential treatment of such Company Information required to be disclosed.

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(f) Whenever requested by Company, Consultant will promptly return to the Company all materials containing or reflecting Company Information as well as data, records, reports and other property, furnished by the Company to Consultant or produced by Consultant in connection with Services rendered hereunder, together with all copies of any of the foregoing. Notwithstanding such return, Consultant shall continue to be bound by the terms of the confidentiality provisions contained in this Section 7 for a period of four (4) years after the expiration or termination of this Agreement.

8. **Publication.** Consultant shall not publish or orally disclose results of Consultant's work performed pursuant to the Agreement except with the prior written consent of Company, provided that Consultant may make all requisite disclosures to regulatory authorities, subject to Section 7.

9. **Use of Name.** The Company shall not use the name of Consultant for any commercial purpose, and Consultant agrees not to use the name of the Company for any commercial purpose.

10. **Notices.** Any notice provided under this Agreement shall be in writing and shall be deemed to have been effectively given (i) upon receipt when delivered personally, (ii) one (1) day after sending when sent by private express mail service (such as Federal Express), or (iii) five (5) days after sending when sent by regular mail to the following address:

In the case of the Company:

Stereotaxis, Inc.
4320 Forest Park Avenue, Ste 100
St. Louis, Missouri 63108
Attention: General Counsel

In the case of Consultant:

1939 Newburyport Rd.
Chesterfield, MO 63005

or to such other address as may have been designated by the Company or Consultant by notice to the other given as provided herein.

11. **Independent Contractor; Withholding.** Consultant will at all times be an independent contractor, and as such will not have authority to bind the Company or any company affiliated with the Company. Consultant will not act as an agent nor shall he/she be deemed to be an employee of the Company for any purpose including, but not limited to, any employee benefit program, unemployment benefits, or otherwise. Consultant recognizes that no amount will be withheld from his/her compensation for payment of any federal, state or local taxes and that Consultant has sole responsibility to pay such taxes, if any, and file such returns as shall be required by applicable laws and regulations. Consultant shall not enter into any agreements or incur any obligations on behalf of the Company. Consultant shall provide the Services under the general direction of the Company, but Consultant shall determine, in her sole discretion, the manner and means by which the Services are accomplished. The Company will not be bound by Consultant's acts or conduct.

12. **Assignment.** Due to the personal nature of the Services to be rendered by Consultant, Consultant may not assign this Agreement, except that Consultant may assign this Agreement

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to a Limited Liability Company controlled by Consultant. In the event of such assignment, Consultant personally shall continue to perform the Services. The Company may assign all rights and liabilities under this Agreement to a subsidiary or an affiliate or to a successor to all or a substantial part of its business and assets without the consent of Consultant. Subject to the foregoing, this Agreement will inure to the benefit of and be binding upon each of the heirs, assigns and successors of the respective parties.

13. **Severability.** If any provision of this Agreement shall be declared invalid, illegal or unenforceable, such provision shall be severed and the remaining provisions shall continue in full force and effect.

14. **Remedies.** Consultant acknowledges that the Company would have no adequate remedy at law to enforce Sections 6, 7 and 9 hereof. In the event of a violation by Consultant of such Sections, the Company shall have the right to obtain injunctive or other similar relief, as well as any other relevant damages, without the requirements of posting bond or other similar measures.

15. **Governing Law.** This Agreement shall be interpreted, and the rights of the parties determined in accordance with the substantive laws of the state of Missouri, without

regard to conflicts of laws principles.

16. **Entire Agreement: Amendment.** This Agreement sets forth the entire understanding of the parties with respect to the subject matter herein, supersedes all prior agreements between the parties, and may only be amended in writing, specifically referencing this Agreement and signed by both Company and Consultant.

17. **Early Termination.**

(a) If Consultant becomes physically or mentally unable to provide Services to the

Company, then this Agreement shall cease and terminate as of such date.

(b) Upon termination under Section 3(a), neither Party shall have any further obligations under this Agreement, except that the provisions of Sections 6, 8 and 9 shall survive termination or expiration of this Agreement for an unlimited period of time and the provisions of Section 7 shall survive the termination or expiration of this Agreement for the period set forth in Section 7(f). Upon termination or upon the Company's request, Consultant shall return immediately to the Company all property belonging to the Company.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.

STEREOTAXIS, INC.

Consultant:

BY: _____ /s/ Michael Kaminski

SIGNED: _____ /s/ Daniel J. Johnston

Daniel J. Johnston

Name: Michael Kaminski

Title: CEO

DATED: __8/5/11

DATED: __8/5/11

