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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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**CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of report (Date of earliest event reported): February 3, 2017**

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**STEREOTAXIS, INC.**  
(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction of Incorporation)

**001-36159**  
(Commission File Number)

**94-3120386**  
(IRS Employer Identification No.)

**4320 Forest Park Avenue, Suite 100, St. Louis, Missouri**  
(Address of Principal Executive Offices)

**63108**  
(Zip Code)

**(314) 678-6100**  
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

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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 (see General Instruction A.2. below):

- 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 February 6, 2017, Stereotaxis, Inc. (the “Company”) issued a press release (the “Press Release”) setting forth the Company’s expectations regarding selected financial results for the fourth quarter and full 2016 fiscal year. A copy of the Company’s press release is being furnished as Exhibit 99.1 and hereby incorporated by reference.

The financial results in the Press Release are preliminary and subject to change pending the Company’s filing of its Form 10-K for fiscal year 2016, scheduled for March 2017. The preliminary financial results presented in the Press Release are based solely upon information available to the Company as of February 6, 2017, are not a comprehensive statement of the Company’s financial results or positions as of or for the three months or 12 months ended December 31, 2016, and are subject to change pending the Company’s announcement of definitive financial results.

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

The Press Release issued by the Company on February 6, 2017 also announced the resignation of William C. Mills III as Chief Executive Officer and a director of the Company and the appointment of David Fischel as Acting Chief Executive Officer of the Company and Chairman of the Board of Directors of the Company, effective February 3, 2017.

**Severance Agreement and Release**

In connection with his resignation, the Company and Mr. Mills entered into a Severance Agreement and Release, dated February 3, 2017. Under the terms of the Severance Agreement and Release, Mr. Mills will receive the severance payments and other benefits set forth in the terms of his Employment Agreement with the Company, dated as of May 30, 2014, in the same manner as if he were terminated without cause, subject to certain offsets. Mr. Mills will receive an amount equal to his current annual base salary (\$489,250) as severance, payable over the 12-month period following February 3, 2017 in accordance with Stereotaxis’ regular payroll schedule, as well as other benefits set forth in the Severance Agreement and Release.

A copy of the Severance Agreement and Release is filed as Exhibit 10.1 hereto and incorporated herein by reference.

**Acting Chief Executive Officer Agreement**

In connection with Mr. Fischel’s appointment as Acting Chief Executive Officer of the Company, the Company has entered into a letter agreement (the “Acting CEO Agreement”) with Mr. Fischel, dated February 3, 2017, pursuant to which Mr. Fischel will serve as Acting Chief Executive Officer until such time as the Company appoints a new Chief Executive Officer of the Company (the “Transition Period”), which time is intended to be less than one year. The Acting CEO Agreement also provides that Mr. Fischel will be designated as the Chairman of the Board as of February 3, 2017. Mr. Fischel’s appointment is terminable by him or the Company at any time (for any reason or for no reason). Mr. Fischel also resigned as a member of the Audit Committee as of February 3, 2017.

Pursuant to the Acting CEO Agreement, Mr. Fischel will receive no salary or bonus and will not participate in the Company's benefit programs. He will be reimbursed his reasonable expenses in connection with the performance of his duties, including, travel expenses associated with his attendance at professional and industry events, and the reasonable travel expenses incurred by him when traveling to the Company's primary business location in St. Louis, Missouri from his residence in the Los Angeles, California area. The Acting CEO Agreement also contains standard confidentiality and invention assignment covenants.

**Biographical information.** Mr. Fischel, 30, has served as a Director of Stereotaxis since September 2016. He has served for over eight years as Principal and portfolio manager for medical device investments at DAFNA Capital Management, LLC. In addition to his research responsibilities, Mr. Fischel has been deeply involved in all aspects of the firm's operations including legal, accounting, IT, compliance, human resources and marketing. Prior to joining DAFNA Capital, he was a research analyst at SCP Vitalife, a healthcare venture capital fund. Mr. Fischel completed his B.S. magna cum laude in Applied Mathematics with a minor in Accounting at the University of California at Los Angeles and received his MBA from Bar-Ilan University in Tel Aviv. He is a Certified Public Accountant, Chartered Financial Analyst and Chartered Alternative Investment Analyst.

A copy of the Acting CEO Agreement is filed as Exhibit 10.2 hereto and incorporated herein by reference.

#### **Appointment of Dr. Nathan Fischel**

In addition, the Company announced the appointment of Dr. Nathan Fischel as a Class III director to fill the vacancy on the Board resulting from Mr. Mills' resignation. The appointment was effective as of February 3, 2017, the date of Mr. Mills' resignation. Dr. Fischel's term as a Class III director will expire at the Company's 2019 Annual Meeting of Shareholders.

