
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

**Date of Report: July 1, 2011
(Date of earliest event reported)**

ENTEROMEDICS INC.

(Exact name of registrant as specified in its charter)

Commission File Number: 1-33818

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

48-1293684
**(IRS Employer
Identification No.)**

2800 Patton Road, St. Paul, Minnesota 55113
(Address of principal executive offices, including zip code)

(651) 634-3003
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On July 6, 2011, EnteroMedics Inc. (the “Company”) entered into a Consulting Agreement (the “Consulting Agreement”), effective June 1, 2011, with Anthony P. Jansz, a member of the Company’s Board of Directors. Pursuant to the Consulting Agreement, Mr. Jansz agreed to perform consulting services for the Company’s management with respect to commercialization pertaining to the Company’s business and technology development with special attention to Australian, Asian and European commercial operations. In exchange for these services, Mr. Jansz is entitled to receive (i) a consulting fee of \$8,000 Australian dollars, or US\$8,584.00 as of July 6, 2011 according to the rate of exchange published by the Reserve Bank of Australia, per month, (ii) reimbursement for actual incidental expenses incurred in performing the agreement not to exceed US\$300 per month without the Company’s prior written consent and (iii) a non-qualified stock option to purchase 50,000 shares of the Company’s common stock, which vests in equal monthly installments over a four year period. The stock option was granted by the Board of Directors pursuant to the Company’s 2003 Stock Incentive Plan and has a four-year term and an exercise price equal to the closing price of the Company’s stock on the Nasdaq Capital Market on the date of grant. The Consulting Agreement has a four-year term unless it is earlier terminated or extended by the mutual written agreement of the parties or Mr. Jansz’s duties under the agreement are earlier completed. The Consulting Agreement may be terminated at any time in writing by either party upon 30 day notice or by mutual consent. The Consulting Agreement also includes customary confidentiality, non-competition and assignment of invention provisions. The description of the Consulting Agreement in this Current Report on Form 8-K is qualified in its entirety by reference to the copy of the Consulting Agreement attached hereto as Exhibit 10.1 and incorporated herein by reference.

Other than through the Consulting Agreement and Mr. Jansz’s position as a member of the Company’s board of directors, Mr. Jansz does not have any material relationships with the Company or its affiliates.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On July 1, 2011, the Compensation Committee of the Board of Directors of the Company approved certain changes to the performance objectives under the Company’s Management Incentive Plan, as amended (the “Plan”). A summary of the Plan was previously attached as Exhibit 10.1 to the Company’s Current Report on Form 8-K filed on February 12, 2008 and a summary of the performance objectives under the Plan for the fiscal year ending December 31, 2011, adopted by the Compensation Committee on January 6, 2011, were previously disclosed on the Company’s Current Report on Form 8-K filed on January 11, 2011.

As revised, the “Base Plan” corporate performance objectives established by the Compensation Committee for fiscal year 2011 consist of: (i) the achievement of certain milestones in 2011 related to the Company’s clinical development, including the commencement and completion of implants for the Company’s U.S. pivotal trial of the Maestro RC System (the “ReCharge trial”) by certain dates and the development of an additional clinical trial; (ii) the achievement of certain milestones in 2011 related to the Company’s commercialization strategy, including obtaining European CE Mark certification for the Maestro RC System, receiving Australian Therapeutic Goods Administration approval of the Maestro RC System and realizing a designated revenue target; (iii) reviewing a reimbursement plan with the Board of Directors and developing a commercialization plan for key European countries and (iv) the achievement of certain financial targets. The “Incremental Plan” corporate performance objectives for fiscal year 2011 consist of: (i) evaluating and presenting to the Board of Directors certain business development plans, (ii) completing and submitting a reimbursement plan for certain countries outside of the United States and (iii) early commencement of the initial implants for the ReCharge trial. The Incremental Plan objectives are designed as an extension of certain Base Plan objectives in order to provide additional incentive for achievement. In the event that some, but not all, of the “Base Plan” or “Incremental Plan” corporate goals are achieved, the Compensation Committee, in its discretion, may determine to award partial or full payment of annual cash incentive compensation.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1 Consulting Agreement, effective June 1, 2011, by and between the Company and Anthony Jansz

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENTEROMEDICS INC.

By: /s/ Greg S. Lea

Greg S. Lea
Senior Vice President and
Chief Financial Officer

Date: July 8, 2011

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	Consulting Agreement, effective June 1, 2011, by and between the Company and Anthony Jansz.

EnteroMedics Inc.
CONSULTING AGREEMENT

This Agreement is made effective the 1st day of June 2011, by and between EnteroMedics Inc. ("EnteroMedics"), whose principal place of business is 2800 Patton Road, St. Paul, MN 55113, and Anthony (Tony) Jansz ("Consultant").

