UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 6)*

BioDrain Medical, Inc.

(Name of Issuer)

Common Stock, par value $0.01 per share

(Title of Class of Securities)

09071P109

(CUSIP Number)

SOK Partners, LLC
122 Willow Street
Brooklyn, New York 11217
Attn: Dr. Samuel Herschkowitz
(718) 624-6277

with copies to:
Goodwin Procter llp
620 Eighth Avenue
New York, New York 10018
Attn: Jeffrey A. Legault, Esq.
(212) 813-8800

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

August 15, 2012

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d 1(e), 240.13d 1(f) or 240.13d 1(g), check the following box: ☐

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1	NAME OF REPORTING PERSON: **SAMUEL HERSCHKOWITZ**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☐ (b) ☒		
3	SEC USE ONLY:		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): **PF, OO**		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION **UNITED STATES**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	**7**	SOLE VOTING POWER **41,983,411**	
	8	SHARED VOTING POWER **49,579,695**	
	9	SOLE DISPOSITIVE POWER **41,983,411**	
	10	SHARED DISPOSITIVE POWER **49,579,695**	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON **97,863,106**		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) **66.9%**[1]		
14	TYPE OF REPORTING PERSON **IN**		

[1] Calculated based upon 146,296,444 shares of the Issuer's common stock outstanding, which include (i) 67,316,108 shares of common stock outstanding as of August 13, 2012, as reported by the Issuer in its Form 10-Q filed on August 14, 2012, (ii) the 19,381,411 shares of common stock issuable upon the conversion of the outstanding principal amount and accrued interest under the First Note, as more fully described in Item 3 below, (iii) the 27,098,925 shares of common stock issuable upon conversion of the current outstanding principal amount and accrued interest under the Grid Note, as more fully described in Item 3 below, (iv) the 6,000,000 shares of common stock issuable upon the exercise of Mr. Kornberg's options granted under the CEO Employment Agreement, as more fully described in Item 3 below, (v) the 13,250,000 shares of common stock issuable to Dr. Herschkowitz pursuant to the Forbearance Agreement, as more fully described in Item 3 below, and (vi) the 13,250,000 shares of common stock issuable to SOK Partners LLC pursuant to the Forbearance Agreement, as more fully described in Item 3 below.

1	NAME OF REPORTING PERSON: **JOSHUA KORNBERG**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☐ (b) ☒		
3	SEC USE ONLY:		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): **OO**		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION **UNITED STATES**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	**7**	SOLE VOTING POWER **6,300,000**	
	8	SHARED VOTING POWER **49,579,695**	
	9	SOLE DISPOSITIVE POWER **6,300,000**	
	10	SHARED DISPOSITIVE POWER **49,579,695**	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON **97,863,106**		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) **66.9%**[2]		
14	TYPE OF REPORTING PERSON **IN**		

[2] See Footnote 1.

1	NAME OF REPORTING PERSON: **SOK PARTNERS, LLC**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☐ (b) ☒		
3	SEC USE ONLY:		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): **WC, OO**		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION **NEW JERSEY**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	**7**	SOLE VOTING POWER **49,579,695**	
	8	SHARED VOTING POWER **0**	
	9	SOLE DISPOSITIVE POWER **49,579,695**	
	10	SHARED DISPOSITIVE POWER **0**	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON **97,863,106**		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) **66.9%**[3]		
14	TYPE OF REPORTING PERSON **OO**		

[3] See Footnote 1.

1	NAME OF REPORTING PERSON: **ATLANTIC PARTNERS ALLIANCE LLC**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☐ (b) ☒		
3	SEC USE ONLY:		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): **OO**		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION **NEW YORK**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	**7**	SOLE VOTING POWER **0**	
	8	SHARED VOTING POWER **49,579,695**	
	9	SOLE DISPOSITIVE POWER **0**	
	10	SHARED DISPOSITIVE POWER **49,579,695**	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON **97,863,106**		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) **66.9%**[4]		
14	TYPE OF REPORTING PERSON **OO**		

[4] See Footnote 1.

This Amendment No. 6 is filed by Samuel Herschkowitz, Joshua Kornberg, SOK Partners, LLC and Atlantic Partners Alliance LLC (collectively, the "Reporting Persons"), and amends and supplements the statement on Schedule 13D (the "Statement") originally filed by the Reporting Persons with the Securities and Exchange Commission (the "SEC") on April 6, 2012, Amendment No. 1 thereto filed with the SEC on April 17, 2012, Amendment No. 2 thereto filed with the SEC on April 24, 2012, Amendment No. 3 thereto filed with the SEC on May 17, 2012, Amendment No. 4 thereto filed with the SEC on June 7, 2012, and Amendment No. 5 thereto filed with the SEC on August 15, 2012, with respect to the common stock, par value $0.01 per share (the "Shares"), of BioDrain Medical, Inc., a Minnesota corporation (the "Issuer"). All references herein to the Statement or terms of similar import shall be deemed to refer to the Statement as amended and supplemented by Amendment No. 1 thereto, Amendment No. 2 thereto, Amendment No. 3 thereto, Amendment No. 4 thereto, Amendment No. 5 thereto, and hereby.

Except as specifically provided herein, this Amendment No. 6 does not modify any of the information previously reported in the Statement, and unless otherwise indicated, each capitalized term used but not defined herein shall have the meaning assigned to such term in the Statement.

The Reporting Persons previously entered into the Joint Filing Agreement, a copy of which was filed as Exhibit 99.1 to the Statement, and which is incorporated herein by reference thereto.

Neither the fact of this filing nor anything contained herein shall be deemed an admission by the Reporting Persons that they constitute a "group" as such term is used in Section 13(d)(1)(k) of the rules and regulations under the Act.

Item 1. Security and Issuer.

Response unchanged.

Item 2. Identity and Background.

Response unchanged.

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 is hereby amended and replaced in its entirety as follows:

Mr. Kornberg was issued 300,000 Shares on or about March 9, 2012 pursuant to a Letter Agreement, dated as of March 13, 2012, between Mr. Kornberg and the Issuer (the "March 13 Letter Agreement"), as compensation for services rendered to the Issuer. On August 13, 2012, Mr. Kornberg and the Issuer entered into an Employment Agreement (the "CEO Employment Agreement") pursuant to which Mr. Kornberg was granted options to purchase 6,000,000 Shares at an exercise price of $0.08 per Share. Such options were fully vested upon the grant date and expire ten years following such grant date. Mr. Kornberg may be deemed to beneficially own (as such term is defined in Rule 13d-3 under the Act) the 6,000,000 Shares issuable upon exercise of such options.

Pursuant to the terms of an Amended and Restated Note Purchase Agreement, dated as of December 20, 2011, between Dr. Herschkowitz and the Issuer (the "First Note Purchase Agreement"), in exchange for a loan in cash in the amount of $240,000 from Dr. Herschkowitz to the Issuer, the Issuer issued to Dr. Herschkowitz a Convertible Promissory Note (the "First Note"), dated December 20, 2011, in the original principal amount of $240,000. The First Note is convertible, in part or in full and at any time during which the First Note remains outstanding, into a number of Shares equal to the outstanding principal amount of, and accrued interest under, the First Note divided by $0.014 per Share, subject to adjustment for certain events. On August 15, 2012, the conversion price under the First Note was adjusted from $0.065 per Share to $0.014 per Share pursuant to the Forbearance Agreement (as defined below).

As long as any amount payable under the First Note remains outstanding, Dr. Herschkowitz or his designee is entitled to appoint a special advisor to the Issuer's board of directors, who will be appointed as a member of the Board upon request. Pursuant to this authority, Josh Kornberg was appointed to the Board on March 9, 2012. Under the First Note Purchase Agreement, Dr. Herschkowitz may be entitled to receive additional Shares as compensation for the attendance by his nominee at board of directors meetings, should he elect to receive such compensation in Shares in lieu of cash.

Pursuant to the First Note Purchase Agreement, the Issuer has issued to Dr. Herschkowitz an equity bonus consisting of 1,600,000 Shares. An additional 7,500,000 Shares were issued to Dr. Herschkowitz as a penalty upon the occurrence of an event of default under the First Note.

As of the date hereof, the outstanding principal amount under the First Note is convertible into 17,142,857 Shares. In addition, the accrued interest under the First Note of $31,339.73 as of the date hereof is convertible into 2,238,554 Shares. Dr. Herschkowitz used available personal funds to acquire the First Note from the Issuer.

Pursuant to the terms of a Note Purchase Agreement, dated as of March 28, 2012, between SOK Partners, LLC ("SOK Partners") and the Issuer (the "SOK Note Purchase Agreement"), in exchange for a loan in cash of up to $600,000 from SOK Partners to the Issuer, the Issuer issued to SOK Partners a Convertible Promissory Grid Note (the "Grid Note"), dated March 28, 2012, in the original principal amount of up to $600,000. The Grid Note is convertible, in part or in full and at any time during which the Grid Note remains outstanding, into a number of Shares equal to the outstanding principal amount of, and accrued interest under, the Grid Note divided by $0.014, subject to adjustment for certain events. On August 15, 2012, the conversion price under the Grid Note was adjusted from $0.065 per Share to $0.014 per Share pursuant to the Forbearance Agreement (as defined below).