Dr. Fischel will receive 20,000 restricted share units and other compensation on the same basis as all other non-management Directors of the Company, as described under "Director Compensation" in the Company's Proxy Statement for its 2016 Annual Meeting of Shareholders.

There is no arrangement or understanding between Dr. Fischel and any other person pursuant to which Dr. Fischel was elected as a director. The board will consider service on committees of the board of directors for Dr. Fischel at a later date.

The Company did not enter into or materially amend any material plan, contract or arrangement to which Dr. Fischel is a party or in which he participates in connection with his election as a director. Dr. Fischel is the father of Mr. Fischel.

#### **Certain additional information for Mr. Fischel and Dr. Fischel**

As previously disclosed on its Form 8-K dated September 22, 2016 (filed on September 28, 2016) (the "Previous 8-K"), on September 26, 2016, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with certain institutional and other accredited investors (the "Buyers"), whereby it agreed to sell, for an aggregate purchase price of \$24 million, (i) an aggregate of 24,000 shares of Series A Convertible Preferred Stock, par value \$0.001 per share (the "Preferred Shares"), which are convertible into shares of the Company's Common Stock (the "Conversion Shares"), and (ii) warrants (the "Warrants") to purchase an aggregate of 36,923,077 shares of Common Stock (the "Warrant Shares"). Mr. Fischel is a Principal, and Dr. Fischel is the Chief Executive Officer, of DAFNA Capital Management, LLC, one of the Buyers under the Purchase Agreement. The transactions contemplated by the Purchase Agreement are described in Section 1.01 of the Previous 8-K, which is incorporated by reference herein (the "Incorporated Disclosure"). In addition, the Company is considering reimbursing certain of the Buyers an additional \$120,366.79 for outside counsel expenses incurred in connection with such transaction. Other than the information set forth in this Item 5.02 and the Incorporated Disclosure, the Company is not aware of any transactions or proposed transactions in which the Company was or is to be a participant since January 1, 2016, in which the amount involved exceeds \$120,000, and in which Mr. Fischel or Dr. Fischel had, or will have, a direct or indirect material interest due to their respective positions with DAFNA.

## Forward-Looking Statements

Statements contained or incorporated by reference in this Current Report on Form 8-K describing, among other things, the Company's future operating results are "forward-looking statements" as defined by the SEC. Actual results and events may differ materially from those indicated in these forward-looking statements based on a number of factors, including actions of the SEC, the OTCQX and the Company's shareholders and the risks and uncertainties inherent in the Company's business, including those described in the Company's current and periodic reports filed with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 2015. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. The Company undertakes no obligation to update any forward-looking statement to reflect new information, events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

### Item 9.01. Financial Statements and Exhibits

- (a) Not applicable
- (b) Not applicable
- (c) Not applicable
- (d) Exhibits:

<u>Exhibit Number</u>	<u>Description</u>
10.1	Severance Agreement and Release, dated February 3, 2017, between the Company and William C. Mills III
10.2	Letter Agreement, dated February 3, 2017, between the Company and David Fischel
99.1	Stereotaxis, Inc. Press Release dated February 6, 2017

**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: February 6, 2017

By: /s/ Karen Witte Duros  
Name: Karen Witte Duros  
Title: Sr. Vice President, General Counsel

**SEVERANCE AGREEMENT AND RELEASE**

This Severance Agreement and Release (“Agreement”) is dated as of February 3, 2017 (the “Effective Date”) made between Stereotaxis, Inc. (“Stereotaxis”), including its divisions, subsidiaries, parent and affiliated corporations, their successors and assigns (individually and collectively “Stereotaxis”) and with William C. Mills III, together with his heirs, executors, administrators, successors and assigns (“Employee”).

