FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287 Estimated average burden

0.5

hours per response:

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

					OI	Section 30	(h) of the Ir	ivestme	nt Con	npany Act of 19	940							
1. Name and Address of Reporting Person* KNUDSON MARK B					2. Issuer Name and Ticker or Trading Symbol EnteroMedics Inc [ETRM]							(Chec	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) X Director 10% Owner					
(Last) (First) (Middle) 2800 PATTON ROAD					3. Date of Earliest Transaction (Month/Day/Year) 10/29/2010 X Officer (give title below) below) Chrmn, Pres & CEO										респу			
(Street) ST. PAUL MN 55113					4. If Amendment, Date of Original Filed (Month/Day/Year)								Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person					
(City) (State) (Zip)					Form filed by More than One Reporting P											y Person		
		n-Deri	vativ	e Securi	ties Acq	uired,	Disp	osed of, o	r Benef	icially O	wned							
, , , ,				2. Trans Date (Month/		Execut ar) if any	2A. Deemed Execution Date, if any (Month/Day/Year)		ction Instr.	4. Securities A Disposed Of (5. Amount of Securities Beneficially Owned Following Reported Transaction(s)		6. Owne Form: D (D) or In (I) (Instr.	irect Indirect Be 4) Or	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
									v	Amount (A) or (D)		Price	(Instr. 3 and 4)				ısıı. 4 <i>j</i>	
Common Stock												1,382 ⁽⁹⁾		R	pouse evocable rust			
Common Stock											3,215 ⁽⁹⁾		I	L	amily imited artnership			
Common Stock												32,571 ⁽⁹⁾		(14)		evocable rust 2003		
			Table II -	Derivates (e.g.,	ative puts.	Securiti	es Acqu arrants,	ired, [option	Dispo	sed of, or onvertible	Benefic securiti	ially Ow ies)	ned					
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. Transa Code	action	5. Number Derivative Acquired Disposed	imber of 6. Date extive Securities Expira		Exerc	ercisable and 7. Title and A		nd Amount ties ng Derivative	Derivative derivative Security		rities ficially d	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	Beneficial Ownership (Instr. 4)	
				Code	v	(A)	(D)	Date Exercisable		Expiration Date	Title	Amount o Number o Shares		Repoi	rted action(s)	(,, (
Stock Option (right to buy)	\$2.76 ⁽⁹⁾					(,)			2004 ⁽¹⁾		Common Stock	11,575 ⁽⁹)		575 ⁽⁹⁾	D		
Stock Option (right to buy)	\$2.76 ⁽⁹⁾							(2)	04/27/2015	Common Stock	7,915 ⁽⁹⁾		7,9	915 ⁽⁹⁾	D		
Stock Option (right to buy)	\$2.76 ⁽⁹⁾							04/20/2007 ⁽³⁾		04/20/2016	Common Stock	6,776 ⁽⁹⁾		6,7	776 ⁽⁹⁾	76 ⁽⁹⁾ D		
Stock Option (right to buy)	\$31.14 ⁽⁹⁾	10/29/2010		D			42,124 ⁽⁹⁾	02/06/	2008 ⁽³⁾	02/06/2017	Common Stock			0	D			
Stock Option (right to buy)	\$1.9	10/29/2010		A		33,432		10/29/2010 ⁽¹¹⁾		10/29/2017	Common Stock	33,432	(12) 33,4		3,432	D		
Warrants (right to buy)	\$23.68 ⁽⁹⁾							(4)		11/13/2010	Common Stock	337(9)		3.	37 ⁽⁹⁾	I	Revocable Trust	
Warrants (right to buy)	\$23.68 ⁽⁹⁾							(4)	11/13/2010	Common Stock	169(9)		1	69 ⁽⁹⁾	I	Spouse Revocable Trust	
Stock Option (right to buy)	\$49.63 ⁽⁹⁾	10/29/2010		D			70,970 ⁽⁹⁾	02/06/	2008 ⁽⁵⁾	02/06/2018	Common Stock	70,970 ⁽⁹	(10)		0	D		
Stock Option (right to buy)	\$1.9	10/29/2010		A		25,902 ⁽¹³⁾		10/29/2	2010 ⁽¹¹) 10/29/2017	Common Stock	25,902	(12)	25	5,902	D		
Stock Option (right to buy)	\$6.6 ⁽⁹⁾	10/29/2010		D			45,454 ⁽⁹⁾	03/04/	2009 ⁽⁶⁾	02/04/2019	Common Stock	45,454 ⁽⁹	(10)		0	D		
Stock Option (right to buy)	\$1.9	10/29/2010		A		44,131		10/29/2	2010 ⁽¹¹	10/29/2017	Common Stock	44,131	(12)	44	4,131	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)	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	10. Ownership Form: Direct (D) or Indirect	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	v	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		Reported Transaction(s) (Instr. 4)	(I) (Instr. 4)	
Warrant (Right to Buy)	\$8.28 ⁽⁹⁾							08/24/2009	02/24/2013	Common Stock	5,498(9)		5,498 ⁽⁹⁾	I	Revocable Trust 2003
Stock Option (right to buy)	\$22.2 ⁽⁹⁾	10/29/2010		D			60,566 ⁽⁹⁾	06/30/2009 ⁽⁷⁾	06/22/2019	Common Stock	60,566 ⁽⁹⁾	(10)	0	D	
Stock Option (right to buy)	\$1.9	10/29/2010		A		50,472		10/29/2010 ⁽¹¹⁾	10/29/2017	Common Stock	50,472	(12)	50,472	D	
Stock Option (right to buy)	\$3.78 ⁽⁹⁾							11/18/2009 ⁽⁸⁾	11/18/2019	Common Stock	20,833(9)		20,833 ⁽⁹⁾	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.
- 9. On July 9, 2010, EnteroMedics Inc. effected a 1-for-6 reverse stock split of its issued and outstanding shares of common stock, par value \$0.01 per share, resulting in a proportional decrease in the total shares of common stock beneficially owned by the reporting person, all previously reported exercise prices, option grants and similar instruments convertible into common stock were proportionally adjusted to reflect the reverse split.
- 10. This option was tendered by the reporting person pursuant to EnteroMedics' option exchange offer and was cancelled by the company at the expiration of the offer (see footnote 12).
- 11. Options vest 33% on date noted and thereafter at 1/24th per month.
- 12. On October 29, 2010, in exchange for the cancelled option referenced in footnote 10, the company granted the reporting person a replacement option for the number of shares reflected in column 9 of this line item at the exercise price noted in column 2 of this line item.
- 13. The lesser number of shares underlying the new option issued in exchange for this option reflects the cancellation of the milestone portion of the award in accordance with the terms of the option exchange offer.
- 14. Starting with a Form 4 filed on 1/20/2010 reporting an option grant in November 2009, the reporting person's filings have erroneously reflected a line item for indirect holdings by a Revocable Trust. This line item was an incorrect duplication and the total shares reported are included in the total reflected for the Revocable Trust 2003. In an amendment filed concurrently herewith, the duplicative line has been removed and this filing and all fillings since 1/20/2010 are deemed to be amended to correct the holdings of the reporting person.

Remarks:

THIS FILING REFLECTS THE POST SPLIT NUMBERS OF ALL SHARES, OPTIONS AND SIMILAR INSTRUMENTS HELD BY THE REPORTING PERSON AS PREVIOUSLY REPORTED (SEE FOOTNOTE (9).

<u>/s/ Mark B. Knudson</u> <u>11/01/2010</u>

Date

** Signature of Reporting Person

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.