As of the date hereof, the outstanding principal amount under the Grid Note is $357,282 and is convertible into 25,520,143 Shares. In addition, the accrued interest under the Grid Note of $22,102.95 as of the date hereof is convertible into 1,578,782 Shares. SOK Partners used its working capital to acquire the Grid Note from the Issuer.

As long as any amount payable under the Grid Note remains outstanding, SOK Partners or its designee is entitled to appoint a special advisor to the Issuer's board of directors, who will be appointed as a member of the board upon request. In addition, the Issuer is required to issue two installments of an equity bonus to SOK Partners in the form of Shares valued at the rate of $0.065 per Share. The Issuer has issued to SOK Partners such two installments, in each case consisting of 4,615,385 Shares per installment.

Until the maturity date of the Grid Note, if the Issuer obtains financing from any other source without the consent of SOK Partners, then the Issuer is required to issue additional bonus equity with an aggregate value of $600,000 (assuming a value per Share of $0.014) less the aggregate advances under the Grid Note made prior to such time.

On August 15, 2012, the Issuer entered into a letter agreement (the "Forbearance Agreement") with Dr. Herschkowitz (both on his own behalf and on behalf of Atlantic Partners) and SOK Partners pursuant to which Dr. Herschkowitz and SOK Partners agreed to (i) forbear from enforcing their rights under the First Note and the Grid Note in connection with certain events of default thereunder, (ii) terminate the Anti-Dilution Agreement (as defined in Item 6 below) and (iii) extend the maturity date of each of the First Note and the Grid Note to December 31, 2012. In consideration of such agreements, the Issuer agreed to (x) issue to each of Dr. Herschkowitz and SOK Partners on the date of the Forbearance Agreement 13,250,000 Shares and (y) adjust the conversion price under each of the First Note and the Grid Note to $0.014 per Share.

The foregoing descriptions of the March 13 Letter Agreement, the First Note Purchase Agreement, the First Note, the SOK Note Purchase Agreement, the Grid Note and the Settlement Agreement do not purport to be complete and are qualified in their entirety by reference to such agreements. A copy of the March 13 Letter Agreement, attached as Exhibit 99.2 hereto, is incorporated herein by reference. A copy of the First Note Purchase Agreement and form of First Note, listed as Exhibit 99.3 hereto, is incorporated herein by reference to Exhibit 10.24 to the Issuer's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on April 3, 2012. A copy of the SOK Note Purchase Agreement and the form of Grid Note, listed as Exhibit 99.4 hereto, is incorporated herein by reference to Exhibit 10.23 to the Issuer's Current Report on Form 8-K filed with the SEC on April 3, 2012. A copy of the Forbearance Agreement, attached as Exhibit 99.8 hereto, is incorporated herein by reference.

Item 4. Purpose of Transaction.

Item 4 is hereby amended and replaced in its entirety as follows:

The information set forth in Items 3 and 6 of this Statement is incorporated herein by reference.

Pursuant to the First Note Purchase Agreement, Mr. Kornberg is a member of the Issuer's board of directors. Mr. Kornberg is also President and Chief Executive Officer of the Issuer.

The transactions contemplated by the March 13 Letter Agreement, the First Note Purchase Agreement, the First Note, the SOK Note Purchase Agreement, the Grid Note and the Forbearance Agreement have resulted in, or will result in, as applicable, certain actions specified in Items 4(a) through (j) of Schedule 13D, including the acquisition by any person of additional securities of the Issuer. On an ongoing basis, the Reporting Persons will review the Issuer's operating, management, business affairs, capital needs and general industry and economic conditions, and, based on such review, the Reporting Persons may, from time to time, determine to increase or decrease such Reporting Persons' ownership of Shares, vote to approve an extraordinary corporate transaction with regard to the Issuer or engage in any of the events set forth in Items 4(a) through (j) of Schedule 13D.

The Reporting Persons intend to encourage the Issuer to explore various strategic alternatives with the objective of raising additional capital for the Issuer, which may include a merger with another company which already possesses the necessary additional capital.

Item 5. Interest in Securities of the Issuer.

Item 5 is hereby amended and replaced in its entirety as follows:

(a) The Reporting Persons may be deemed to beneficially own (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Act")), in the aggregate, 97,863,106 Shares (including Shares issuable upon the conversion of the amounts outstanding under the First Note and the Grid Note), representing approximately 66.9% of the outstanding Shares (calculated based upon 146,296,444 Shares outstanding, which include (i) 67,316,108 Shares outstanding as of August 13, 2012, as reported by the Issuer in its Form 10-Q filed on August 14, 2012, (ii) the 19,381,411 Shares issuable upon the conversion of the outstanding principal amount and accrued interest under the First Note, as more fully described in Item 3 above, (iii) the 27,098,925 Shares issuable upon conversion of the current outstanding principal amount and accrued interest under the Grid Note, as more fully described in Item 3 above, (iv) the 6,000,000 Shares issuable upon the exercise of Mr. Kornberg's options granted under the CEO Employment Agreement, as more fully described in Item 3 above, (v) the 13,250,000 Shares issuable to Dr. Herschkowitz pursuant to the Forbearance Agreement, as more fully described in Item 3 above, and (vi) the 13,250,000 Shares issuable to SOK Partners pursuant to the Forbearance Agreement, as more fully described in Item 3 above.).

(b) Dr. Herschkowitz is the record holder of 9,352,000 Shares, may be deemed to beneficially own (as such term is defined in Rule 13d-3 under the Act) the 19,381,411 Shares issuable upon the conversion of the aggregate outstanding principal amount and accrued interest of $271,339.73 under the First Note and the 13,250,000 Shares issuable to him pursuant to the Forbearance Agreement (in each case as described in Item 3 above), and has sole voting power and sole dispositive power with respect to all of such Shares. Dr. Herschkowitz, by virtue of his relationship with SOK Partners, Atlantic Partners and Mr. Kornberg as described in Item 2 above, may be deemed to beneficially own (as such term is defined in Rule 13d-3 under the Act) the 9,230,770 Shares which SOK Partners directly beneficially owns, the 27,098,925 Shares issuable to SOK Partners upon the conversion of the currently aggregate outstanding principal amount and accrued interest of $379,384.95 under the Grid Note (as described in Item 3 above), the 13,250,000 Shares issuable to SOK Partners pursuant to the Forbearance Agreement, the 300,000 Shares which Joshua Kornberg directly beneficially owns, and the 6,000,000 Shares issuable to Mr. Kornberg upon the exercise of options granted under the CEO Employment Agreement, which Mr. Kornberg may be deemed to beneficially own (as such term is defined in Rule 13d-3 under the Act). Because he is one of the two members of Atlantic Partners, Dr. Herschkowitz may be deemed to have shared voting power and shared dispositive power with Mr. Kornberg with respect to the 9,230,770 Shares which SOK Partners directly beneficially owns, the 27,098,925 Shares issuable to SOK Partners upon the conversion of the aggregate outstanding principal amount and accrued interest of $379,384.95 under the Grid Note (as described in Item 3 above), and the 13,250,000 Shares issuable to SOK Partners pursuant to the Forbearance Agreement (as described in Item 3 above).

Mr. Kornberg is the record holder of 300,000 Shares and has sole voting power and sole dispositive power with respect to all of such Shares. Mr. Kornberg may also be deemed to beneficially own (as such term is defined in Rule 13d-3 under the Act) the 6,000,000 Shares issuable upon the exercise of Mr. Kornberg's stock options granted under the CEO Employment Agreement. Mr. Kornberg, by virtue of his relationship with SOK Partners, Atlantic Partners and Dr. Herschkowitz as described in Item 2 above, may be deemed to beneficially own (as such term is defined in Rule 13d-3 under the Act) the 9,230,770 Shares which SOK Partners directly beneficially owns, the 27,098,925 Shares issuable to SOK Partners upon the conversion of the aggregate outstanding principal amount and accrued interest of $379,384.95 under the Grid Note (as described in Item 3 above), the 9,352,000 Shares which Dr. Herschkowitz directly beneficially owns, and the 19,381,411 Shares issuable to Dr. Herschkowitz upon the conversion of the aggregate outstanding principal amount and accrued interest of $271,339.73 under the First Note (as described in Item 3 above), the 13,250,000 Shares issuable to Dr. Herschkowitz pursuant to the Forbearance Agreement (as described in Item 3 above), and the 13,250,000 Shares issuable to SOK Partners pursuant to the Forbearance Agreement (as described in Item 3 above). Because he is one of the two members of Atlantic Partners, Mr. Kornberg may be deemed to have shared voting power and shared dispositive power with Dr. Herschkowitz with respect to the 9,230,770 Shares which SOK Partners directly beneficially owns, the 27,098,925 Shares issuable to SOK Partners upon the conversion of the aggregate outstanding principal amount and accrued interest of $379,384.95 under the Grid Note (as described in Item 3 above), and the 13,250,000 Shares issuable to SOK Partners pursuant to the Forbearance Agreement (as described in Item 3 above).

