SEC Form 4

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
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1. Name and Address of Reporting Person*	2. Issuer Name **and** Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)	
KNUDSON MARK B	EnteroMedics Inc [ETRM]	X Director	10% Owner
(Last) (First) (Middle)	3. Date of Earliest Transaction (Month/Day/Year) 11/18/2009	X Officer (give title below)	Other (specify below)
2800 PATTON ROAD		Chrmn, Pres & CEO	
(Street)	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line)	
ST. PAUL MN 55113		X Form filed by One Reporting Person	
(City) (State) (Zip)		Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								111,742	I	Revocable Trust
Common Stock								8,292	I	Spouse Revocable Trust
Common Stock								19,286	I	Family Limited Partnership
Common Stock								195,421	I	Revocable Trust 2003

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Option (right to buy)	$0.46							08/16/2004[1]	08/16/2014	Common Stock	69,451		69,451	D	
Stock Option (right to buy)	$0.46							[2]	04/27/2015	Common Stock	47,495		47,495	D	
Stock Option (right to buy)	$0.46							04/20/2007[3]	04/20/2016	Common Stock	40,660		40,660	D	
Stock Option (right to buy)	$5.19							02/06/2008[3]	02/06/2017	Common Stock	252,748		252,748	D	
Warrants (right to buy)	$0.4333							[4]	11/13/2010	Common Stock	2,029		2,029	I	Revocable Trust
Warrants (right to buy)	$0.4333							[4]	11/13/2010	Common Stock	1,015		1,015	I	Spouse Revocable Trust
Stock Option (right to buy)	$8.27							02/06/2008[5]	02/06/2018	Common Stock	425,837		425,837	D	
Stock Option (right to buy)	$1.1							03/04/2009[6]	02/04/2019	Common Stock	272,730		272,730	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Warrant (Right to Buy)	$1.38							08/24/2009	02/24/2013	Common Stock	32,990		32,990	I	Revocable Trust 2003
Stock Option (right to buy)	$3.7							06/30/2009[7]	06/22/2019	Common Stock	363,400		363,400	D	
Stock Option (right to buy)	$0.63	11/18/2009		M		125,000		11/18/2009[8]	11/18/2019	Common Stock	125,000	$0.00	125,000	D	

Explanation of Responses:

1. 32,968 shares vest immediately, of the remaining shares 25% vest on the first anniversary of the date of grant and thereafter at 1/36th per month for 36 months, beginning the date shown.

2. Currently 100% vested in accordance with achievement of milestone vesting terms.

3. Vests 25% on the first anniversary of the date of grant and 1/36th per month for 36 months thereafter, beginning the date shown.

4. Immediately exercisable.

5. 50% vests in increments of 1/48th per month beginning the date shown, remaining 50% vests in accordance with achievement of milestone vesting terms.

6. Vests in increments of 1/48th per month beginning the date shown.

7. Vests in increments of 2.0833% per month beginning the date shown.

8. 25% vests immediately and the remaining 75% vests on 11/15/2010; 100% of unvested shares become vested upon change in control.

/s/ Mark B. Knudson   01/20/2010

** Signature of Reporting Person   Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, *see* Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.