

Stereotaxis, Inc.
Form SC TO-I
August 17, 2009

As filed with the Securities and Exchange Commission on August 17, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
SCHEDULE TO
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

STEREOTAXIS, INC.

(Name of Subject Company (Issuer) and Filing Person (Offeror))

Options to Purchase Common Stock, Par Value \$0.001 Per Share

Stock Appreciation Rights Relating to Common Stock, Par Value \$0.001 Per Share

(Title of Class of Securities)

85916J102

(CUSIP Number of Class of Securities underlying Common Stock)

Michael P. Kaminski

President and Chief Executive Officer

Stereotaxis, Inc.

4320 Forest Park Avenue

Suite 100

St. Louis, Missouri 63108

(314) 678-6100

(Name, address, and telephone numbers of person authorized to receive

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notices and communications on behalf of filing persons)

Copy to:

Joseph D. Lehrer, Esq.

Greensfelder, Hemker & Gale, P.C.

10 South Broadway, Suite 2000

St. Louis, Missouri 63102

CALCULATION OF FILING FEE

Transaction Valuation*
\$564,528

Amount of Filing Fee**
\$31.50

* Estimated solely for purposes of calculating the amount of the filing fee. This amount assumes that both options to purchase common stock and stock appreciation rights relating to an aggregate of 975,121 shares of common stock of Stereotaxis, Inc., par value \$0.001 per share (Common Stock), having an aggregate value of \$564,528 will be exchanged pursuant to this offer. The aggregate value is estimated based upon the Black-Scholes option pricing model as of August 10, 2009. The Transaction Valuation set forth above was calculated for the sole purpose of determining the Amount of Filing Fee and should not be used for any other purpose.

** The amount of the filing fee calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended, equals \$55.80 for each \$1,000,000 of the aggregate transaction valuation.

.. Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not Applicable
Form or Registration No.: Not Applicable

Filing Party: Not Applicable
Date Filed: Not Applicable

.. Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer. Check the appropriate boxes below to designate any transactions to which the statement relates:

.. third-party tender offer subject to Rule 14d-1.

p Issuer tender offer subject to Rule 13e-4.

.. Going-private transaction subject to Rule 13e-3.

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“ amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing fee is a final amendment reporting the results of the tender offer: ”

SCHEDULE TO

This Tender Offer Statement on Schedule TO (the Schedule TO) is being filed by Stereotaxis, Inc., a Delaware corporation (the Company , we , our or us), pursuant to Rule 13e-4 under the Securities Exchange Act of 1934, as amended, in connection with the Company s offer to certain eligible employees who hold stock options and/or stock appreciation rights to exchange some or all of their outstanding eligible stock options and/or eligible stock appreciation rights granted under the Company s 2002 Stock Incentive Plan, as amended (the Plan). This Exchange Offer is being made upon the terms and subject to the conditions set forth in the Offer to Exchange Certain Stock Options and Stock Appreciation Rights (the Exchange Offer).

ITEM 1. SUMMARY TERM SHEET.

The information set forth under Summary Term Sheet Questions and Answers in the Exchange Offer filed as Exhibit (a)(1)(i) hereto, is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION.

(a) *Name and Address.*

Stereotaxis, Inc., a Delaware corporation, is the issuer of securities subject to the Exchange Offer. The address of the Company s principal executive office is 4320 Forest Park Avenue, Suite 100, St. Louis, Missouri 63108. The Company s telephone number is (314) 678-6100.

(b) *Securities.*

This tender offer statement on Schedule TO relates to an offer by the Company to certain employees, subject to specified conditions, to exchange some or all of their outstanding incentive stock options and non-qualified stock options (collectively, Options) and stock appreciation rights (SARs) relating to the Company s common stock, par value \$0.001 per share, in exchange for replacement Options (Replacement Options) and replacement SARs (Replacement SARs), as the case may be. Options and SARs will be eligible for exchange and referred to herein as Eligible Options and Eligible SARs, respectively, if (i) they have an exercise price of not less than \$6.50 per share, (ii) they have been outstanding for at least one (1) year on the Exchange Date and (iii) they have a fair value of less than 67% of the fair value of the Replacement Options and Replacement SARs, respectively, as of the grant of the Replacement Options and Replacement SARs, which will be the last day of the Exchange Offer, currently expected to be September 14, 2009. Fair value of the Eligible Options, Eligible SARs, Replacement Options and Replacement SARs will be determined using the Black-Scholes valuation model. Eligible Options, Replacement Options, Eligible SARs and Replacement SARs have been and will be issued pursuant to the Stereotaxis, Inc. 2002 Stock Incentive Plan, as amended.

