

OMB APPROVAL	
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**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

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

1. Name and Address of Reporting Person* <u>BAY CITY CAPITAL LLC</u>  (Last) (First) (Middle) 750 BATTERY STREET SUITE 400  (Street) SAN FRANCISCO CA 94111  (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  Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 09/30/2010	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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	12/14/2010		P		1,664,130	A	\$1.74	2,386,980	D <sup>(2)(3)</sup>	
Common Stock	12/14/2010		P		35,870	A	\$1.74	51,451	D <sup>(2)(4)</sup>	
Common Stock	12/14/2010		C		1,591,707	A	(1)	3,978,687	D <sup>(2)(3)</sup>	
Common Stock	12/14/2010		C		34,309	A	(1)	85,760	D <sup>(2)(4)</sup>	

**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				
Series A Preferred Stock	(1)	12/14/2010		C		1,591,707		(1)	(1)	Common Stock	1,591,707	\$0	0	D <sup>(2)(3)</sup>	
Series A Preferred Stock	(1)	12/14/2010		C		34,309		(1)	(1)	Common Stock	34,309	\$0	0	D <sup>(2)(4)</sup>	
Common Stock Warrant	\$2.19	12/14/2010		P		1,664,130		06/13/2011	06/13/2016	Common Stock	1,664,130	\$0.01	3,399,358	D <sup>(2)(3)</sup>	
Common Stock Warrant	\$2.19	12/14/2010		P		35,870		06/13/2011	06/13/2016	Common Stock	35,870	\$0.01	73,273	D <sup>(2)(4)</sup>	

1. Name and Address of Reporting Person\*  
BAY CITY CAPITAL LLC  
 (Last) (First) (Middle)  
 750 BATTERY STREET  
 SUITE 400  
 (Street)  
 SAN FRANCISCO CA 94111  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
Bay City Capital Fund IV, L.P.  
 (Last) (First) (Middle)  
 C/O BAY CITY CAPITAL LLC  
 750 BATTERY STREET, SUITE 400  
 (Street)  
 SAN FRANCISCO CA 94111  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*

BAY CITY CAPITAL FUND IV CO INVESMENT FUND LP

(Last) (First) (Middle)

750 BATTERY STREET  
SUITE 400

(Street)

SAN FRANCISCO CA 94111

(City) (State) (Zip)

1. Name and Address of Reporting Person\*

Bay City Capital Management IV LLC

(Last) (First) (Middle)

750 BATTERY STREET  
SUITE 400

(Street)

SAN FRANCISCO CA 94111

(City) (State) (Zip)

**Explanation of Responses:**

1. The Series A Preferred Stock converted into EnteroMedics Inc. common stock on a 1 for 1 basis and had no expiration date.
2. Bay City Capital Fund IV, L.P. ("Fund IV"), Bay City Capital Fund IV Co-Investment Fund, L.P. ("Co-Investment IV"), Bay City Capital Management IV LLC ("Management IV") and Bay City Capital LLC ("BCC") are deemed to be a "group" for the purpose of Section 13(d) under the Securities Exchange Act of 1934.
3. Represent shares held by Fund IV; and indirect interests of BCC, the manager of Management IV, and Management IV, the general partner of Fund IV. BCC and Management IV each disclaims beneficial ownership in such shares, except to the extent of their pecuniary interest therein.
4. Represent shares held by Co-Investment IV; and indirect interests of BCC, the manager of Management IV, and Management IV, the general partner of Co-Investment IV. BCC and Management IV each disclaims beneficial ownership in such shares, except to the extent of their pecuniary interest therein.

**Remarks:**

Signed by Carl Goldfischer, Managing Director Bay City Capital LLC for itself, for and on behalf of Bay City Capital Management IV LLC in its capacity as manager thereof, and for and on behalf of Bay City Capital Fund IV, L.P. and Bay City Capital Fund IV Co-Investment Fund, L.P. in its capacity as manager of Bay City Capital Management IV LLC, the general partner of Fund IV and Co-Investment IV.

/s/ Carl Goldfischer

12/16/2010

\*\* 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.