WHEREAS, Stereotaxis and Employee entered into an Executive Employment Agreement dated May 30, 2014 (said agreement and any and all amendments collectively, the “Employment Agreement”), and now desire to terminate their employment relationship and settle all legal rights and obligations resulting from Employee’s employment with Stereotaxis.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, representations and undertakings of the parties set forth herein, the adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Separation Date.** Employee’s employment with Stereotaxis will terminate effective as of the Effective Date. By mutual agreement with the Board of Directors of the Company (the “Board”), Employee hereby resigns and terminates his employment relationship with the Company (and as a director of the Board, as set forth more specifically below) under circumstances that entitle him to severance under Section 14 of the Employment Agreement as if Employee had been terminated from employment “without Cause.” Stereotaxis further acknowledges that the termination of Employee’s employment renders him eligible for unemployment insurance benefits under M.G.L. c. 151A. The Company shall give Employee a reasonable opportunity to review and comment to the Company on any draft of written public disclosures concerning any of his resignations, including without limitation a Form 8-K and a press release; provided that after receiving and considering any input from Employee, the Company retains complete discretion to determine the content of any such public disclosures to be made by the Company.
2. Consistent with the Employment Agreement, in consideration for Employee’s execution of, and subject to the terms and conditions of this Severance Agreement and Release, Stereotaxis agrees as set forth below. In the event of a conflict between the terms of the Employment Agreement and the benefits described below, this Agreement shall control:
  - (a) **Severance.** Employee will receive an amount equal to Employee’s annual base salary in effect as of the date immediately prior to the Effective Date (such annualized amount equal to \$489,250), as severance pay less deductions required by law. Employee’s severance will payable over the twelve (12) month period following the Effective Date (the “Separation Period”) in accordance with Stereotaxis’ regular payroll schedule in effect on the Effective Date and will commence once the revocation period set forth in section 6(e) has elapsed without Employee revoking this Release. The severance pay payable as salary continuation under this Section 2(a) will be offset by the amount of any compensation Employee receives during the Severance Period from another employer or as an independent contractor, including fees for service on a board of directors, board of trustees, advisory board or comparable board, except for fees for service on any such boards of which Employee is a member as of the Effective Date, the fees for which shall not be subject to offset. Employee agrees to notify the Company of the receipt of any such third party employer or independent contractor compensation, and agrees to inform any such third party employer or independent contractor of the obligation to so inform the Company pursuant to this Agreement.
  - (b) **Insurance.** (i) If the Employee elects to continue his medical and dental benefits under the Consolidated Omnibus Reconciliation Act of 1985, as amended (“COBRA”), the Employee shall pay the same amount for such coverage as if he had remained employed by the Company with such amounts deducted from the severance payable under subsection 2(a) above and the Company shall pay the remaining portion of the required monthly COBRA premium for (A) up to the first twelve (12) months following the Effective Date or (B) if earlier, the date the Employee becomes eligible for comparable benefits from another employer. Thereafter, Employee shall be responsible to pay the cost to continue group medical insurance under COBRA.
    - (ii) The Company shall maintain in full force and effect, for one year following the Effective Date, for the continued benefit of the Employee (and his spouse and dependents, if applicable), all life insurance, accident, and disability plans and programs in which the Employee was entitled to participate immediately before the occurrence of the event(s) giving rise to his separation, provided that the continued participation is possible under the general terms and provisions of such plans and programs. If the continued participation in any such plan or program is barred, the Company shall arrange to provide the Employee, upon comparable terms, with benefits substantially similar to the benefits to which the Employee would have otherwise been entitled under such plans and programs. Employee’s receipt, from a new employer, of any of the benefits described in this subsection shall not eliminate the Company’s obligations to provide the Employee with such benefits (or their equivalent), but shall act as an offset to the Company’s obligations hereunder.

- (c) **PTO and Salary.** No later than February 13, 2017, the Company shall pay Employee \$75,445.64 less deductions required by law, representing 320.75 hours of accrued but unused Paid Time Off. In addition, the Company shall pay Employee for all remaining salary due to him for his employment through the Effective Date no later than the Company's first regular payroll date following the Effective Date. The Company shall also reimburse Employee for any unreimbursed business expenses, subject to the Company's business expense reimbursement policies and practices.
- (d) **Acceleration of Vesting.** Notwithstanding anything in any stock plan or award agreement to the contrary, Employee's award(s) under any Stereotaxis stock plan (including without limitation awards of stock options, stock appreciation rights and restricted share units) shall become fully vested. In addition, for purposes of any and all such awards, Employee's employment shall be considered to have been terminated involuntarily without Cause.
- (e) **Board Seat.** Employee agrees to, and by executing this Agreement does hereby, resign as a member of the Board. In his capacity as a director, Employee also hereby waives notice of and consents to the holding of any special meetings of the Board held prior to the date hereof to discuss the subject matter of this Agreement and agrees and consents that any and all lawful business transacted at such meeting(s) (or any adjournment(s) thereof) were valid and legal and of the same force and effect as if such meeting(s) (or adjourned meeting) were held after notice duly given.
- (f) **Out-of-Pocket Expenses.** In addition, notwithstanding anything to the contrary in the Employment Agreement, Employee shall be reimbursed, up to an aggregate maximum of \$10,000, for reasonable out-of-pocket expenses, including reasonable legal fees and expenses, incurred in connection with the negotiation of this Agreement, any judicial or other proceeding to enforce his rights under this Agreement or the Employment Agreement or to construe, determine or defend the validity of either such agreement.
3. With the exception of Section 2(c), the parties agree that the compensation and benefits described above provided Employee by Stereotaxis represent additional compensation and benefits to which Employee would not be entitled absent this Agreement, and constitute the total compensation and benefits payable by Stereotaxis to Employee with regard to Employee's employment by Stereotaxis and its termination, and that no other compensation, commissions, bonuses, benefits or payments of any kind will be paid other than the amounts set forth above.
4. Employee hereby waives and releases Stereotaxis, its subsidiaries, related, parent and affiliated corporations and business entities, their successors and assigns, and their past and present officers, directors, shareholders, employees and agents (the "Released Parties") from any and all claims made, to be made, or which might have been made of whatever nature, whether known or unknown, since the beginning of time through the date of this Agreement, including, but not limited to, any claim Employee may have under any agreements which Employee may have with any of the Released Parties, any claims that arose as a consequence of Employee's employment by Stereotaxis or service as a member of the Board, or arising out of the termination of the employment or director relationship, or arising out of any acts committed or omitted during or after the existence of the employment or director relationship through the date of this Agreement. Such release and waiver of claims will include, but shall not be limited to, those claims which were, could have been, or could be the subject of an internal grievance or appeal procedure or an administrative or judicial proceeding filed either by Employee or on Employee's behalf under any federal, state or local law or regulation, any claim of discrimination under any state or federal statute, regulation or ordinance including, but not limited to Titles 29 and 42 of the United States Code, Title VII of the Civil Rights Act of 1964, as amended, the Employee Retirement Income Security Act of 1974, as amended, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, the Civil Rights Act of 1866, the Rehabilitation Act of 1973, as amended, the Family and Medical Leave Act, the Older Worker Benefit Protection Act, the Missouri Human Rights Act, City of St. Louis Ordinance 62710, any other federal, state or local law, ordinance or regulation regarding employment, discrimination in employment or termination of employment, any claims for breach of contract, wrongful termination, promissory estoppel, detrimental reliance, negligent or intentional infliction of emotional distress, or any other actions at common law, in contract or tort, all claims for lost wages, bonuses, commissions, benefits, expenses, severance, service letter, re-employment, compensatory or punitive damages, attorney's fees, and all claims for any other type of legal or equitable relief. Employee further waives all rights to future employment with Stereotaxis and agrees not to apply for employment with Stereotaxis.