The Company is making the Exchange Offer to all employees, referred to herein as Eligible Employees who, from the period beginning as of the date the Exchange Offer commences until the expiration of the Exchange Offer, are: (a) actively employed by the Company or a subsidiary of the Company, (b) are receiving long-term disability benefits from the Company or (c) on one of the following short-term leaves (as defined by the Company): (i) military leave; (ii) short-term disability leave; (iii) family medical leave; (iv) short-term personal leave; (v) health leave; or (vi) other short-term leave as approved by the Company and who hold Eligible Options and/or Eligible SARs. Members of the Company s Board of Directors, the Chief Financial Officer of the Company and Chief Executive Officer of the Company are not Eligible Employees.

The actual number of shares of common stock subject to the Eligible Options and Eligible SARs to be exchanged in the Exchange Offer will depend on the closing price of the Company s common stock on the NASDAQ Global Market as of the expiration date of the Exchange Offer. The Company is making the offer upon the terms and subject to the conditions set forth in the Exchange Offer.

The information set forth in the Exchange Offer under This Offer, Section 1 (Eligibility; Number of Awards; Expiration Time), Section 5 (Acceptance of Eligible Awards for Exchange and Issuance of Replacement Awards), Section 6 (Price Range of Common Stock Underlying the Awards) and Section 8 (Source and Amount of Consideration; Terms of Replacement Awards) is incorporated herein by reference.

(c) *Trading Market and Price.*

There is no established trading market for the Eligible Options and Eligible SARs. The securities underlying the Eligible Options and Eligible SARs are shares of the Company's common stock. The Company's common stock is quoted on the NASDAQ Global Market under the symbol STXS. The information set forth in the Exchange Offer under This Offer, Section 6 (Price Range of Common Stock Underlying the Awards) is incorporated herein by reference.

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON.

(a) *Name and Address.*

The Company is the filing person and the subject company. The information set forth under Item 2(a) above and in the Exchange Offer under This Offer, Section 10 (Interests of Directors, Executive Officers and Affiliates; Transaction and Arrangements Concerning the Awards) is incorporated herein by reference.

ITEM 4. TERMS OF THE TRANSACTION.

(a) *Material Terms.*

The information set forth in the Exchange Offer under Summary Term Sheet Questions and Answers, Risk Factors, and This Offer Section 1 (Eligibility; Number of Awards; Expiration Time), Section 3 (Procedures for Electing to Exchange Awards), Section 4 (Withdrawal Rights), Section 5 (Acceptance of Eligible Awards for Exchange and Issuance of Replacement Awards), Section 7 (Conditions of This Offer), Section 8 (Source and Amount of Consideration; Terms of Replacement Awards), Section 11 (Status of Eligible Awards Acquired by Us in this Offer; Accounting Consequences of This Offer), Section 12 (Legal matters; Regulatory Approvals), Section 13 (Material U.S. Federal Income Tax Consequences), Section 14 (Extension of Offer; Termination; Amendment), and Section 17 (Miscellaneous) is incorporated herein by reference.

(b) *Purchases.*

The information set forth in the Exchange Offer under This Offer, Section 10 (Interests of Directors, Executive Officers and Affiliates; Transaction and Arrangements Concerning the Awards) is incorporated herein by reference.

ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.

(a) *Agreements Involving the Subject Company's Securities.*

The information set forth in the Exchange Offer under This Offer, Section 8 (Source and Amount of Consideration; Terms of Replacement Awards) and Section 10 (Interests of Directors, Executive Officers and Affiliates; Transaction and Arrangements Concerning the Awards) is incorporated herein by reference.

ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.

(a) *Purposes.*

The information set forth in the Exchange Offer under Summary Term Sheet Questions and Answers and under This Offer, Section 2 (Purpose of this Offer) is incorporated herein by reference.

(b) *Use of Securities Acquired.*

The information set forth in the Exchange Offer under This Offer, Section 5 (Acceptance of Eligible Awards for Exchange and Issuance of Replacement Awards) and Section 11 (Status of Eligible Awards Acquired by Us in this Offer; Accounting Consequences of This Offer) is incorporated herein by reference.

(c) *Plans.*

Not applicable.

ITEM 7. SOURCE AND AMOUNTS OF FUNDS OR OTHER CONSIDERATION.

(a) *Source of Funds.*

The information set forth in the Exchange Offer under This Offer, Section 8 (Source and Amount of Consideration; Terms of Replacement Awards) and Section 15 (Fees and Expenses) is incorporated herein by reference.

(b) *Conditions.*

The information set forth in the Exchange Offer under This Offer, Section 7 (Conditions of this Offer) is incorporated herein by reference.

(c) *Borrowed Funds.*

Not applicable.

ITEM 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a) *Securities Ownership.*

The information set forth in the Exchange Offer under This Offer, Section 10 (Interests of Directors, Executive Officers and Affiliates; Transaction and Arrangements Concerning the Awards) is incorporated herein by reference.