SOK Partners is the record holder of 9,230,770 Shares, may be deemed to beneficially own (as such term is defined in Rule 13d-3 under the Act) the 27,098,925 Shares issuable to SOK Partners upon the conversion of the aggregate outstanding principal amount and accrued interest of $379,384.95 under the Grid Note (as described in Item 3 above) and the 13,250,000 Shares issuable to SOK Partners pursuant to the Forbearance Agreement (as described in Item 3 above), and has sole voting power and sole dispositive power with respect to all of such Shares. SOK Partners, by virtue of its relationship with Dr. Herschkowitz and Mr. Kornberg as described in Item 2 above, may be deemed to beneficially own (as such term is defined in Rule 13d-3 under the Act) the 9,352,000 Shares which Dr. Herschkowitz directly beneficially owns, the 19,381,411 Shares issuable to Dr. Herschkowitz upon the conversion of the aggregate outstanding principal amount and accrued interest of $271,339.73 under the First Note (as described in Item 3 above), the 13,250,000 Shares issuable to Dr. Herschkowitz pursuant to the Forbearance Agreement (as described in Item 3 above), the 300,000 Shares which Mr. Kornberg directly beneficially owns, the 6,000,000 Shares issuable to Mr. Kornberg upon the exercise of options granted under the CEO Employment Agreement, which Mr. Kornberg may be deemed to beneficially own (as such term is defined in Rule 13d-3 under the Act).

Atlantic Partners is not the record holder of any Shares. By virtue of its being the sole member of SOK Partners, Atlantic Partners may be deemed to beneficially own (as such term is defined in Rule 13d-3 under the Act) the 9,230,770 Shares which SOK Partners directly beneficially owns, the 27,098,925 Shares issuable to SOK Partners upon the conversion of the aggregate outstanding principal amount and accrued interest of $379,384.95 under Grid Note (as described in Item 3 above), and the 13,250,000 Shares issuable to SOK Partners pursuant to the Forbearance Agreement (as described in Item 3 above). Because Dr. Herschkowitz and Dr. Kornberg are the two members of Atlantic Partners, Atlantic Partners may be deemed to beneficially own (as such term is defined in Rule 13d-3 under the Act) the 9,352,000 Shares which Dr. Herschkowitz directly beneficially owns, the 19,381,411 Shares issuable to Dr. Herschkowitz upon the conversion of the aggregate outstanding principal amount and accrued interest of $271,339.73 under the First Note (as described in Item 3 above), the 13,250,000 Shares issuable to Dr. Herschkowitz pursuant to the Forbearance Agreement (as described in Item 3 above), the 300,000 Shares which Mr. Kornberg directly beneficially owns, and the 6,000,000 Shares issuable to Mr. Kornberg upon the exercise of options granted under the CEO Employment Agreement, which Mr. Kornberg may be deemed to beneficially own (as such term is defined in Rule 13d-3 under the Act).

As of the date hereof, none of the Reporting Persons owns any Shares other than the Shares described in this Statement.

(c) The information set forth in Item 3 of this Statement is incorporated herein by reference.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 is hereby amended and replaced in its entirety with the following:

The information set forth in Items 3 and 4 of this Statement is incorporated herein by reference.

Pursuant to Rule 13-d1(k) promulgated under the Act, the Reporting Persons have entered into a Joint Filing Agreement, a copy of which is filed with this Schedule 13D as Exhibit 99.1, with respect to the joint filing of this Schedule 13D and any amendment or amendments thereto.

Pursuant to a letter agreement, dated March 14, 2012, between the Issuer and Atlantic Partners (the "Anti-Dilution Agreement"), Atlantic Partners was granted certain anti-dilution rights with respect to Shares in the event that the Issuer issues Shares to an person other than Atlantic Partners or its affiliates within 120 days of March 14, 2012. The Anti-Dilution Letter was terminated on August 15, 2012 pursuant to the Forbearance Agreement.

SOK Partners and Dr. Herschkowitz are parties to a Letter Agreement dated March 28, 2012 (the "March 28 Letter Agreement") pursuant to which, among other things, SOK Partners and Dr. Herschkowitz have agreed that payment of any and all indebtedness (together with the security interests related thereto) under the SOK Note Purchase Agreement and the Grid Note are subordinate to the prior payment in full of all of the indebtedness (and related security interests) under the First Note Purchase Agreement and the First Note. In addition, Dr. Herschkowitz agreed that, should SOK Partners exercise its conversion rights under the Grid Note, then he will exercise his conversion right to convert a pro rata portion of the indebtedness under the First Note.

On August 13, 2012, Mr. Kornberg and the Issuer entered into the CEO Employment Agreement, pursuant to which Mr. Kornberg was granted options to purchase 6,000,000 Shares at an exercise price of $0.08 per Share. Such options were fully vested upon the grant date and expire ten years following such grant date. Under the CEO Employment Agreement, Mr. Kornberg will also receive annual equity incentive grants (stock options, restricted stock or other stock-based awards) with respect to each calendar year ending during the term. The target aggregate grant date fair value of each annual grant will be 200% of his base salary, subject to increase. Each annual grant will vest in the amounts of 50%, 25% and 25% on the first, second and third anniversaries of the grant date, respectively.

On August 10, Dr. Herschkowitz loaned the amount of $51,243 to the Issuer in order to allow the Issuer to repay some outstanding secured indebtedness. It is anticipated that Dr. Herschkowitz and the Issuer will enter into a Note Purchase Agreement in connection with such loan, and that such Note Purchase Agreement will provide that an equity bonus consisting of a number of Shares approximating the market value of such loan will be issued to Dr. Herschkowitz, but the terms of such Note Purchase Agreement have not yet been finalized.

The foregoing descriptions of the Anti-Dilution Agreement, the March 28 Letter Agreement and the CEO Employment Agreement do not purport to be complete and are qualified in their entirety by reference to such agreements. A copy of the Anti-Dilution Agreement, attached as Exhibit 99.5 hereto, is incorporated herein by reference. A copy of the March 28 Letter Agreement, attached as Exhibit 99.6 hereto, is incorporated herein by reference. A copy of the CEO Employment Agreement, attached as Exhibit 99.7 hereto, is incorporated herein by reference.

Item 7. Material to be Filed as Exhibits.

Item 7 is hereby supplemented by the following:

Exhibit 99.7 Employment Agreement, dated as of August 13, 2012, between BioDrain Medical, Inc. and Joshua Kornberg

Exhibit 99.8 Letter Agreement, dated August 15, 2012, among BioDrain Medical, Inc., Dr. Samuel Herschkowitz and SOK Partners, LLC

SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this Statement is true, complete and correct.

Dated: August 20, 2012

SAMUEL HERSCHKOWITZ

/s/ Samuel Herschkowitz
Samuel Herschkowitz

JOSHUA KORNBERG

/s/ Joshua Kornberg
Joshua Kornberg

SOK PARTNERS, LLC

By: Atlantic Partners Alliance LLC, its sole member

By: /s/ Samuel Herschkowitz
Name: Samuel Herschkowitz
Title: President

ATLANTIC PARTNERS ALLIANCE LLC

By: /s/ Samuel Herschkowitz
Name: Samuel Herschkowitz
Title: President

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of the 13th day of August, 2012, between BioDrain Medical, Inc., a Minnesota corporation (the "Company"), and Josh Kornberg (the "Executive").

WHEREAS, the Company desires to employ the Executive and the Executive desires to be employed by the Company beginning on April 24, 2012 (the "Commencement Date") on the terms contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company hereby employs the Executive, and the Executive hereby accepts such employment, for an initial term commencing as of the Commencement Date and continuing for a one-year period (the "Initial Term"), unless sooner terminated in accordance with the provisions of Section 3; with such employment hereunder to automatically continue following the Initial Term for additional, successive one-year periods in accordance with the terms of this Agreement (subject to earlier termination as aforesaid) unless either party notifies the other party in writing of its intention not to renew this Agreement at least sixty (60) days prior to the expiration of (as applicable) the Initial Term or then-current one-year extension period (the Initial Term, together with any such extension of employment hereunder, shall hereinafter be referred to as the "Term").