Notwithstanding anything to the contrary in the foregoing, this Release does not affect (i) any rights Employee may have under any "employee benefit plan" (as defined at 29 U.S.C. § 1002(3)) of Stereotaxis; (ii) any rights or interests of Employee in his capacity as a shareholder of Stereotaxis; (iii) any rights to stock options, stock appreciation rights and restricted share units previously granted to Employee ("Employee Equity Rights"), subject to applicable plans and agreements; (iv) any rights of Employee to indemnification, including without limitation rights pursuant to the November 2, 2016 Indemnification Agreement (the "Indemnification Agreement") and the Amended and Restated Bylaws of Stereotaxis, Inc. (the "Bylaws"); and (v) any rights to insurance coverage under any directors and officers or comparable liability insurance policy. In addition, if any of the Released Parties other than the Company pursues any legal proceeding against Employee based on any claim that accrued on or before the Effective Date, Employee's release of such Released Party shall be of no force or effect.

5. Employee covenants not to sue or otherwise make any claims against Stereotaxis or any other party released herein with respect to any claim released pursuant to this Agreement.
6. By execution of this document, Employee expressly waives any and all rights to claims under the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621, *et seq.* (the "ADEA").
  - (a) Employee acknowledges that Employee's waiver of rights or claims refers to rights or claims arising under the ADEA is in writing and is understood by Employee.
  - (b) Employee expressly understands that by execution of this document, Employee does not waive any rights or claims under the ADEA that may arise after the date the waiver is executed.
  - (c) Employee acknowledges that the waiver of Employee's rights or claims arising under the ADEA is in exchange for the consideration outlined in this Agreement which is above and beyond that to which Employee is entitled.
  - (d) Employee acknowledges that Stereotaxis expressly advised Employee to consult an attorney of Employee's choosing prior to executing this document and that Employee has been given a period of not less than forty-five (45) days within which to consider this Agreement.
  - (e) Employee acknowledges that Employee has been advised by Stereotaxis that Employee is entitled to revoke (in the event Employee executes this document) Employee's waiver of rights or claims arising under the ADEA within seven (7) days after executing this document by notifying Stereotaxis in writing at: Stereotaxis, 4320 Forest Park Avenue, Suite 100, St. Louis, Missouri 63108, Attn: VP of Human Resources that Employee intends to revoke this waiver and that said waiver will not and does not become effective or enforceable until the seven (7) day period has expired. Employee agrees that payment of monies due under this executed and unrevoked waiver shall not be payable until the seven (7) day revocation period has expired and Employee has not revoked this waiver. Such revocation shall not apply to Employee's resignation from the Board.
7. Employee agrees not to (a) disclose or use confidential information of Employer required to be kept confidential under the Employment Agreement, (b) violate any covenants of non-competition or any other surviving terms or conditions of the Employment Agreement, (c) disparage Employer or make or solicit any comments, statements, or the like to the media or to any third party that may be considered to be derogatory or detrimental to the good name and/or business reputation of Employer, including its directors, officers, employees, agents, representatives and customers.
8. Employee agrees to promptly return to Stereotaxis any and all electronic media files, company keys, company vehicles, credit cards, equipment, documents, papers, records, notes, memoranda, plans, files, and other records containing information concerning Stereotaxis or its employees, customers, or operations, and any other information or materials required to be returned pursuant to the Employment Agreement. This shall not be construed to apply to materials related to Employee's employment or compensation terms, materials related to Employee Equity Rights, other materials related to Employee's status and rights as a shareholder or materials concerning information within the public domain (other than as a result of an unauthorized disclosure by Employee).
9. The parties intend that all payments and benefits provided hereunder shall be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and other guidance promulgated thereunder, and that the provisions of Section 19 of the Employment Agreement shall not be applicable thereto.
10. Nothing contained in this Agreement shall be construed to require the commission of any act contrary to law or to be contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future statute, law, government regulation or ordinance contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provisions of this Agreement affected shall be curtailed and restricted only to the extent necessary to bring them within legal requirements.
11. The existence and execution of this Agreement shall not be considered, and shall not be admissible in any proceeding, as an admission by Stereotaxis or anyone released hereby, of any liability, error, violation or omission.
12. This Agreement shall be governed by, and construed and interpreted according to, the laws of the State of Missouri and whenever possible, each provision herein shall be interpreted in such manner as to be effective or valid under applicable law.