In consideration of the mutual covenants and promises set forth herein, the parties hereby agree as follows:

1. Term: Unless terminated as hereafter provided, this Agreement shall begin on the above effective date and end on the four-year anniversary thereof unless earlier terminated below or upon earlier completion of Duties. The parties may negotiate one or more renewals of this Agreement.
2. Duties: Duties will be assigned by EnteroMedics and will involve consulting in the area of commercialization pertaining to EnteroMedics business and technology development with special attention to Australian, Asian and European commercial operations.
3. Compensation: EnteroMedics will pay Consultant \$8,000 AUD a month for consulting services rendered pursuant to this Agreement. Consultant will also receive, pending board of director approval, a stock option grant for 50,000 shares that will vest at approximately 1,041 shares per month for four years starting on July 1, 2011 and ending on June 1, 2015. EnteroMedics will reimburse Consultant for actual incidental expenses (with no increase for handling or other mark-up) incurred in performing this Agreement, but such expenses shall not exceed \$300 per month without EnteroMedics' prior written consent. Travel expenses must be approved in advance by EnteroMedics. Consultant shall provide EnteroMedics with appropriate documentation for tax purposes for all expenses paid by EnteroMedics. Consultant shall submit monthly invoices for time and expenses.
4. Termination: This Agreement may be terminated at any time in writing by either party on 30 day notice or by mutual consent.
5. Nonemployee Status: Consultant is self-employed and not an employee of EnteroMedics. Consultant bears sole responsibility for all expenses related to conducting business as a self employed person including but not limited to equipment and electronic devices, administrative support related to billing or work time records, travel arrangements and tax related commitments.
6. Authority: Consultant shall not have the right to bind EnteroMedics or commit EnteroMedics to any agreement or understanding whatsoever.
7. Confidential Information: Because of the confidential nature of the information which will be disclosed to Consultant under this Agreement, Consultant will not, except as authorized by EnteroMedics, disclose such confidential information to any other third party or company. The obligation of confidentiality shall not be applicable with respect to such information which: (A) was known to Consultant prior to disclosure, (B) is or becomes known to the public by general publication without violation of this Agreement, (C) is given to Consultant by a third party having a right to do so, or (D) is independently developed by Consultant without the use of information supplied by EnteroMedics under this Agreement.
8. Ownership of Inventions and Patents: If any patentable inventions result from performance of this Agreement, all rights under any patents that may issue on those inventions shall belong exclusively to EnteroMedics. Consultant hereby assigns and agrees to assign in the future all such inventions to EnteroMedics without further payment

from EnteroMedics. Consultant also agrees that, upon EnteroMedics' request and at EnteroMedics' expense, he/she would provide reasonable assistance to EnteroMedics in prosecuting patents covering those inventions. All information, including copyrights, developed by Consultant under this agreement shall belong to EnteroMedics and all copyrightable works are works made for hire and Consultant hereby assigns and agrees to assign to EnteroMedics such rights now and in the future. The obligations to assign inventions and copyrights to EnteroMedics shall not apply to any invention or copyright for which no equipment, supplies, facility or trade secret information of EnteroMedics was used and which was developed entirely on the Consultant's own time, and (1) which does not relate (a) directly to the business of EnteroMedics or (b) to EnteroMedics' actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the Consultant for EnteroMedics. Consultant hereby irrevocably designates and appoints Company as its agents and attorneys-in-fact, coupled with an interest, to act for and on Consultant's behalf to execute and file any document and to do all other lawfully permitted acts to further the foregoing with the same legal force and effect as if executed by Consultant.

9. Notice of Superior Rights: If Consultant owns in whole or part or is aware of any third party's ownership of any intellectual property rights (including patent or trade secrets rights) which would be exploited or violated by the Company's planned research, development or commercialization or incorporation of any suggestions of Consultant, then Consultant shall so notify Company of such rights at the time of such suggestions or before any initiation or continuation of any project of the Company in a timely manner to permit Company to consider acquisition of rights to practice such intellectual property or consider alternatives to such intellectual property.
10. Noncompete: Consultant will not actively participate in any venture to the extent such participation relates to the venture's developing, selling or offering for sale any product which competes with those of EnteroMedics' actual or contemplated products existing as of the date of this Agreement. Contemplated products shall be evidenced by written research or development plans. Active participation shall include, but need not be limited to, active management (whether by direct employment or consultation) or Board of Directors participation (unless limited to non-conflicted subject matter). Active participation shall not include a passive minority investment in any venture or management or employment of consulting for any entity to the extent such employment or consulting is restricted to business activities not otherwise conflicted by this Agreement.
11. Notices: All notices required or permitted by this Agreement shall be in writing and shall be delivered in person or sent by certified or registered mail, return receipt required, postage paid to the addresses stated above or to other's address as either party may designate. All mailing notices shall be deemed effective upon depositing in the mail.
12. Waiver: The waiver of either party of a breach of any provision of this Agreement shall not operate as or be construed as a continuing waiver or as a consent to or waiver of such subsequent breach.
13. Modification: This Agreement may only be modified in writing signed by both parties.
14. Nonassignable: Since the services to be provided under this Agreement are personal, all duties to be executed by Consultant shall be performed by Tony Jansz, and may not be assigned or delegated without written consent of EnteroMedics.

15. In the event of termination of the agreement according to paragraph 4, the provision of paragraphs 7, 8 and 10 shall remain in full force and effect for a period of five (5) years following the date of termination.
16. Entire Agreement: This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof and supersedes all previous agreements and understandings rather oral or written between the parties with respect to the subject hereof.
17. Governing Law: This Agreement shall be governed by the laws of the State of Minnesota. EnteroMedics and the Consultant acknowledge, however, that each will comply with laws, regulation and appropriate ethical standards applicable in Australia where the Consultant will primarily provide services under this Consulting Agreement.

In witness thereof, the parties have set forth their hand hither and to on the date indicated below.

ENTEROMEDICS INC.

By: /s/ Mark B. Knudson
Printed Name: Mark B. Knudson
Title: President & CEO

Date: July 6, 2011

CONSULTANT

By: /s/ Anthony Jansz
Printed Name: Anthony Jansz
Tax ID: _____

Date: July 6, 2011