

Stereotaxis, Inc.
Form S-3
August 31, 2006
Table of Contents

As filed with the Securities and Exchange Commission on August 30, 2006

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

STEREOTAXIS, INC.

Delaware
*(State or other jurisdiction of
incorporation or organization)*

94-3120386
(I.R.S. Employer Identification No.)

4320 Forest Park Avenue, Suite 100

St. Louis, Missouri 63108

(314) 678-6100

Bevil J. Hogg

Copies of all correspondence to:
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(Name, address, including zip code, and

telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to public: From time to time after this registration statement becomes effective.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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

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

If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

	Registered(1)(2)	Proposed Maximum Offering Price	Proposed Maximum Aggregate Offering Price(3)	Amount Of Registration Fee
Title of Each Class Of Securities To Be Registered		Per Unit(3)		
Common Stock, par value \$0.001 per share	1,150,849	\$11.04	\$12,705,373	\$1359.47

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- (1) This registration statement shall also cover any additional shares of common stock which become issuable by reason of any stock dividend, stock split, recapitalization or other similar transactions effected without the receipt of consideration which results in an increase in the number of outstanding shares of our common stock.
- (2) Includes shares issuable or recently issued upon the exercise of Stereotaxis Inc. warrants.
- (3) Estimated for the purpose of calculating the registration fee pursuant to Rule 457(g) under the Securities Act. The calculation of the fee is based on the average of the high and low sales prices of our common stock on the Nasdaq Global Market on August 25, 2006.

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

Table of Contents

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THE SECURITIES MAY NOT BE SOLD UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

Subject to Completion, dated August 30, 2006

PROSPECTUS

Common Stock, \$0.001 par value

Up to 1,150,849 Shares

This is an offering of up to 1,150,849 common shares, par value \$0.001 per share, of Stereotaxis, Inc. ("Stereotaxis"), all of which are common shares issuable or recently issued upon the exercise of warrants. All of these shares are being offered by the selling stockholders named in this prospectus. We do not know if any or all of the warrants will be exercised or if any or all of the shares will be resold. We will not receive any proceeds from the sale of the shares, but, assuming exercise of all warrants to which the shares relate, we will receive up to \$7,580,879 million in proceeds from the exercise of the warrants prior to those sales, which proceeds would be used for general corporate purposes. Please see "Selling Stockholders" and "Plan of Distribution" for information about the selling stockholders and the manner of offering of the common stock.

Our common stock is listed on the Nasdaq Global Market under the symbol "STXS". On August 25, 2006, the last reported sale price for our common stock on the Nasdaq Global Market was \$10.95 per share.

Investing in our common shares involves risks. See "Risk Factors" beginning on page 2 of this prospectus.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is _____, 2006.

Table of Contents**TABLE OF CONTENTS**

	Page
<u>PROSPECTUS SUMMARY</u>	1
<u>THE OFFERING</u>	1
<u>RISK FACTORS</u>	2
<u>FORWARD-LOOKING STATEMENTS</u>	18
<u>USE OF PROCEEDS</u>	19
<u>PRICE RANGE OF COMMON STOCK</u>	19
<u>SELLING STOCKHOLDERS</u>	20
<u>PLAN OF DISTRIBUTION</u>	22
<u>DESCRIPTION OF CAPITAL STOCK</u>	24
<u>LEGAL MATTERS</u>	25
<u>EXPERTS</u>	25
<u>WHERE YOU CAN FIND ADDITIONAL INFORMATION</u>	25
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	25

We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus. This prospectus does not constitute an offer to sell or the solicitation of any offer to buy common stock, nor does this prospectus constitute an offer to sell or the solicitation of any offer to buy common stock in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. You should not assume that the information contained in this prospectus is accurate on any date subsequent to the date of this prospectus or that any information we have incorporated by reference in this prospectus is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus is delivered or common stock sold on a later date.

Table of Contents

PROSPECTUS SUMMARY

The Company

Stereotaxis, Inc. 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, congestive heart failure, and arrhythmias. Our NIOBE cardiology magnet system, which is the core of our Stereotaxis 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, which we believe will result in improved navigation, shorter procedure times and reduced x-ray exposure. The core components of our Stereotaxis System have received regulatory clearance in the U.S. Europe and Canada, and we intend to continue to seek clearance or approvals for new products or in other countries in which we intend to operate.

We were incorporated in Delaware in June 1990 as Stereotaxis, Inc. Our principal executive offices are located at 4320 Forest Park Avenue, Suite 100, St. Louis, Missouri 63108, and our telephone number is (314) 678-6100. Our website address is www.stereotaxis.com. Information contained on our website is not incorporated by reference into and does not form any part of this prospectus. As used in this prospectus, references to we, our, us and Stereotaxis refer to Stereotaxis, Inc. unless the context requires otherwise.

