
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):

November 3, 2004

Stereotaxis, Inc.

(Exact name of registrant as specified in its charter)

Delaware

000-50884

94-3120386

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

4041 Forest Park Avenue, St. Louis, Missouri

63108

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(314) 615-6940

Not Applicable

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 1.01. Entry into a Material Definitive Agreement.

Stereotaxis, Inc. is a party to a loan and security agreement with Silicon Valley Bank for a revolving line of credit that provides working capital to Stereotaxis. On November 3, 2004, Stereotaxis and Silicon Valley Bank entered into a first loan modification agreement to reduce minimum tangible net worth requirement from \$50 million as of the end of each calendar month to \$30 million as of the end of each calendar month. There are no loans currently outstanding under the revolving line of credit.

A copy of the third amendment is attached hereto as Exhibit 10.1 and it is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Not applicable.

(b) Not applicable.

(c) Exhibits.

The following exhibit is filed as part of this report:

No. Document

10.1 First Loan Modification Agreement, dated as of November 3, 2004, between Silicon Valley Bank and Stereotaxis, Inc.

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.

November 9, 2004

By: *James M. Stolze*

Name: James M. Stolze

Title: Vice President and Chief Financial Officer

Exhibit Index

Exhibit No.	Description
10.1	First Loan Modification Agreement, dated as of November 3, 2004, between Silicon Valley Bank and Stereotaxis, Inc.

FIRST LOAN MODIFICATION AGREEMENT

This First Loan Modification Agreement (this "Loan Modification Agreement") is entered into as of November , 2004, by and between SILICON VALLEY BANK, a California-chartered bank, with a loan production office located at 230 W. Monroe, Suite 720, Chicago, Illinois 60606 ("Bank") and STEREOTAXIS, INC., a Delaware corporation with its chief executive office located at 4041 Forest Park Avenue, St. Louis, Missouri 63108 ("Borrower").

1. DESCRIPTION OF EXISTING INDEBTEDNESS AND OBLIGATIONS. Among other indebtedness and obligations which may be owing by Borrower to Bank, Borrower is indebted to Bank pursuant to a loan arrangement dated as of April 30, 2004, evidenced by, among other documents, a certain Loan and Security Agreement dated as of April 30, 2004, between Borrower and Bank (as amended, the "Loan Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Loan Agreement.

2. DESCRIPTION OF COLLATERAL. Repayment of the Obligations is secured by the Collateral as described in the Loan Agreement (together with any other collateral security granted to Bank, the "Security Documents").

Hereinafter, the Security Documents, together with all other documents evidencing or securing the Obligations shall be referred to as the "Existing Loan Documents".

3. DESCRIPTION OF CHANGE IN TERMS.

A. Modifications to Loan Agreement.

1. The Loan Agreement shall be amended by deleting the following provision appearing in Section 6.7(c) thereof:

"(c) Tangible Net Worth. After the occurrence of the Initial Public Offering, Borrower shall maintain, as of the last day of each calendar month, a minimum Tangible Net Worth of at least Fifty Million Dollars (\$50,000,000.00)."

and inserting in lieu thereof the following:

"(c) Tangible Net Worth. Borrower shall maintain, as of the last day of each calendar month, a minimum Tangible Net Worth of at least Thirty Million Dollars (\$30,000,000.00)."

2. The Compliance Certificate appearing as Exhibit D to the Loan Agreement is hereby replaced with the Compliance Certificate attached as Exhibit A hereto.

4. FEES. The Borrower shall also reimburse Bank for all legal fees and expenses incurred in connection with this amendment to the Existing Loan Documents.

5. RATIFICATION OF NEGATIVE PLEDGE AGREEMENT. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Negative Pledge Agreement dated as of April 30, 2004, between Borrower and Bank, and acknowledges, confirms and agrees that said Negative Pledge Agreement, shall remain in full force and effect.

6. RATIFICATION OF PERFECTION CERTIFICATE. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in a certain Perfection Certificate dated as of April 30, 2004, between Borrower and Bank, and acknowledges, confirms and agrees the disclosures and information above Borrower provided to Bank in the Perfection Certificate has not changed, as of the date hereof.

7. CONSISTENT CHANGES. The Existing Loan Documents are hereby amended wherever necessary to reflect the changes described above.

8. RATIFICATION OF LOAN DOCUMENTS. Borrower hereby ratifies, confirms, and reaffirms all terms and conditions of all security or other collateral granted to the Bank, and confirms that the indebtedness secured thereby includes, without limitation, the Obligations.

9. NO DEFENSES OF BORROWER. Borrower hereby acknowledges and agrees that Borrower has no offsets, defenses, claims, or counterclaims against Bank with respect to the Obligations, or otherwise, and that if Borrower now has, or ever did have, any offsets, defenses, claims, or counterclaims against Bank, whether known or unknown, at law or in equity, all of them are hereby expressly WAIVED and Borrower hereby RELEASES Bank from any liability thereunder.

10. CONTINUING VALIDITY. Borrower understands and agrees that in modifying the existing Obligations, Bank is relying upon Borrower's representations, warranties, and agreements, as set forth in the Existing Loan Documents. Except as expressly modified pursuant to this Loan Modification Agreement, the terms of the Existing Loan Documents remain unchanged and in full force and effect. Bank's agreement to modifications to the existing Obligations pursuant to this Loan Modification Agreement in no way shall obligate Bank to make any future modifications to the Obligations. Nothing in this Loan Modification Agreement shall constitute a satisfaction of the Obligations. It is the intention of Bank and Borrower to retain as liable parties all makers of Existing Loan Documents, unless the party is expressly released by Bank in writing. No maker will be released by virtue of this Loan Modification Agreement.

[The remainder of this page is intentionally left blank]

This Loan Modification Agreement is executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the date first written above.

BORROWER:
STEREOTAXIS, INC.
By: /s/ James M. Stolze
Name: James M. Stolze
Title: VP & CFO

BANK:
SILICON VALLEY BANK
By: /s/ Robert J. Blee
Name: Robert J. Blee
Title: Senior Relationship Manager

EXHIBIT A

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK
FROM: STEREOTAXIS, INC.

The undersigned authorized officer of Stereotaxis, Inc., ("Responsible Officer") certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the "Agreement"), (i) Borrower is in complete compliance for the period ending with all required covenants except as noted below and (ii) all representations and warranties in the Agreement are true and correct in all material respects on this date.

Please indicate compliance status by circling Yes/No under "Complies" column.

Table with 3 columns: Reporting Covenant, Required, and Complies. Rows include Monthly financial statements with CC, Annual (CPA Audited) with CC, Inventory Report, BBC A/R Agings Monthly within 30 days, and Audit Annually.

Table with 4 columns: Financial Covenant, Required, Actual, and Complies. Rows include Maintain on a Monthly Basis: Minimum Adjusted Quick Ratio and Tangible Net Worth \$30,000,000.00 \$.

Comments Regarding Exceptions: See Attached. Sincerely,

SIGNATURE

TITLE

DATE

BANK USE ONLY

Received by:

AUTHORIZED SIGNER

Date:

Verified:

AUTHORIZED SIGNER

Date:

Compliance Status: Yes No