13. The parties acknowledge this Agreement constitutes the entire agreement between them superseding all prior written and oral agreements or understandings between them, with the exception of any terms and conditions of the Employment Agreement that survive its termination, consisting of Sections 7 through 11 thereof and the acknowledgements in Section 12 thereof, and any rights excepted from the Release herein, including without limitation the Indemnification Agreement, indemnification rights under the Bylaws, and any and all agreements and governing documents with respect to Employee Equity Rights or other equity rights.
14. This Agreement may not be modified, altered or changed except by written agreement signed by the parties hereto.
15. Employee acknowledges that the only consideration for Employee signing this Agreement are the terms stated above and that no other promise, agreement, statement or representation of any kind has been made to Employee by any person or entity to cause Employee to sign this Agreement, and that Employee (a) has read this Agreement, (b) has had a reasonable amount of time to consider its terms, (c) is competent to execute this Agreement, (d) has had an adequate opportunity to discuss this Agreement with an attorney and has done so or has voluntarily elected not to do so, (e) fully understands the meaning and intent of this Agreement, and (f) is voluntarily executing it of Employee's own free will.

\* \* \* \* \*

AGREED TO AND ACCEPTED:

/s/ William C. Mills III

William C. Mills III

STEREOTAXIS:

By: /s/ David L. Fischel

Name: David L. Fischel

Title: Chairman & Acting CEO

Date: February 3, 2017

February 3, 2017

David L. Fischel  
DAFNA Capital Management, LLC  
10990 Wilshire Boulevard, Suite 1400  
Los Angeles, CA 90024

Dear David:

This letter agreement confirms your appointment as the non-employee Acting Chief Executive Officer (“Acting CEO”) of Stereotaxis, Inc. (the “Company”), effective immediately following the effectiveness of the separation of services with the Company of William C. Mills III, (the “Transition Date”), in addition to your ongoing service as on the Board of Directors of the Company (the “Board”). This letter agreement also serves to set forth certain terms relating to your service as Acting CEO.

1. Position and Term of Appointment. For the period starting on the Transition Date and ending on the date that the Company appoints a new Chief Executive Officer of the Company (the “Transition Period”), you will serve as Acting CEO of the Company, and you shall have the normal duties, responsibilities and authority of an executive officer serving in such position, subject to the power of the Board to expand or limit such duties, responsibilities and authority, either generally or in specific instances. Notwithstanding anything in this letter agreement to the contrary, you’re appointment to this position is “at will”, and you may resign, or the Board may terminate, your position as Acting CEO of the Company for any reason or no reason at any time. It is intended by the parties that the Transition Period will be for less than one (1) year. You will also be designated as the Chairman of the Board at the effective time of this letter agreement.

2. Payments; Expense Reimbursement. During the Transition Period, you will be entitled to the following compensation and benefits:

(a) Base Salary; Compensation. During the Transition Period, you will receive no base salary or other compensation for your services as Acting CEO.

(b) Benefits. It is not anticipated that you will, and you hereby waive your right to, participate in the benefit or bonus plans and arrangements of the Company available to executive officers of the Company.

