

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

OMB APPROVAL	
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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <b>MIDDLETON FRED A</b>  (Last) (First) (Middle) <b>400 SOUTH EL CAMINO RD</b> <b>SUITE 1200</b>  (Street) <b>SAN MATEO CA 99402</b>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <b>Stereotaxis, Inc. [ STXS ]</b>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <b>08/17/2004</b>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/17/2004		C		41,335	A	(2)	89,340	D	
Common Stock	08/17/2004		C		10,023	A	(2)	99,363	D	
Common Stock	08/17/2004		C		2,215	A	(2)	101,578	D	
Common Stock	08/17/2004		C		1,403 <sup>(1)</sup>	A	(2)	102,981	D	
Common Stock	08/17/2004		C		248 <sup>(1)</sup>	A	(2)	103,229	D	
Common Stock	08/17/2004		C		433,709	A	(2)	466,064	I	Sanderling Venture Partners II, L.P.
Common Stock	08/17/2004		C		228,875	A	(2)	694,939	I	Sanderling Venture Partners II, L.P.
Common Stock	08/17/2004		C		52,925	A	(2)	747,864	I	Sanderling Venture Partners II, L.P.
Common Stock	08/17/2004		C		33,487 <sup>(1)</sup>	A	(2)	781,351	I	Sanderling Venture Partners II, L.P.
Common Stock	08/17/2004		C		167,750	A	(2)	179,869	I	Sanderling Management Limited, Cust. FBO Sanderling Ventures Limited, L.P.
Common Stock	08/17/2004		C		87,950	A	(2)	267,819	I	Sanderling Management Limited, Cust. FBO Sanderling Ventures Limited, L.P.
Common Stock	08/17/2004		C		19,441	A	(2)	287,260	I	Sanderling Management Limited, Cust. FBO Sanderling Ventures Limited, L.P.

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Common Stock	08/17/2004		C		12,300 <sup>(1)</sup>	A	(2)	299,560	I	Sanderling Management Limited, Cust. FBO Sanderling Ventures Limited, L.P.
Common Stock	08/17/2004		C		2,185 <sup>(1)</sup>	A	(2)	301,745	I	Sanderling Management Limited, Cust. FBO Sanderling Ventures Limited, L.P.
Common Stock	08/17/2004		C		41,938	A	(2)	44,967	I	Sanderling Management Limited, Cust. FBO Middleton-McNeil, L.P.
Common Stock	08/17/2004		C		21,987	A	(2)	66,954	I	Sanderling Management Limited, Cust. FBO Middleton-McNeil, L.P.
Common Stock	08/17/2004		C		4,860	A	(2)	71,814	I	Sanderling Management Limited, Cust. FBO Middleton-McNeil, L.P.
Common Stock	08/17/2004		C		3,076 <sup>(1)</sup>	A	(2)	74,890	I	Sanderling Management Limited, Cust. FBO Middleton-McNeil, L.P.
Common Stock	08/17/2004		C		546 <sup>(1)</sup>	A	(2)	75,436	I	Sanderling Management Limited, Cust. FBO Middleton-McNeil, L.P.
Common Stock	08/17/2004		C		297,636	A	(2)	297,636	I	Sanderling IV Biomedical Co-Investment Fund, L.P.
Common Stock	08/17/2004		C		167,918 <sup>(1)</sup>	A	(2)	465,554	I	Sanderling IV Biomedical Co-Investment Fund, L.P.
Common Stock	08/17/2004		C		67,204 <sup>(1)</sup>	A	(2)	532,758	I	Sanderling IV Biomedical Co-Investment Fund, L.P.

