

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

1. Name and Address of Reporting Person* <u>Nihalani Rajesh</u> (Last) (First) (Middle) 2800 PATTON ROAD (Street) ST. PAUL MN 55113 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>EnteroMedics Inc [ETRM]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Chief Technology Officer
	3. Date of Earliest Transaction (Month/Day/Year) 05/22/2017	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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, \$0.01 par value per share	05/22/2017		A		978,845	A	(1)	978,845	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				
Non-voting Conditional Convertible Preferred Stock	(2)	05/22/2017		A		709,099.8 ⁽³⁾		(2)	(2)	Common Stock	3,545,498.99	(2)	709,099.8 ⁽³⁾	D	
Non-voting Conditional Convertible Preferred Stock	(2)	05/22/2017		A		29,108.12		(2)	(2)	Common Stock	145,540.6	(2)	29,108.12	I	See Footnotes ⁽⁴⁾⁽⁵⁾

Explanation of Responses:

- Received in exchange for 14,000,000 shares of common stock of BarioSurg, Inc. (BarioSurg) pursuant to the Agreement and Plan of Merger, by and among EnteroMedics Inc. (EnteroMedics), BarioSurg, Acorn Subsidiary Inc., a wholly-owned subsidiary of EnteroMedics, Acorn Subsidiary Holdings LLC, a wholly-owned subsidiary of EnteroMedics, and the stockholder representative named therein, (the Merger Agreement), which became effective on May 22, 2017 (the Effective Date). The Merger Agreement placed a value on EnteroMedics common stock of \$4.78, which was equal to the five trading day average per share closing price of EnteroMedics as reported on the NASDAQ Capital Market immediately prior to the Effective Date.
- Each share of non-voting conditional convertible preferred stock will automatically convert into five shares of EnteroMedics' common stock, subject to and contingent upon the post-closing approval of EnteroMedics' stockholders in accordance with the NASDAQ Stock Market Rules. The non-voting conditional convertible preferred stock contains the rights, preferences, powers and privileges specified in the certificate of designation.
- Of the 709,099.80 shares of non-voting conditional convertible preferred stock issued to the reporting person in the merger, 70,909.98 are currently being held in escrow and subject to forfeiture during the nine-month period following the Effective Date to satisfy claims arising as a result of BarioSurg's breach of any of its representations and warranties or covenants in the Merger Agreement.
- Represents shares of non-voting conditional convertible preferred stock held in escrow on behalf of BarioSurg's stockholders and subject to forfeiture during the nine-month period following the Effective Date to satisfy claims arising as a result of BarioSurg's breach of any of its representations and warranties or covenants in the Merger Agreement. The reporting person may be deemed to be the beneficial owner of such shares as a result of his role as stockholder representative pursuant to the Merger Agreement.
- In connection with and as a condition to the execution of the Merger Agreement, EnteroMedics and the reporting person entered into a voting agreement and irrevocable proxy pursuant to which the reporting person agreed to vote these shares of non-voting conditional convertible preferred stock (assuming conversion into voting common stock upon the terms set forth in the Merger Agreement and certificate of designation) in accordance with the recommendation of the Board of Directors. Following the release of the shares from the escrow, these shares will be released to the BarioSurg stockholders in accordance with the Merger Agreement.

/s/ Scott P. Youngstrom, attorney-in-fact 05/24/2017

** 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.

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