(b) Position and Duties. During the Term, the Executive shall serve as the Chief Executive Officer and President of the Company, and shall have supervision and control over and responsibility for the day-to-day business and affairs of the Company, such other duties, responsibilities and authorities as are consistent with those positions, and shall have such other powers, duties and responsibilities as may from time to time be prescribed by the Chairman of the Board of Directors of the Company (the "Board"), provided that such duties are consistent with the Executive's positions (or other positions that he may hold from time to time). The Executive's duties and responsibilities shall include, but are not limited to, devising, implementing and overseeing strategic reorganization and restructuring initiatives. It is understood and agreed that the Executive shall not be required to relocate to, or maintain his primary office or work generally from, the Company's main offices in Minnesota (or other specific or successor location). It is anticipated and agreed that Executive will and may perform his duties primarily from such location(s) as he may choose other than the Company's main offices; provided, however, the Executive will travel to and work at the Company's main offices in Minnesota from time to time as business circumstances mandate. The Company will provide and maintain an office with appropriate equipment and support for Executive at its main offices in Minnesota (or any successor location). The Executive shall devote substantially all of his business time, during normal business hours, to the business and affairs of the Company. The Executive may (i) manage his and his family's finances, assets, affairs, and investments, (ii) serve on other boards of directors (provided such service is disclosed to the Board) and (iii) engage in religious, charitable or other community activities, as long as such services and activities do not unreasonably interfere with the Executive's performance of his duties for the Company, and as long as the activities described in clauses (ii) and (iii) do not constitute a conflict of interest as reasonably determined by the Board.

(c) Board Membership. Effective on or about March 9, 2012, the Executive was appointed as a member of the Board and since that date has been serving, and during his employment hereunder (and thereafter (unless his Board membership has been otherwise terminated)) shall continue to serve as a member of the Board, subject to the applicable by-laws and any other governing documents pertaining to Board membership and service.

2. Compensation and Related Matters.

(a) Base Salary. During the Term, the Executive's initial annual base salary shall be $180,000.00 per year, subject to adjustment (but not decrease without the written consent of the Executive) from time to time in the discretion of the Board or the Compensation Committee of the Board (the "Compensation Committee"). The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in a manner that is consistent with the Company's usual payroll practices for senior executives. The first such payroll payment after the date of this Agreement shall include a catch-up payment of all Base Salary accrued but not yet paid for the period starting from the Commencement Date through the date of such payment (based on the rate of $180,000 per annum).

(b) Incentive Compensation. In connection with his employment during the Term, the Executive shall be eligible to receive cash and/or equity incentive compensation as determined by the Board and/or the Compensation Committee from time to time, including, without limitation, the incentive compensation described in 2(b)(i) and 2(b)(ii) below

(i) Annual Bonus. The Executive shall be eligible to receive with respect to each calendar year ending during the Term of the Executive's employment with the Company (i.e., for 2012, for the period from the Commencement Date through December 31, 2012, and for the period January 1 through December 31 of each year thereafter during the Term) a bonus payment subject to the terms of this Section 2(b)(i) (the "Annual Bonus"). The amount of the Annual Bonus shall be determined based on the attainment of reasonable Company and/or individual performance metrics established and revised annually by the Compensation Committee and/or Board in consultation with the Executive (which shall be set at or about the beginning of the given year to which the metrics relate; and for 2012 which will be based on the performance measures, goals and standards set forth in a letter agreement (to be an exhibit to this Agreement) approved by the Executive and the Compensation Committee and/or Board on or about the date of this Agreement or as soon thereafter as practicable but in no event by later than August 15, 2012). The Executive's target Annual Bonus shall be 150 percent of his Base Salary (the "Target Annual Bonus"); provided that the actual amount of the Annual Bonus for each calendar year shall be determined by the Compensation Committee and/or the Board based on relative level of achievement of the applicable metrics and which may be in an amount greater or less than the Target Annual Bonus but shall not be less than 50 percent of the Target Annual Bonus (the "Minimum Bonus"). The Annual Bonus shall be payable in a single lump sum in cash between January 1 and March 15 of the year following the calendar year to which such Annual Bonus Relates. Notwithstanding the foregoing, the Annual Bonus for the calendar year ending December 31, 2012 will be pro-rated based on the percentage of 2012 during which Executive is employed (measured starting from the Commencement Date). Except as otherwise provided in this Agreement, to earn and be entitled to payment of an Annual Bonus in respect of a given calendar year, the Executive must be employed by the Company on the last day (i.e., December 31st) of the calendar year to which the bonus relates (such date, the "Bonus Vesting Date"). Notwithstanding the foregoing, the Executive (or his estate, if applicable) shall receive a pro-rata portion of the Target Annual Bonus (calculated as if all applicable performance metrics had been attained at 100% and based on the portion of the calendar year during which the Executive was employed) (the "Pro-Rata Bonus") for the calendar year during which the Executive's employment terminates in the event the Executive's employment terminates due to: (i) a termination by the Company without Cause, (ii) a termination by the Executive for Good Reason, (iii) expiration of the Term (i.e., expiration due to an election pursuant to Section 1(a) by either the Company or the Executive not to renew/extend the then current Initial Term or one-year renewal period for a subsequent year), or (iv) termination due to the Executive's death or disability.

(ii) Equity Incentive Grants. The Executive shall receive annual equity incentive grants (e.g., stock options, restricted stock or other stock-based awards) with respect to each calendar year ending during the Term of the Executive's employment with the Company (i.e., for 2012, for the period from the Commencement Date through December 31, 2012, and for the period January 1 through December 31 of each year), which shall be granted on December 31st of the calendar year to which such grant pertains (each an "Annual Grant"). Each Annual Grant shall be granted in accordance with the terms and conditions of the applicable equity incentive plan or plans then in effect and will be evidenced by an award agreement issued under the applicable plan. The target aggregate grant date fair value of each such Annual Grant shall be 200 percent of the Executive's Base Salary (the "Target Grant"), provided that the actual amount of any such award shall be determined in the reasonable discretion of the Compensation Committee and/or the Board and may be greater than the Target Grant but which shall not be less than the Target Grant. Each Annual Grant shall vest as follows: 50% on the first anniversary of the applicable grant date, 25% on the second anniversary of the applicable grant date and 25% on the third anniversary of the applicable grant date.

(c) Inducement Grant. In order to induce the Executive to accept employment with the Company and to enter into this Agreement (and in exchange for such acceptance), on the date of this Agreement, the Company shall grant to the Executive a non-qualified stock option under its stock incentive plan to purchase 6,000,000 shares of common stock, with an exercise price per share equal to the fair market value per share on the date of grant (the "Inducement Grant"). The Inducement Grant will be fully vested on the date of grant and will have a term of ten years from the date of grant.

(d) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses (including, without limitation, for business travel and entertainment) incurred by him during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its senior executive officers.

(e) Other Benefits. During the Term, the Executive shall be eligible to continue to participate in or receive benefits under all of the Company's Executive Benefit Plans in effect on the date hereof, or under plans or arrangements that provide the Executive with benefits at least substantially equivalent to those provided under such Executive Benefit Plans. As used herein, the term "Executive Benefit Plans" includes, without limitation, each pension and retirement plan; supplemental pension, retirement and deferred compensation plan; savings and profit-sharing plan; stock ownership plan; stock purchase plan; stock option plan; life insurance plan; medical insurance plan; disability plan; and health and accident plan or arrangement established and maintained by the Company on the date hereof for employees of the same status within the hierarchy of the Company. The Executive shall be eligible to participate in or receive benefits under any employee benefit plan or arrangement which may, in the future, be made available by the Company to its executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plan or arrangement. Any payments or benefits payable to the Executive under a plan or arrangement referred to in this Section 2(e) in respect of any calendar year during which the Executive is employed by the Company for less than the whole of such year shall, unless otherwise provided in the applicable plan or arrangement, be prorated in accordance with the number of days in such calendar year during which he is so employed. Should any such payments or benefits accrue on a fiscal (rather than calendar) year, then the proration in the preceding sentence shall be on the basis of a fiscal year rather than calendar year.

(f) Health Insurance Reimbursement. Notwithstanding anything to the contrary in Section 2(e), the Executive shall not be required to elect to participate in the Company's group health insurance plan(s) (as applicable). If the Executive does not elect to participate, the Company agrees that it shall reimburse the Executive for the premiums associated with the Executive maintaining during the Term such health insurance coverage (including medical and dental) for himself, his spouse and his eligible dependents under the personal insurance policies under which he and they are covered as of the Commencement Date (or a reasonable successor/replacement policy/policies as the Executive may hereafter obtain). For the avoidance of doubt, the Executive shall be eligible for reimbursement of, and shall be reimbursed for, all such premiums incurred by the Executive for such coverage since the Commencement Date; and the Company shall make a catch-up reimbursement payment to the Executive on the first regularly scheduled payroll date after the date of this Agreement for all such premiums incurred by the Executive for the period from the Commencement Date through such payroll date.

(g) Life Insurance Benefit. During the Term, the Company shall pay the Executive a supplemental payment on an semi-annual basis (on June 30th and December 31st of each year), with each such payment equal to the cost of six months of premiums for the Executive to maintain a commercially reasonable 10-year term life insurance policy of the Executive's choosing providing a death benefit of $1,000,000.00 (the "Life Insurance Benefit").