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			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/17/2004		C		478	A	(2)	478	I	Sanderling V Beteiligungs GmbH & Co. KG
Common Stock	08/17/2004		C		33,758 <sup>(1)</sup>	A	(2)	34,236	I	Sanderling V Beteiligungs GmbH & Co. KG
Common Stock	08/17/2004		C		30,326 <sup>(1)</sup>	A	(2)	64,562	I	Sanderling V Beteiligungs GmbH & Co. KG
Common Stock	08/17/2004		C		25,272 <sup>(1)</sup>	A	(2)	89,834	I	Sanderling V Beteiligungs GmbH & Co. KG
Common Stock	08/17/2004		C		1,993	A	(2)	1,993	I	Sanderling V Biomedical Co-Investment Fund, L.P.
Common Stock	08/17/2004		C		140,660 <sup>(1)</sup>	A	(2)	142,653	I	Sanderling V Biomedical Co-Investment Fund, L.P.
Common Stock	08/17/2004		C		126,360 <sup>(1)</sup>	A	(2)	269,013	I	Sanderling V Biomedical Co-Investment Fund, L.P.
Common Stock	08/17/2004		C		105,300 <sup>(1)</sup>	A	(2)	374,313	I	Sanderling V Biomedical Co-Investment Fund, L.P.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Series A Convertible Preferred Stock	(2)	08/17/2004		C			148,806	(3)	(3)	Common Stock	41,335	(2)	0	D	
Series B Convertible Preferred Stock	(2)	08/17/2004		C			36,084	(3)	(3)	Common Stock	10,023	(2)	0	D	
Series C Convertible Preferred Stock	(2)	08/17/2004		C			7,976	(3)	(3)	Common Stock	2,215	(2)	0	D	

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				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Series D Convertible Preferred Stock	(2)	08/17/2004		C			5,002	(3)	(3)	Common Stock	1,389	(2)	0	D	
Series D-1 Convertible Preferred Stock	(2)	08/17/2004		C			888	(3)	(3)	Common Stock	246	(2)	0	D	
Series A Convertible Preferred Stock	(2)	08/17/2004		C			1,561,354	(3)	(3)	Common Stock	433,709	(2)	0	I	Sanderling Venture Partners II, L.P.
Series B Convertible Preferred Stock	(2)	08/17/2004		C			823,950	(3)	(3)	Common Stock	228,875	(2)	0	I	Sanderling Venture Partners II, L.P.
Series C Convertible Preferred Stock	(2)	08/17/2004		C			190,530	(3)	(3)	Common Stock	52,925	(2)	0	I	Sanderling Venture Partners II, L.P.
Series D Convertible Preferred Stock	(2)	08/17/2004		C			119,472	(3)	(3)	Common Stock	33,186	(2)	0	I	Sanderling Venture Partners II, L.P.
Series A Convertible Preferred Stock	(2)	08/17/2004		C			603,903	(3)	(3)	Common Stock	167,750	(2)	0	I	Sanderling Management Limited, Cust. FBO Sanderling Ventures Limited, L.P.
Series B Convertible Preferred Stock	(2)	08/17/2004		C			316,622	(3)	(3)	Common Stock	87,950	(2)	0	I	Sanderling Management Limited, Cust. FBO Sanderling Ventures Limited, L.P.
Series C Convertible Preferred Stock	(2)	08/17/2004		C			69,988	(3)	(3)	Common Stock	19,441	(2)	0	I	Sanderling Management Limited, Cust. FBO Sanderling Ventures Limited, L.P.
Series D Convertible Preferred Stock	(2)	08/17/2004		C			43,885	(3)	(3)	Common Stock	12,190	(2)	0	I	Sanderling Management Limited, Cust. FBO Sanderling Ventures Limited, L.P.
Series D-1 Convertible Preferred Stock	(2)	08/17/2004		C			7,796	(3)	(3)	Common Stock	2,165	(2)	0	I	Sanderling Management Limited, Cust. FBO Sanderling Ventures Limited, L.P.
Series A Convertible Preferred Stock	(2)	08/17/2004		C			150,977	(3)	(3)	Common Stock	41,938	(2)	0	I	Sanderling Management Limited, Cust. FBO Middleton-McNeil, L.P.
Series B Convertible Preferred Stock	(2)	08/17/2004		C			21,987	(3)	(3)	Common Stock	21,987	(2)	0	I	Sanderling Management Limited, Cust. FBO Middleton-McNeil, L.P.
Series C Convertible Preferred Stock	(2)	08/17/2004		C			4,860	(3)	(3)	Common Stock	4,860	(2)	0	I	Sanderling Management Limited, Cust. FBO Middleton-McNeil, L.P.
Series D Convertible Preferred Stock	(2)	08/17/2004		C			3,047	(3)	(3)	Common Stock	3,047	(2)	0	I	Sanderling Management Limited, Cust. FBO Middleton-McNeil, L.P.