(c) Business Expense Reimbursement. The Company shall pay or reimburse you for all reasonable expenses incurred or paid by you in performance of your services hereunder, including, but not limited to, travel expenses associated with your attendance at professional and industry events, upon presentation of expense statements or vouchers and such other information as the Company may reasonably require. During the Transition Period, you will be reimbursed for the reasonable travel expenses incurred by you when traveling to Company’s primary business location in St. Louis, Missouri from your out of town residence in Los Angeles, California area, including airfare, car expense, lodging and reasonable meal expenses. You will use your best efforts to negotiate commercially reasonable rates for these services, including leasing options for lodging and car expenses and will otherwise cooperate with the Company in connection with obtaining such services for your benefit. Reimbursement of an eligible expense shall be made in accordance with Company’s policies and practices; provided, however, that such expenses must be paid no later than the last day of the calendar year following the calendar year in which such expenses were incurred and further provided that in no event will the amount of expenses so reimbursed in one taxable year affect the amount of expenses eligible for reimbursement in any other taxable year. The right to reimbursement is not subject to liquidation or exchange for another benefit. Any such reimbursements shall be subject to applicable withholding taxes, if any, as required with respect thereto.

3. Indemnification. The Company agrees to indemnify you and hold you harmless to the fullest extent permitted by law for any action or inaction by you while serving as an executive officer and director of the Company or, at the Company's request, as an executive officer or director of any other entity or as a fiduciary of any benefit plan. The Company shall cover you under directors' and officers' liability insurance after the Transition Date in the same amount and to the same extent as the Company covers its other executive officers and directors.

4. Compliance with Company Rules and Policies. You agree that throughout the Transition Period, you shall follow and act in accordance with all of Company's rules, policies and procedures of Company, including, but not limited to this Agreement, the Company rules and policies, any of which may be revised from time to time at the sole discretion of the Company, with or without prior notice. It is understood, acknowledged and agreed that, while serving as Acting CEO, you intend to remain fully employed by DAFNA Capital Management, LLC.

5. Inventions and Developments.

(a) Any and all ideas, inventions, discoveries, patents, patent applications, continuation-in-part patent applications, divisional patent applications, technology, copyrights, derivative works, trademarks, service marks, improvements, trade secrets and the like, which are developed, conceived, created, discovered, learned, produced and/or otherwise generated by you, whether individually or otherwise, during the Transition Period whether or not during working hours, that relate to Stereotaxis Business or any work performed by you for Company (collectively, "Inventions and Developments"), shall be the sole and exclusive property of Company, and Company shall own any and all right, title and interest to such Inventions and Developments. You assign and agree to assign to Company any and all right, title and interest in and to any such Inventions and Developments whenever requested to do so by Company, at Company's expense, and you agree to execute any and all applications, assignments or other instruments which Company deems desirable or necessary to protect such interests, both during and after the Transition Period.

(b) By way of clarification, 5(a) shall not apply to any invention for which no equipment, supplies, facilities or Confidential and Trade Secret Information of Company was used and which was developed entirely on your own time, unless (i) the invention relates to Stereotaxis Business or to Company's actual or demonstrably-anticipated research or development; or (ii) the invention results from any work performed by you for Company.

6. Confidential Information. You agree to keep secret and confidential, and not to use or disclose to any third parties, except as directly required for you to perform your responsibilities for Company, any of Company's Confidential Information. Excluded from the scope of these restrictions is Confidential Information that becomes generally available to the public in any manner other than by a breach of this Agreement by you.

“Confidential Information” means any information pertaining to the Stereotaxis Business and/or other information of the Company acquired by you during the course of or as a result of your engagement as Acting CEO of the Company, which is not publicly known, such as but not limited to, trade secrets, know-how, processes, designs, products, documentation, data, research and development plans and activities, standard operating procedures and validation records, drawings, tools, techniques, software and computer programs and derivative works, inventions (whether patentable or not), improvements, copyrightable material, business and marketing plans, projections, sales data and reports, confidential evaluations, the confidential use, nonuse or compilation by the Company of technical or business information in the public domain, customers and prospects, customer requirements, costs, profitability, sales and marketing strategies, pricing policies, operational methods, strategic plans, training materials, internal financial information, operating and financial data and projections, distribution or sales methods, prices charged by or to Company, inventory lists, sources of supplies, supply lists, lists of current or past employees and information concerning relationships between Company and its employees, collaborators, or customers.

“Stereotaxis Business” means: (i) the development, manufacture, and sale of (A) equipment, software, devices, and methods in the field of remote, computer-controlled or computer-aided navigation and delivery of interventional medical devices, with or without the use of magnetic devices or systems, and (B) workstations, software, and networks used in or with medical procedures, and (ii) research and planning and business development that is planned or implemented by the Company during the Transition Period, with respect to which you receive Confidential Information during the Transition Period.