(h) Vacations. During the Term, the Executive shall be entitled to accrue up to four (4) weeks (i.e., 20 business days) of paid vacation days in each year, which shall be accrued ratably. Any accrued unused vacation time remaining at the end of a given year shall carryover into the following year; and the Executive shall be paid for any accrued, unused vacation remaining at the Date of Termination (as defined below); provided, however, the Executive will not be paid for any remaining accrued, unused vacation time in the event the Company terminates the Executive's employment for Cause (as defined below) or the Executive terminates his employment without Good Reason (as defined below).

(i) Legal Fees. The Executive shall be reimbursed for his reasonable attorneys' fees and costs incurred in connection with the negotiation and drafting of this Agreement and related legal advice and counsel, not to exceed $5,000; which reimbursement will be made as soon as practicable but in no event later than five (5) business days after the later of the execution of this Agreement and receipt of a detailed invoice with respect to such fees and costs.

3. Termination. During the Term, the Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon his death.

(b) Disability. The Company may terminate the Executive's employment if he is disabled and unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq*. and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.* or any similar state or local law.

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause by a vote of the Board at a meeting of the Board called and held for such purpose. For purposes of this Agreement, "Cause" shall mean: (i) the Executive's continued non-compliance with the lawful, reasonable and good faith written directives from the Board, which non-compliance has continued for 30 days following the Executive's receipt of written notice from the Board of such non-compliance; (ii) the Executive's acts or omissions constituting material misconduct in connection with the performance of his duties, including misappropriation of funds or property of the Company (other than the occasional, customary and de minimis use of Company property for personal purposes), which misconduct the Executive fails to cure within 30 days following the Executive's receipt of written notice from the Board of such misconduct; (iii) the conviction of the Executive for any felony or a misdemeanor involving moral turpitude or fraud, which conduct by the Executive results or is reasonably expected to result (as determined by the Board in good faith) in injury or reputational harm to the Company or in the Executive being unable to satisfactorily perform his duties to the Company; (iv) non-performance by the Executive of his duties to the Company (other than by reason of the Executive's physical or mental illness, incapacity or disability or permissible absence) which non-performance has continued for 30 days following the Executive's receipt of written notice from the Board of such non-performance; or (v) a material breach by the Executive of any of the Executive's material obligations under this Agreement and/or of any fiduciary duties owed by Executive to the Company, which breach the Executive fails to cure within 30 days following the Executive's receipt of written notice from the Board of such breach. To the extent notice and cure opportunities are required pursuant to the foregoing, Cause for termination shall not be deemed to exist if the applicable conduct or condition has been cured or discontinued (as applicable) prior to expiration of the applicable post-notice cure period.

(d) Termination Without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause, subject to the advance notice requirements in Section 3(g). Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause. For the avoidance of doubt, a termination due to the Company's electing (pursuant to Section 1(a)) not to renew/extend the then-current Initial Term or one-year renewal period (as applicable) for a subsequent year shall be deemed to be and treated as a termination by the Company without Cause (including, without limitation, for purposes of Sections 4 and 5) and which termination shall be effective upon the scheduled expiration of the then-current Initial Term or one-year renewal period (as applicable).

(e) Termination by the Executive. The Executive may terminate his employment hereunder at any time for any reason, including but not limited to Good Reason, subject to the advance notice requirements in Section 3(g) and, if applicable, the Good Reason Process described herein. For purposes of this Agreement, "Good Reason" shall mean that the Executive has complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events (each a "Good Reason Condition"): (i) a material diminution in the Executive's responsibilities, authority or duties; (ii) a material diminution in the Executive's Base Salary, Minimum Bonus, Target Annual Bonus, and/or Target Grant; (iii) a material change in the geographic location at which the Executive provides services to the Company (including, without limitation, requiring the Executive to relocate to the Company's Minnesota offices or other successor location where the Company may hereafter maintain it offices); or (iv) the material breach of this Agreement by the Company. For the avoidance of doubt, the Company's hiring of a new Chief Executive Officer, whether with or without the Executive's participation, cooperation or consent, shall constitute a Good Reason Condition (which shall be deemed to occur on the first day of such new Chief Executive Officer's employment). "Good Reason Process" shall mean that (i) the Executive reasonably determines in good faith that a "Good Reason" condition has occurred; (ii) the Executive notifies the Company in writing of the occurrence of the Good Reason Condition within 90 days of the first occurrence of such Good Reason Condition; (iii) the Executive cooperates in good faith with the Company's efforts, for a period of 30 days following such notice (the "Cure Period"), to remedy the Good Reason Condition; (iv) notwithstanding such efforts, the Good Reason Condition continues to exist; and (v) the Executive terminates his employment within 90 days after the end of the Cure Period. If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(g) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by his death, the date of his death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), 30 days after the date on which a Notice of Termination is given; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) without Good Reason, 30 days after the date on which a Notice of Termination is given, (v) if the Executive's employment is terminated by the Executive under Section 3(e) with Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period, and (vi) if the Executive's employment terminates due to expiration of the Term (i.e., due to election of non-renewal by either the Company or the Executive pursuant to Section 1(a)), the scheduled expiration date of the then current Initial Term or one-year renewal period (as applicable).

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate) (i) any Base Salary earned through the Date of Termination (paid on or before the time required by law but in no event more than 30 days after the Date of Termination), (ii) if the Date of Termination occurs following the end of a given calendar year, but prior to payment of the Annual Bonus with respect to such year, the Annual Bonus payable for such prior calendar year (paid in accordance with Section 2(b)(i)); (iv) if applicable under Section 2(b)(i), the Pro-Rata Bonus for the year during which the Date of Termination occurs (paid at the time the Company pays bonuses with respect to such year); (v) unpaid expense reimbursements (subject to, and in accordance with, Sections 2(d), 2(f) and 2(i) of this Agreement) and, if applicable under Section 2(h), unused vacation that accrued through the Date of Termination (paid on or before the time required by law but in no event more than 30 days after the Date of Termination); and (vi) any vested benefits the Executive may have under any Executive Benefit Plan or other employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such benefit plans (collectively, the "Accrued Benefits").

(b) Termination by the Company Without Cause or by the Executive with Good Reason. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates his employment for Good Reason as provided in Section 3(e), then the Company shall pay the Executive his Accrued Benefits (as provided in Section 4(a) above). In addition, subject to the Executive signing a full and final release of all releasable claims in favor of the Company and related persons and entities in a reasonable form and manner reasonably satisfactory to the Company (the "Release") and the expiration of the applicable revocation period for the Release:

(i) the Company shall pay the Executive an amount equal to two (2) times the sum of (x) the Executive's Base Salary and (y) the Executive's Target Annual Bonus (i.e., 100% of the Target Annual Bonus amount as if employed for the full year and all applicable performance metrics had been fully achieved) (the "Severance Amount"). The Severance Amount shall be paid out in a cash lump sum payment within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the lump sum payment of the Severance Amount shall be paid in the second calendar year (but prior to the end of the 60-day period). Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2);

(ii) effective upon the Date of Termination, all stock options and other stock-based awards (including, without limitation, all such awards/grants under Section 2(b)(ii) and 2(c)) held by the Executive and all yet unvested portions thereof shall immediately and fully accelerate and vest and become exercisable or nonforfeitable as of the Date of Termination (to the extent that the Release is not effective as of the Date of Termination, the Company shall take all necessary corporate action to ensure that no such stock-based awards terminate or are forfeited by the Executive from the Date of Termination until the date such accelerated vesting and/or exercisability becomes effective); and

(iii) if the Annual Grant had not been made with respect to the year in which the Date of Termination occurs, the Company shall grant to the Executive on the Date of Termination such number of shares of common stock with an aggregate fair market value on the Date of Termination equal to 200 percent of the Executive's Base Salary (which grant shall be fully vested on the Date of Termination); and

(iv) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination, then the Company shall pay to the Executive a monthly cash payment for eighteen (18) months equal to the monthly premiums for the continuation of such coverage (for the Executive and, as applicable, his spouse and eligible dependents) pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA) or similar state law; or, if the Executive (and his spouse and dependents, as applicable) was/were covered by the Executive's own health insurance the premiums for which the Executive was being reimbursed pursuant to Section 2(f) above, then the Company shall pay to the Executive a monthly cash payment for eighteen (18) months equal to the monthly premiums for such insurance coverage.

5. Change in Control Payment. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and/or after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 4(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs in connection with or within eighteen (18) months after the occurrence of the first event constituting a Change in Control. These provisions shall terminate and be of no further force or effect beginning eighteen (18) months after the occurrence of a Change in Control if the Executive remains employed with the Company through and at such time.