(b) *Securities Transactions.*

The information set forth in the Exchange Offer under This Offer, Section 10 (Interests of Directors, Executive Officers and Affiliates; Transaction and Arrangements Concerning the Awards) is incorporated herein by reference.

ITEM 9. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED.

(a) *Solicitations or Recommendations.*

Not applicable.

ITEM 10. FINANCIAL STATEMENTS.

(a) *Financial Information.*

The financial information included in Item 8 (Financial Statements and Supplementary Data) of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed with the Securities and Exchange Commission (the SEC) on March 13, 2009, as amended by the certain Current Report on Form 8-K, filed with the SEC on August 6, 2009, is incorporated herein by reference.

The financial information included in Item 1 (Financial Statements (unaudited)) of the Company s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009, filed with the SEC on May 11, 2009, as amended by that certain Amendment No. 1 to Form 10-Q filed on July 2, 2009, is incorporated herein by reference.

The financial information included in Item 1 (Financial Statements (unaudited)) of the Company s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009, filed with the SEC on August 7, 2009, is incorporated herein by reference.

The information set forth in the Exchange Offer under This Offer, Section 9 (Information Concerning Stereotaxis, Inc.) and Section 16 (Additional information) is incorporated herein by reference.

Our SEC filings, including the abovementioned Annual Report on Form 10-K and Quarterly Report on Form 10-Q, can be accessed electronically, free of charge, on the SEC s website at <http://www.sec.gov>.

(b) *Pro Forma Financial Information.*

Not applicable.

ITEM 11. ADDITIONAL INFORMATION.

(a) *Agreements, Regulatory Requirements and Legal Proceedings.*

The information set forth in the Exchange Offer under This Offer, Section 10 (Interests of Directors, Executive Officers and Affiliates; Transaction and Arrangements Concerning the Awards) and Section 12 (Legal Matters; Regulatory Approvals) is incorporated herein by reference.

(b) *Other Material Information.*

Not applicable.

ITEM 12. EXHIBITS.

See Index of Exhibits below.

ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

STEREOTAXIS, INC.

By: /s/ James M. Stolze
James M. Stolze, Vice President and
Chief Financial Officer

Dated: August 17, 2009

INDEX OF EXHIBITS

| Exhibit Number | Description |
|-----------------------|---|
| (a)(1)(i)* | Offer to Exchange Certain Stock Options and Stock Appreciation Rights, dated August 17, 2009. |
| (a)(1)(ii)* | Form of email accompanying distribution of the Exchange Offer. |
| (a)(1)(iii)* | Form of Election Form for participation in the Exchange Offer. |
| (a)(1)(iv)* | Slide presentation explaining the Exchange Offer |
| (a)(1)(v)* | Form of email reminding Eligible Employees of the Exchange Offer, to be delivered on or about September 7, 2009. |
| (a)(1)(vi)* | Frequently Asked Questions Concerning the Exchange Offer. |
| (a)(1)(vii)* | Form of Replacement Incentive Stock Option Grant Agreement |
| (a)(1)(viii)* | Form of Replacement Non-Qualified Stock Option Grant Agreement |
| (a)(1)(ix)* | Form of Replacement Stock Appreciation Right Grant Agreement |
| (a)(1)(x) | Stereotaxis, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed with the Securities and Exchange Commission (the SEC) on March 13, 2009, as amended by that certain Current Report on Form 8-K, filed with the SEC on August 6, 2009, and incorporated herein by reference. |
| (a)(1)(xi) | Stereotaxis, Inc. Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009, filed with the SEC on May 11, 2009, as amended by that certain Amendment No. 1 to Form 10-Q filed on July 2, 2009, and incorporated herein by reference. |
| (a)(1)(xii) | Stereotaxis, Inc. Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009, filed with the SEC on August 7, 2009, and incorporated herein by reference. |
| (a)(2) | Not Applicable. |
| (a)(3) | Not Applicable. |
| (a)(4) | Not Applicable. |
| (a)(5) | Definitive Proxy Statement on Schedule 14A for Stereotaxis, Inc.'s Annual Meeting of Stockholders held on June 10, 2009, filed with the SEC on April 23, 2009, and incorporated herein by reference. |
| (b) | Not Applicable |
| (d) | Stereotaxis, Inc. 2002 Stock Incentive Plan, as amended and restated effective June 10, 2009 is hereby incorporated by reference to Exhibit E of Stereotaxis, Inc.'s Definitive Proxy Statement on Schedule 14A filed with the SEC on April 23, 2009. |
| (g) | Not Applicable. |
| (h) | Not Applicable. |

* Filed simultaneously herewith.