7. Company Materials. All notes, records, correspondence, data, hardware, software, documents or the like obtained by or provided to the Company regarding Stereotaxis Business, or otherwise made, produced, or compiled during the course or as a result of your appointment as Acting CEO of the Company which contain Confidential Information, regardless of the type of medium in which such is preserved, (“Company Materials”), are the sole and exclusive property of the Company, and shall be surrendered to the Company on request or upon your termination for any reason. During the Transition Period, you will not copy, reproduce or otherwise duplicate, record, abstract, summarize or otherwise use, any Company Materials except as expressly permitted or required for the proper performance of your duties on behalf of the Company or as a director of the Company.

8. Governing Law. This letter agreement shall be governed by and construed in accordance with the laws of the State of Missouri without reference to principles of conflict of laws.

9. Complete Agreement. This letter agreement embodies the complete agreement and understanding between the parties with respect to the subject matter hereof and effective as of its date supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

10. Successors and Assigns. This letter agreement shall bind and inure to the benefit of and be enforceable by you, the Company and their respective heirs, executors, personal representatives, successors and assigns, except that, subject to the following sentence, neither party may assign any rights or delegate any obligations hereunder without the prior written consent of the other party. Notwithstanding the foregoing, in the event that there is a successor to the Company (whether direct or indirect and whether by merger, acquisition, consolidation or otherwise), the Company shall assign the liabilities of the Company hereunder to such successor and you hereby consent to the assignment by the Company of all of its rights and obligations hereunder to any such successor to the Company.

If you agree with the foregoing, please sign and date the enclosed copy of this letter agreement in the space indicated below.

Sincerely,

Stereotaxis, Inc.

By: /s/ David W. Benfer

Name: David W. Benfer

Title: Lead Independent Director of the Board of Directors

Accepted by and Agreed to:

/s/ David L. Fischel

David L. Fischel

Dated as of: February 3, 2017



## STEREOTAXIS ANNOUNCES MANAGEMENT TRANSITION AND 2016 FINANCIAL RESULTS

- Resignation of William C. Mills as CEO and Chairman -
- Appointment of David Fischel as Acting CEO and Chairman -
- Appointment of Nathan Fischel, MD as Director -
- Preliminary Unaudited Fourth Quarter and Full Year 2016 Financial Results -

ST. LOUIS, February 6, 2017 — Stereotaxis, Inc. (OTCQX:STXS), a global leader in innovative robotic technologies for the treatment of cardiac arrhythmias, today announced a senior management transition and preliminary unaudited financial results for the fourth quarter and full year 2016.

In a move designed to help re-establish Stereotaxis' growth trajectory, the Company's Board of Directors has unanimously appointed David Fischel as acting Chief Executive Officer and Chairman, effective immediately. Mr. Fischel replaces William C. Mills, who has resigned from his position as CEO and from the Board.

"We want to thank Bill for his 17 years of service as a Director and contributions to Stereotaxis as CEO and Chairman for the past four years," said David Benfer, Lead Independent Director of the Company. "We wish Bill much success in his future endeavors."

"I am grateful for the responsibility entrusted in me by the Board and am excited by the opportunity to reinvigorate Stereotaxis with a culture of growth and to strengthen the commitment to significant innovations in electrophysiology and beyond," said David Fischel. "The key elements necessary to transform Stereotaxis into a highly successful company are largely in place. At the core, we have a technically sophisticated and differentiated robotic system, validated across nearly 100,000 procedures, providing significant clinical benefits to patients and physicians in a rapidly growing multi-billion dollar market. The strategic financing announced in September 2016 provided the Company with a strong balance sheet, committed investor base, and highly experienced, involved and constructive new Board members. Our focus now will be on growing sales, financial discipline, and enhanced relationships with potential strategic partners and the financial community. I look forward to working collaboratively with Stereotaxis' team, customers and partners to realize the great potential of this Company for the betterment of patients."

David Fischel has agreed to serve in his capacity on an unpaid basis.

"David has shown a great ability to synthesize the broad strategic needs of the Company with an attention to the actionable details that can lead to positive transformation," said Joe Kiani, CEO of Masimo and an Independent Director of Stereotaxis. "His strong track record of strategic, operational and financial management success, combined with his knowledge of Stereotaxis' people, technologies and markets, makes him exceptionally qualified to help us build our business and sharpen our execution."

“David’s unyielding passion and enthusiasm for the Company are infectious as they energize the people around him. Indeed, they were key factors in my decision to join the Stereotaxis Board in the first place. I look forward to working closely with him to make Stereotaxis highly successful,” added Dr. Arun Menawat, CEO of Profound Medical Inc. and an Independent Director of the Company.

The Company also announced the appointment of Dr. Nathan Fischel, CEO and Founder of DAFNA Capital Management, LLC, as a Director.