(a) Change in Control. In the event of a Change in Control:

(i) notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, all stock options and other stock-based awards held by the Executive (including, without limitation, all such awards/grants under Section 2(b)(ii) and 2(c)) and all yet unvested portions thereof shall immediately and fully accelerate and vest and become fully exercisable or nonforfeitable as of immediately prior to the closing or occurrence (as applicable) of the event constituting the Change in Control; and

(ii) if, in connection with or within eighteen (18) months after a Change in Control, the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates his employment for any reason, subject to the signing of the Release by the Executive and the expiration of the applicable revocation period for the Release:

(A) the Company shall pay the Executive a lump sum in cash in an amount equal to three (3) times the sum of (A) the Executive's current Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher) plus (B) the Executive's Target Annual Bonus (or the Executive's Target Annual Bonus in effect immediately prior to the Change in Control, if higher). Such payment shall be paid within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payment shall be paid in the second calendar year (but prior to the end of the 60-day period);

(B) to the extent not covered by and accelerated pursuant to Section 5(a)(i) above, effective upon the Date of Termination all stock options and other stock-based awards (including, without limitation, all such awards/grants under Section 2(b)(ii))) held by the Executive and all yet unvested portions thereof shall immediately and fully accelerate and vest and become exercisable or nonforfeitable as of the Date of Termination (to the extent that the Release is not effective as of the Date of Termination, the Company shall take all necessary corporate action to ensure that no such stock-based awards terminate or are forfeited by the Executive from the Date of Termination until the date such accelerated vesting and/or exercisability becomes effective);

(C) if the Annual Grant had not been made with respect to the year in which the Date of Termination occurs, the Company shall grant to the Executive on the Date of Termination such number of shares of common stock with an aggregate fair market value on the Date of Termination equal to 200 percent of the Executive's Base Salary (which grant shall be fully vested on the Date of Termination); and

(D) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination, then the Company shall pay to the Executive a monthly cash payment for eighteen (18) months equal to the monthly premiums for the continuation of such coverage (for the Executive and, as applicable, his spouse and eligible dependents) pursuant to COBRA or similar state law; or, if the Executive (and his spouse and dependents, as applicable) was/were covered by the Executive's own health insurance the premiums for which the Executive was being reimbursed pursuant to Section 2(f) above, then the Company shall pay to the Executive a monthly cash payment for eighteen (18) months equal to the monthly premiums for such insurance coverage.

(b) Gross-Up Payment.

(i) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and the applicable regulations thereunder (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment or payments (collectively, the "Gross-Up Payment") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Severance Payments, any Federal, state, and local income tax, employment tax and Excise Tax upon the payment provided by this Section, and any interest and/or penalties assessed with respect to such Excise Tax, shall be equal to the Severance Payments.

(ii) Subject to the provisions of Section 5(b)(iii) below, all determinations required to be made under this Section 5(b)(ii), including whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the Gross-Up Payment is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of the Executive's residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. The Gross-Up Payment, if any, as determined pursuant to this Section 5(b)(ii), shall be paid to the relevant tax authorities as withholding taxes on behalf of the Executive at such time or times when each Excise Tax payment is due. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (an "Underpayment"). In the event that the Company exhausts its remedies pursuant to Section 5(b)(iii) below and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred, consistent with the calculations required to be made hereunder, and any such Underpayment, and any interest and penalties imposed on the Underpayment and required to be paid by the Executive in connection with the proceedings described in Section 5(b)(iii) below, shall be promptly paid by the Company to the relevant tax authorities as withholding taxes on behalf of the Executive.

(iii) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive knows of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which he gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, provided that the Company has set aside adequate reserves to cover the Underpayment and any interest and penalties thereon that may accrue, the Executive shall:

(A) give the Company any information reasonably requested by the Company relating to such claim,

(B) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney selected by the Company,

(C) cooperate with the Company in good faith in order to effectively contest such claim, and

(D) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses.

(iv) If, after a Gross-Up Payment by the Company on behalf of the Executive pursuant to this Section 5(b), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 5(b)(iii)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto).

(c) Definitions. For purposes of this Section 5, the following terms shall have the following meanings:

"Change in Control" shall mean any of the following:

(i) there is consummated a merger, consolidation, statutory exchange or reorganization, unless securities representing more than fifty percent (50%) of the total combined voting power of the outstanding voting securities of the successor corporation are immediately thereafter beneficially owned directly or indirectly and in substantially the same proportion, by the persons who beneficially owned the Company's outstanding voting securities immediately prior to such transaction; or

(ii) any transaction or series of related transactions pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended (other than the Company or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with the Company) becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing (or convertible into or exercisable for securities possessing) thirty percent (30%) or more of the total combined voting power of the securities (determined by the power to vote with respect to the elections of Board members) outstanding immediately after the consummation of such transaction or series of related transactions, whether such transaction involves a direct issuance from the Company or the acquisition of outstanding securities held by one or more of the Company's shareholders; or

(iii) there is consummated a sale, lease, exclusive license, or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries, other than a sale, lease, license, or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale, lease, license, or other disposition; or

(iv) individuals who, on the date of this Agreement, are members of the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new director was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new director shall, for purposes of sentence, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing, (A) a "Change in Control" shall not be deemed to have occurred for purposes of the foregoing clause (ii) solely as the result of the acquisition of additional securities by Dr. Samuel Herschkowitz, Joshua Kornberg or their affiliates; and (B) a "Change in Control" shall not be deemed to have occurred for purposes of the foregoing clause (ii) solely as the result of a repurchase or other acquisition of securities by the Company which, by reducing the number of shares of Voting Securities outstanding, increases the proportionate number of Voting Securities beneficially owned by any person to thirty percent (30%) or more of the combined voting power of all of the then outstanding Voting Securities; provided, however, that if any person referred to in this clause (B) shall thereafter become the beneficial owner of any additional shares of Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Company) and immediately thereafter beneficially owns thirty percent (30%) or more of the combined voting power of all of the then outstanding Voting Securities, then a "Change in Control" shall be deemed to have occurred for purposes of the foregoing clause (ii).

6. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule. Any such delayed cash payment shall earn interest at an annual rate equal to the applicable federal short-term rate published by the Internal Revenue Service for the month in which the date of separation from service occurs, from such date of separation from service until the payment.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

7. Confidential Information and Noncompetition.

(a) Confidential Information. As used in this Agreement, "Confidential Information" includes, without limitation, all patterns, compilations, programs, and know how; designs, processes or formulae; software; market or sales information or plans, devices, methods, concepts, techniques, processes, source codes, data capture innovations, algorithms, user interface designs and database designs relating to the Company's products, services, systems or business; information acquired or compiled by the Company concerning actual or potential clients/customers, suppliers and business partners, including their identities, financial information concerning their actual or prospective business operations, identity and quantity of services and/or products provided by the Company, and any unpublished written materials furnished by or about them to the Company; and information concerning the Company's ownership, management, financial condition, financial operations, business activities or practices, sales activities, marketing activities or plans, research and development, pricing practices, legal matters, and strategic business plans. Notwithstanding the foregoing, Confidential Information does not include information in the public domain or generally known in the industry (unless due to breach of the Executive's duties under Section 7(b)) or readily ascertainable from publicly available sources.

(b) Confidentiality. The Executive understands and agrees that the Executive's employment creates a relationship of confidence and trust between the Executive and the Company with respect to all Confidential Information. At all times, both during the Executive's employment with the Company and after Executive's termination, the Executive will keep in confidence and trust all such Confidential Information, and will not use or disclose any such Confidential Information without the written consent of the Company, except as may be necessary in the ordinary course of performing the Executive's duties to the Company or as may be required by law or legal process. The Executive agrees to take reasonable security measures to prevent accidental or unauthorized disclosure of Confidential Information.

(c) Documents, Records, etc. All documents, records, data, apparatus, equipment and other physical property, whether or not pertaining to Confidential Information, which are furnished to the Executive by the Company or are produced by the Executive in connection with the Executive's employment will be and remain the sole property of the Company. The Executive will return to the Company (and not retain) all such materials and property as and when requested by the Company. In any event, the Executive will return all such materials and property immediately upon termination of the Executive's employment for any reason. The Executive will not retain with the Executive any such material or property or any copies thereof after such termination except as authorized.

(d) Noncompetition and Nonsolicitation. During the Executive's employment with the Company and for twelve (12) months thereafter, regardless of the reason for the termination, the Executive (i) will not, directly or indirectly, whether as owner, partner, shareholder, consultant, agent, employee, co-venturer or otherwise, engage, participate, assist or invest in any Competing Business (as hereinafter defined); (ii) will not directly or indirectly employ, attempt to employ, recruit or otherwise solicit, induce or influence any person to leave employment with the Company (other than terminations of employment of subordinate employees undertaken in the course of the Executive's employment with the Company); and (iii) will not solicit, contact, sell to, provide services to, work with, or attempt to divert, take away or induce clients or prospective clients of the Company with whom the Executive worked, solicited, marketed, or obtained confidential information about during the Executive's employment with the Company, regarding services or products that are competitive with any of the Company's services or products. For purposes of this Agreement, the term "Competing Business" shall mean a business conducted anywhere in the United States which is competitive with the Company in regard to the business of developing, marketing, manufacturing, licensing and selling medical devices dedicated to fluid management in medical environments (including operating rooms, emergency rooms, day surgery centers, patient rooms and ambulances) which devices are similar to, perform the same function(s) as or could be used as a reasonable replacement or substitute for the device(s)/product(s) of the Company (which were in existence or being developed by the Company during the Executive's employment with the Company). Notwithstanding the foregoing, the Executive may own up to one percent (1%) of the outstanding stock of a publicly held corporation which constitutes or is affiliated with a Competing Business, and nothing herein shall preclude the Executive from performing work for or providing services to a person, company or other entity (not primarily engaged in a Competing Business) which among his/her or its businesses includes a division, section, sub-part, subsidiary or affiliated entity engaged in a Competing Business provided that the Executive is not directly or indirectly involved in any of the aspects, businesses, divisions, sections, sub-parts, subsidiaries or affiliated entities of such person, company or entity which is/are engaged in a Competing Business.