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				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Series D-1 Convertible Preferred Stock	(2)	08/17/2004		C			541	(3)	(3)	Common Stock	541	(2)	0	I	Sanderling Management Limited, Cust. FBO Middleton-McNeil, L.P.
Series C Convertible Preferred Stock	(2)	08/17/2004		C			297,636	(3)	(3)	Common Stock	297,636	(2)	0	I	Sanderling IV Biomedical Co-Investment Fund, L.P.
Series D Convertible Preferred Stock	(2)	08/17/2004		C			166,410	(3)	(3)	Common Stock	166,410	(2)	0	I	Sanderling IV Biomedical Co-Investment Fund, L.P.
Series E-2 Convertible Preferred Stock	(2)	08/17/2004		C			47,402	(3)	(3)	Common Stock	47,402	(2)	0	I	Sanderling IV Biomedical Co-Investment Fund, L.P.
Series C Convertible Preferred Stock	(2)	08/17/2004		C			478	(3)	(3)	Common Stock	478	(2)	0	I	Sanderling V Beteiligungs GmbH & Co. KG
Series D-1 Convertible Preferred Stock	(2)	08/17/2004		C			33,455	(3)	(3)	Common Stock	33,455	(2)	0	I	Sanderling V Beteiligungs GmbH & Co. KG
Series D-2 Convertible Preferred Stock	(2)	08/17/2004		C			28,882	(3)	(3)	Common Stock	28,882	(2)	0	I	Sanderling V Beteiligungs GmbH & Co. KG
Series E-2 Convertible Preferred Stock	(2)	08/17/2004		C			17,825	(3)	(3)	Common Stock	17,825	(2)	0	I	Sanderling V Beteiligungs GmbH & Co. KG
Series C Convertible Preferred Stock	(2)	08/17/2004		C			1,993	(3)	(3)	Common Stock	1,993	(2)	0	I	Sanderling V Biomedical Co-Investment Fund, L.P.
Series D-1 Convertible Preferred Stock	(2)	08/17/2004		C			139,397	(3)	(3)	Common Stock	139,397	(2)	0	I	Sanderling V Biomedical Co-Investment Fund, L.P.
Series D-2 Convertible Preferred Stock	(2)	08/17/2004		C			120,343	(3)	(3)	Common Stock	120,343	(2)	0	I	Sanderling V Biomedical Co-Investment Fund, L.P.
Series E-2 Convertible Preferred Stock	(2)	08/17/2004		C			74,273	(3)	(3)	Common Stock	74,273	(2)	0	I	Sanderling V Biomedical Co-Investment Fund, L.P.

**Explanation of Responses:**

- The number of shares of common stock received upon conversion of the reporting person's convertible preferred stock includes additional shares issued as a result of antidilution provisions triggered by the issuer's initial public offering.
- Price is not applicable to conversion of preferred stock to common stock.
- All series of the Issuer's Convertible Preferred Stock are convertible into common stock upon demand at any time.

**Remarks:**

This is the first of two Form 4s filed by the reporting person on August 19, 2004.

/s/ Fred Middleton

08/18/2004

\*\* Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**