“I am excited to join the Board of Stereotaxis. The Company has the potential to transform the experience of patients and physicians, as well as enabling complex procedures that otherwise may not be possible. I look forward to contributing in the effort to transform this potential into reality,” said Dr. Nathan Fischel.

#### **Preliminary Unaudited Fourth Quarter and Full Year 2016 Financial Results**

Revenue for the fourth quarter of 2016 is expected to total \$7.3 million, an approximate 21% decline from the prior year fourth quarter. The decline was primarily caused by a lack of any Niobe® ES systems being sold in the quarter. Based on this preliminary estimate, recurring revenue generated from procedures and service contracts is expected to be \$6.5 million, down 4% compared to the prior year’s fourth quarter. Ventricular tachycardia (VT) procedures grew 16% in the quarter while overall procedures were down 6%.

Revenue for the full year ended December 31, 2016 is expected to be \$32.2 million, a 15% decline compared to \$37.7 million for 2015. Recurring revenue for the year is anticipated to be \$26.4 million, a 2% decline compared to 2015. System revenue is expected to be \$5.8 million, primarily reflecting the sale of two Niobe ES systems in addition to \$2.9 million from the sale of Odyssey® information management systems to robotic and manual labs. During the 2016 year, 9,177 procedures were performed globally on Stereotaxis’ robotic systems, a decrease of 1%. VT procedures grew 23% and reflected 31% of the year’s procedure volume. Gross profit for the year is expected to be 77%. The Company expects to recognize an operating loss and negative free cash flow of \$6.4 and \$7.0 million, respectively.

At December 31, 2016, Stereotaxis had cash and cash equivalents of \$8.5 million, no debt, and \$3.8 million in availability under its revolving line of credit.

The financial results presented in this release are preliminary and unaudited, and actual results may differ. The Company currently expects to report audited full year financial results in March 2017.

#### **Biographies of David Fischel and Dr. Nathan Fischel**

David Fischel has served as a Director of Stereotaxis since orchestrating the equity investment and positive strategic initiatives announced in September 2016. He has served for over eight years as Principal and portfolio manager for medical device investments at DAFNA Capital Management, LLC. In addition to his research responsibilities, Mr. Fischel has been deeply involved in all aspects



of the firm's operations including legal, accounting, IT, compliance, human resources and marketing. Prior to joining DAFNA Capital, he was a research analyst at SCP Vitalife, a healthcare venture capital fund. Mr. Fischel completed his B.S. magna cum laude in Applied Mathematics with a minor in Accounting at the University of California at Los Angeles and received his MBA from Bar-Ilan University in Tel Aviv. He is a Certified Public Accountant, Chartered Financial Analyst and Chartered Alternative Investment Analyst.

Dr. Nathan Fischel is the Founder and CEO of DAFNA Capital Management, LLC. DAFNA Capital is an SEC registered investment advisor with a highly successful investment track record of over 18 years focused on innovations in biotechnology and medical devices. Dr. Fischel was Professor of Pediatrics at UCLA School of Medicine, and attending physician in Pediatric Hematology and Oncology at Cedars-Sinai Medical Center in Los Angeles. He has published over 120 peer-reviewed scientific and medical manuscripts and book chapters, has been the principal investigator of multiple National Institutes of Health ("NIH") funded research grants, has served repeatedly on internal and external review panels at the NIH, and was appointed by the U.S. Secretary of Health and Human Services to serve for four years on the Advisory Council of one of the NIH's institutes. Dr. Fischel received his M.D. from the Technion Israel Institute of Technology and served his internship year at Hadassah Hospital in Jerusalem. He completed his residency and fellowship in Pediatrics and Pediatric Hematology and Oncology at the Children's Hospital and the Dana-Farber Cancer Institute, Harvard Medical School in Boston, and his postgraduate research training in Molecular Genetics at Oxford University in England.

### **About Stereotaxis**

Stereotaxis is the global leader in innovative robotic technologies designed to enhance the treatment of arrhythmias and perform endovascular procedures. Its mission is the discovery, development and delivery of robotic systems, instruments, and information solutions for the interventional laboratory. These innovations help physicians provide unsurpassed patient care with robotic precision and safety, improved lab efficiency and productivity, and enhanced integration of procedural information. Over 100 issued patents support the Stereotaxis platform. The core components of Stereotaxis' systems have received regulatory clearance in the United States, European Union, Japan, Canada, China, and elsewhere. For more information, please visit [www.stereotaxis.com](http://www.stereotaxis.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, the Company's ability to raise additional capital on a timely basis and on terms that are acceptable, its ability to continue to manage expenses and cash burn rate at sustainable levels, its ability to continue to work with lenders to extend, repay or refinance indebtedness, or to obtain additional debt financing, in either case on acceptable terms, 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 its systems and the timing of such purchases, competitive factors, changes resulting from healthcare reform in the United States, 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.*

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**STXS Company Contact:**

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