The Company is providing the Executive with adequate and valuable consideration to compensate the Executive for the reasonable restrictions on the Executive's post-employment competitive activities contained within this Agreement. The Executive hereby acknowledges the consideration and that the consideration constitutes adequate and sufficient consideration for the restrictive covenants in this Agreement. The Executive agrees that the restrictions set forth in this Agreement are reasonable considering the Executive's position. If any of the above restrictions are deemed by a court of competent jurisdiction to be unreasonable in duration or in geographical scope, it will be considered modified and valid for such duration and geographical scope as the court determines to be reasonable under the circumstances. The duration of the above restrictions will be extended beyond the twelve (12) month period for a period equal to the duration of any breach or default of such covenant by the Executive. Upon terminating employment with the Company (for whatever reason), the Executive has an affirmative obligation to inform any prospective employer and/or actual employer of the Executive's post-employment obligations contained within this Agreement including the Executive's non-competition and non-solicitation obligations. The Executive understands that the restrictions set forth in this Section 7(d) are intended to protect the Company's interests including, but not limited to, its Confidential Information, established and potential employment relationships, customer and prospective customer relationships, supplier relationships, and goodwill. The Executive agrees that such restrictions are reasonable and appropriate for this purpose.

(e) Injunction. The Executive agrees that it could be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the promises set forth in this Section 7, and that in any event money damages could be an inadequate remedy for any such breach. Accordingly, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of this Section 7, the Company shall be entitled, in addition to all other remedies that it may have, to seek an injunction or other appropriate equitable relief to restrain any such breach.

8. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter.

9. Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

10. Successor to the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after his termination of employment but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such designation).

11. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12. Survival. The provisions of this Agreement shall survive the termination of this Agreement, the Term and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

13. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

14. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, addressed to the attention of the Board.

15. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

16. Governing Law. This Agreement shall be construed under and be governed in all respects by the laws of the State of Minnesota, without giving effect to the conflict of laws principles. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Eighth Circuit.

17. Counterparts. This Agreement may be executed in any number of counterparts (including by electronic exchange of signed copies via fax or .pdf copies via e-mail), each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

18. Successor to Company. The benefits and obligations of this Agreement shall inure to the successors and assigns of the Company, to any person or entity which purchases substantially all of the assets of the Company, and to any subsidiary, affiliated corporation, or operating division of the Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.

19. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

[*Remainder of this page intentionally left blank. Signature page(s) immediately follow.*]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

BIODRAIN MEDICAL, INC.

By: /s/ Bob Myers

Its: Chief Financial Officer

JOSH KORNBERG

By: /s/ Josh Kornberg
Josh Kornberg

BIODRAIN MEDICAL, INC.
2915 Commers Drive, Suite 900
Eagan, MN 55121

August 15, 2012

Dr. Samuel Herschkowitz
122 Willow Street
Brooklyn, NY 11201

SOK Partners, LLC
c/o Dr. Samuel Herschkowitz
122 Willow Street
Brooklyn, NY 11201

Re: Terms of Forbearance

Dear Dr. Herschkowitz:

I am writing to set forth the terms of the forbearance by you and your affiliate, Atlantic Partners Alliance, LLC ("**APA**") from exercising certain default rights against BioDrain Medical, Inc. (the "**Company**") and its affiliates as of the date of this letter (the "**Effective Date**"). In exchange for your agreement to such forbearance as described in this letter agreement and your other agreements herein, you will be entitled to the compensation as set forth below in Section 6. Unless otherwise stated, all capitalized terms used but not defined herein shall have the meaning(s) ascribed to them in the Note Purchase Agreement, as defined below.

In consideration of the compensation set forth in Section 6 and other promises and covenants made in this letter agreement, the sufficiency of which consideration is acknowledged by both parties hereto, you and the Company agree as follows:

1. Background. You and the Company entered into that certain Note Purchase Agreement dated as of December 20, 2011 and subsequently amended and restated effective as of the same date (as amended, the "**Herschkowitz Note Purchase Agreement**") pursuant to which the Company issued and sold to you a Convertible Promissory Note dated as of December 21, 2011, in the original principal amount of $225,000 (as amended concurrently with the Herschkowitz Note Purchase Agreement, the "**Herschkowitz Note**"). Capitalized terms that are not defined herein shall have the meanings set forth in the Herschkowitz Note Purchase Agreement. As security for the Herschkowitz Note, you hold a first security interest in substantially all of the assets of the Company. Further, SOK Partners, LLC, (**"SOK"**) which is also an affiliate of APA, entered into that certain Note Purchase Agreement dated as of March 28, 2012 (the "**SOK Note Purchase Agreement**") pursuant to which the Company issued and sold to SOK a Convertible Promissory Grid Note dated as of March 28, 2011, in the principal amount of up to $600,000 (the "**SOK Note**").

2. Protection Against Dilution. The Company and APA are also parties to a letter agreement dated March 14, 2012 (the **"Anti-Dilution Letter"**), providing APA and its affiliates (including you and SOK) with certain rights to avoid dilution relating to additional issuances of equity securities by the Company, evidencing the parties' intent that APA would be provided with significant protection against dilution. This protection was in recognition of APA's investments in the Company involving a high degree of risk and the Company's contemplated need for restructuring its indebtedness, which would result in significant dilution. The parties acknowledge that you and SOK would not have made their historical cash investments in the Company to the same degree had the dilution protection not been provided, and the investments by APA have enabled the Company to avoid insolvency. Since the respective dates of the Herschkowitz Note Purchase Agreement and the SOK Note Purchase Agreement, the Company has issued in excess of 16,000,000 shares of common stock to parties other than APA and its affiliates, resulting in significant dilution.

3. Default Notice. Pursuant to a letter dated April 20, 2012, you advised the Company of the occurrence of certain events of default under the terms of the Herschkowitz Note and the Herschkowitz Note Purchase Agreement. As a result of such events of default, you asserted significant rights as a secured creditor of the Company.

4. Existing Defaults. You and the Company acknowledge that the Company is in default under the following provisions of the Herschkowitz Note Purchase Agreement and/or the Herschkowitz Note, as applicable (the "**Existing Defaults**"), and such Existing Defaults constitute "Events of Default" as set forth in Section 11 of the Herschkowitz Note and under the Default Notice. You further acknowledge and represent that the below-listed events are the only Events of Default as of the Effective Date:

a. Herschkowitz Note, Section 11(d): The Company has failed to pay past due amounts aggregating to $332,000 under the terms of three convertible debenture notes issued by the Company to Dean and Carol Ruwe, plus unpaid interest.

b. Herschkowitz Note Purchase Agreement, Section 1.04: The Company has failed to register, and cause to be declared effective such registration under the Securities Act, the 1,546,666 shares of the Company's Common Stock that were issued in connection with the Equity Bonus and in payment of the Board Meeting Fees.

c. Herschkowitz Note Purchase Agreement, Section 4.01: The Company has failed on two occasions to invite the Board Advisors to meetings of the Company's Board of Directors.

d. Herschkowitz Note Purchase Agreement, Section 4.02: The Company has failed to (i) register the Penalty Shares under the Securities Act and (ii) obtain and deliver to you a legal opinion from legal counsel confirming that: (A) the Penalty Shares are registered under the Securities Act and may be sold upon compliance with the prospectus delivery requirements of the Securities Act and (B) any legends upon the stock certificates evidencing the Penalty Shares may be removed upon a sale in compliance with such prospectus delivery requirements.

e. Herschkowitz Note Purchase Agreement, Section 4.04: The Company has failed to deliver to you the Budget not less than five (5) Business Days prior to the first day of certain months following the date of the Herschkowitz Note Purchase Agreement.