NIOBE®, CARDIODRIVE®, CRONUS®, HELIOS®, TELSTAR®, ILIAD®, and TANGENT® are some of our registered trademarks. NAVIGANT™ DIGITAL SOLUTIONS FOR INTERVENTIONAL MEDICINE, SYNOPSIS, ODYSSEY, ARGOSY, MAI, REDEFINING INTERVENTIONAL MEDICINE are some of our other trademarks. This prospectus also refers to trademarks and trade names of other organizations.

THE OFFERING

This prospectus relates to the sale or other disposition of 1,150,849 shares of our common stock, comprising shares issuable (or that have previously been issued) upon exercise of warrants held by the selling stockholders named in this prospectus or their transferees. The selling stockholders and the transactions in which the warrants were issued are all identified and described on in the section entitled Selling Stockholders on page 21, below. We are registering the selling stockholders' resale of these securities. We will not receive any proceeds from the sale of the shares of common stock by the selling stockholders, but will receive proceeds related to the exercise of warrants for cash held by the selling stockholders. The registration of these common shares does not necessarily mean that any of them will be offered or sold by the selling stockholders. The securities may be sold directly or through brokers, dealers or agents in private or market transactions. In connection with any sales, the selling stockholders and any brokers, dealers or agents participating in such sales may be deemed to be underwriters within the meaning of the Securities Act. See Plan of Distribution.

Table of Contents

RISK FACTORS

Investing in our securities involves a high degree of risk. Prior to making a decision about investing in our securities, you should carefully consider the risks described below and all other information contained or incorporated by reference in this prospectus. The risks and uncertainties described below and in other filings incorporated by reference in this prospectus are not the only ones facing our company. Additional risks and uncertainties not currently known to us or that we currently consider immaterial may also adversely affect us. If any of the following risks actually occurs, our business, results of operations and financial condition will likely suffer. As a result, the trading price of our common stock and/or the value of any other securities we may issue may decline, and you might lose part or all of your investment.

RISKS RELATED TO OUR BUSINESS

Hospital decision-makers may not purchase our Stereotaxis System or may think that it is too expensive.

The market for our products and related technology is not well established. To achieve continued sales, hospitals must purchase our products, and in particular, our NIOBE cardiology magnet system. The NIOBE cardiology magnet system, which is the core of our Stereotaxis System, is a novel device, and hospitals and physicians are traditionally slow to adopt new products and treatment practices. In addition, hospitals may delay their purchase or installation decision based on the disposable interventional devices that have received regulatory clearance or approval. Moreover, the Stereotaxis System is an expensive piece of capital equipment, representing a significant portion of the cost of a new or replacement cath lab. If hospitals do not widely adopt our Stereotaxis System, or if they decide that it is too expensive, we may never become profitable. Any failure to sell as many Stereotaxis Systems as our business plan requires could also have a seriously detrimental impact on our results of operations, financial condition and cash flow.

Physicians may not use our products if they do not believe they are safe and effective.

We believe that physicians will not use our products unless they determine that the Stereotaxis System provides a safe, effective and preferable alternative to interventional methods in general use today. Currently, there is only limited clinical data on the Stereotaxis System with which to assess safety and efficacy. If longer-term patient studies or clinical experience indicate that treatment with our system or products is less effective, less efficient or less safe than our current data suggest, our sales would be harmed, and we could be subject to significant liability. Further, unsatisfactory patient outcomes or patient injury could cause negative publicity for our products, particularly in the early phases of product introduction. In addition, physicians may be slow to adopt our products if they perceive liability risks arising from the use of these new products. It is also possible that as our products become more widely used, latent defects could be identified, creating negative publicity and liability problems for us and adversely affecting demand for our products. If physicians do not use our products, we likely will not become profitable or generate sufficient cash to survive as a going concern.

Our collaborations with Siemens, Philips, Biosense Webster or other parties may fail, or we may not be able to enter into additional partnerships or collaborations in the future.

We are collaborating with Siemens, Philips, Biosense Webster and other parties to integrate our instrument control technology with their respective imaging products or disposable interventional devices and to co-develop additional disposable interventional devices for use with our Stereotaxis System. For the immediate future, a significant portion of our revenues from system sales will be derived from these integrated products. In addition, Siemens has agreed to provide post-installation maintenance and support services to our customers for our integrated systems and we are in discussions with Philips to provide the same.

Our product commercialization plans could be disrupted, leading to lower than expected revenue and a material and adverse impact on our results of operations and cash flow, if:

any of our collaboration partners delays or fails in the integration of its technology with our Stereotaxis System as planned;

Table of Contents