5. Forbearance. As of the Effective Date, in consideration of the mutual agreements of the parties herein, you and each of your affiliates, successors, assigns, beneficiaries, insurers, indemnitors, trustees, agents and representatives, hereby forbear from exercising any of your rights arising under the Herschkowitz Note or the Herschkowitz Note Purchase Agreement with respect to the Existing Defaults against the Company, and each of its respective officers, directors, shareholders, affiliates, predecessors, successors, assigns, insurers, indemnitors, attorneys, employees, agents and representatives; *provided, however*, that the foregoing shall be subject to the limitations set forth in this letter agreement and shall not release or waive any breach of this letter agreement. You further agree to forbear from exercising any rights with respect to events of default, security interests in the Collateral and other similar remedies against the Company or its interests under the Herschkowitz Note or the Herschkowitz Note Purchase Agreement until the occurrence of an Event of Default (as defined in the Herschkowitz Note): (a) that does not constitute an Existing Default and (b) occurs and accrues after the Effective Date of this Agreement (the "**Forbearance Termination Conditions**"). The Company acknowledges that, subject to the forbearance as described herein and the other provisions of this letter agreement, you retain all of your rights and remedies under the Herschkowitz Note and the Herschkowitz Note Purchase Agreement, which rights and remedies remain in full force and effect until otherwise terminated.

6. Penalty Shares. You and the Company acknowledge that 7,500,000 shares of the Company's Common Stock, constituting the "Penalty Shares" under Section 4.02 of the Herschkowitz Note Purchase Agreement, have been delivered to you prior to the Effective Date as provided in the Herschkowitz Note Purchase Agreement upon an Event of Default.

7. Additional Agreements by You and SOK. You and SOK also agree to the following:

a. The second paragraph of the Herschkowitz Note is hereby amended and restated as follows:

"This promissory note (the ***"Note"***) is issued by the Borrower pursuant to that certain Note Purchase Agreement dated as of the date hereof (the ***"Purchase Agreement"***), entered into between the Borrower and the Lender, and is subject to, and Borrower and Lender shall be bound by, all the terms, conditions and provisions of the Purchase Agreement. This Note shall become due and payable on December 31, 2012 (the " ***Maturity Date*** "). Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Purchase Agreement."

b. The second full paragraph of the SOK Note is hereby amended and restated as follows:

"This promissory note (the ***"Note"***) is issued by the Borrower pursuant to that certain Note Purchase Agreement dated as of the date hereof (the ***"Purchase Agreement"***), entered into between the Borrower and the Lender, and is subject to, and Borrower and Lender shall be bound by, all the terms, conditions and provisions of the Purchase Agreement. This Note shall become due and payable on December 31, 2012 (the "***Maturity Date***"). Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Purchase Agreement."

c. The following is added as Section 4.03(d) of the Herschkowitz Note Purchase Agreement:

"(d) Within five (5) business days after the earlier of the (i) full (100%) conversion into shares of Common Stock or (ii) full payment of, all of the outstanding principal amount and accrued interest due and payable under all promissory notes of the Company outstanding on the date of this Agreement **(**excluding the SOK Note), the Lender shall forever discharge, release and terminate any and all security interests in the Collateral ("**Security Release**"). For purposes of clarity, Lender shall not be required to consummate any Security Release in the event of partial conversion and/or partial payment under the immediately preceding items (i) and (ii), respectively."

d. Notwithstanding Section 11 of the Herschkowitz Note which provides for an increased rate of interest on any outstanding amounts under the Herschkowitz Note (the "**Balance**") triggered by certain Events of Default (as defined in the Herschkowitz Note), you understand and acknowledge that the rate of interest accruing on the Balance shall remain at 20% calculated based on a 365-day year and compounded annually (the "**Standard Interest Rate**") until the Maturity Date or such other date as may be mutually agreed upon by you and the Company or until a subsequent Event of Default. You and the Company acknowledge that the Balance has not at any time or under any circumstances been subject to any other rate of interest other than the Standard Interest Rate.

e. Section 11 of the Herschkowitz Note is amended to delete subparagraph (g) and to insert the following subparagraphs following subparagraph (f):

(g) any money judgment or judgments (other than a money judgment covered by insurance as to which the insurance company has not disclaimed or reserved the right to disclaim coverage), writ or writs or warrant or warrants of attachment, or any similar process or processes, shall be entered or filed against the Borrower, or against any of the Collateral (as defined in the Purchase Agreement), in an aggregate amount in excess of $25,000, and which remains undischarged, unvacated, unbonded or unstayed for a period of 30 days;

(h) any person shall commence legal proceedings to foreclose on the lien or security interest of such person in any Collateral;

(i) any creditor of the Borrower shall take action to take possession of, or sell or otherwise realize upon, or to exercise any other rights or remedies with respect to, any Collateral, including any sale or other disposition of any Collateral by the Borrower with the consent of, or at the direction of, any of its creditors; or

(j) any person shall take action to take control or possession of, or exercise of any right of setoff with respect to, any Collateral.

f. The Company and you, individually and acting as an authorized signatory for APA and its affiliates and individual members agree to terminate the Anti-Dilution Letter. In consideration of the compensation provided in this Agreement, you agree that the Anti-Dilution Letter is no longer operative, valid or binding on you, APA or the Company and each and all of its terms, including without limitation the grant of anti-dilution rights to APA contained therein, is/are void and inoperative.

8. Compensation and Terms of Forbearance. In consideration of the forbearance and your other agreements herein, you agree to and accept the following conditions of forbearance and/or compensation, as applicable:

a. On the date of this Agreement, the Company is issuing to you 13,250,000 shares of authorized but unissued shares of its Common Stock. As of the date of issuance, such shares shall be fully paid and non-assessable shares. The Company will use its best efforts to register such shares on the S-1 to the same extent that it registers the Equity Bonus on the S-1; provided, that any delay in the registration of such shares by the Company shall not constitute a Forbearance Termination Condition.

b. On the date of this Agreement, the Company is issuing to SOK Partners, LLC (**"SOK"**) an additional 13,250,000 shares of authorized but unissued shares of its Common Stock. As of the date of issuance, such shares shall be fully paid and non-assessable shares. The Company will use its best efforts to register such shares on the S-1 to the same extent that it registers the Equity Bonus on the S-1; provided, that any delay in the registration of such shares by the Company shall not constitute a Forbearance Termination Condition.

c. Section 6 of the Herschkowitz Note is hereby amended and restated as follows:

"6. Right to Convert. Subject to and upon compliance with the provisions of Section 7, the Purchaser shall have the right, at its option, at any time and from time to time, so long as any amount remains payable under this Note, to convert all or any part of the outstanding principal amount or accrued interest hereunder (the " ***Outstanding Amount*** ") into shares of Common Stock at a conversion price per share equal to $0.014 per share, as such amount may be adjusted pursuant to Section 9 below (the " ***Conversion Price*** ")."

d. Section 6 of the SOK Note is hereby amended and restated as follows:

"6. Right to Convert. Subject to and upon compliance with the provisions of Section 7, the Purchaser shall have the right, at its option, at any time and from time to time, so long as any amount remains payable under this Note, to convert all or any part of the outstanding Principal Amount or accrued interest hereunder (the " ***Outstanding Amount*** ") into shares of Common Stock at a conversion price per share equal to $0.014 per share, as such amount may be adjusted pursuant to Section 9 below (the " ***Conversion Price*** ")."

e. In the event that the Company consummates, in substantially similar form, the following series of transactions on or prior to June 30, 2013: (i) a merger or similar transaction with a public shell company (the "**Shell Merger**"), (ii) raising between $2,000,000 and $4,000,000 through an offering of the securities of the public shell company concurrent with or subsequent to the Shell Merger (the "**Qualifying Round**") and (iii) listing the Company's shares on NASDAQ pursuant to an underwritten offering of the Company's securities resulting in gross proceeds of between $5,000,000 and $30,000,000 (the "**NASDAQ Underwriting**" and collectively with the Shell Merger and Qualifying Round, the "**Shell Transactions**"), then the Company shall deliver to you the following compensation: (A) $75,000 upon consummating the Shell Merger, (B) $150,000 upon consummating the Qualifying Round and (C) 3% of the gross proceeds of the NASDAQ Underwriting, which payment shall under no circumstances be less than $200,000 or greater than $1,000,000. The Company shall reimburse you at your actual out-of-pocket cost for reasonable expenses incurred in connection with the Shell Transactions but in no event in an amount greater than $10,000 (the "**Transaction Fees**").

9. Governing Law. This Agreement shall be governed by the laws of the State of New York, without regard to its conflicts-of-law provisions.

10. Counterparts. This Agreement may be executed by the parties in counterparts, all of which, when taken together, shall constitute a fully executed version of this Agreement. This Agreement, or a counterpart, thereof, may be executed and delivered by telecopier, facsimile or any other electronic transmission, including, without limitation, a scanned version in .pdf format, and the telecopier, facsimile or any other electronic transmission of a signature to another party or parties (or to their respective legal representatives) shall be of the same force and effect as the delivery of an original signature.

Signature Page Follows

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the Effective Date.

BIODRAIN MEDICAL, INC.

/s/ Bob Myers
By: Bob Myers
Its: Chief Financial Officer

/s/ Samuel Herschkowitz
Samuel Herschkowitz, M.D., *individually and on behalf of Atlantic Partners Alliance, LLC*

SOK PARTNERS, LLC

/s/ Samuel Herschkowitz
By: Samuel Herschkowitz, M.D.
Its: Managing Partner