
**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: August 20, 2015
(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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) At a meeting of the Board of Directors (the "Board") of EnteroMedics Inc. (the "Company") held on August 20, 2015, Mark B. Knudson, Ph.D., the Company's Chief Executive Officer ("CEO") and President, informed the Board that he intended to retire from the offices of CEO and President as of December 31, 2015. After his retirement, Dr. Knudson will continue to serve as Chairman of the Board. Additionally, the Board may consider engaging Dr. Knudson for post-retirement consulting services on an hourly basis, if needed.

In recognition of Dr. Knudson's thirteen years of service to the Company, the Board determined to accelerate vesting of all of Dr. Knudson's unvested options as of his retirement and to extend the term during which his options can be exercised for three years after his retirement. Additionally, the Board determined that the Company will provide Dr. Knudson with up to twelve months of post-retirement health care coverage at a cost of approximately \$2,000 per month.

A copy of the press release issued in connection with the announcement of Dr. Knudson's retirement is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 8.01 Other Events.

On August 21, 2015, the Company entered into a Consulting Agreement (the "Consulting Agreement") with Jon Tremmel & Associates, LLC pursuant to which Jon Tremmel, a member of the Board, will provide guidance to the office of the CEO on the Company's commercialization and reimbursement plans, and assist in transition planning related to the retirement of the CEO and other matters. Under the Consulting Agreement, Jon Tremmel & Associates, LLC will receive a consulting fee of \$500 per hour for up to twenty hours per week, and Mr. Tremmel will receive a non-qualified stock option to purchase 250,000 shares of the Company's common stock, one twelfth of which will vest each month for twelve months, beginning on the date of the Consulting Agreement. The stock option was granted pursuant to the Company's Amended and Restated 2003 Stock Incentive Plan, has a ten-year term and an exercise price equal to \$0.23, which was the closing price of the Company's stock on the Nasdaq Capital Market on August 21, 2015.

Depending on the progress made in identifying a successor to Dr. Knudson as CEO of the Company, the Board currently anticipates that it will only use Mr. Tremmel's consulting services for an average of approximately ten hours per week through December of this year.

The Consulting Agreement has a one year term, and either party may terminate the Consulting Agreement upon two weeks' written notice. Additionally, for five years following the termination of the Consulting Agreement, Jon Tremmel & Associates, LLC has agreed not to actively participate in any venture to the extent such participation relates to developing, selling or offering for sale any product which competes with the Company's actual or contemplated products as of the date of the Consulting Agreement.

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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit
No.

Description

10.1	Consulting Agreement, dated August 21, 2015, by and between EnteroMedics Inc. and Jon Tremmel & Associates, LLC
99.1	Press Release dated August 25, 2015

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

Chief Financial Officer and Chief Operating Officer

Date: August 25, 2015

EXHIBIT INDEX

**Exhibit
Number**

Description

10.1	Consulting Agreement, dated August 21, 2015, by and between EnteroMedics Inc. and Jon Tremmel & Associates, LLC
99.1	Press Release dated August 25, 2015

EnteroMedics Inc.
CONSULTING AGREEMENT

This Agreement is made effective the 10th day of August 2015, by and between EnteroMedics Inc. ("EnteroMedics"), whose principal place of business is 2800 Patton Road, St. Paul, MN 55113, and Jon Tremmel & Associates, LLC ("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 one-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 to the office of the CEO in the areas of commercialization, reimbursement, and transition planning related to the retirement of the CEO as well other matters pertaining to EnteroMedics business and technology development.
3. Compensation: EnteroMedics will pay Consultant \$500 per hour for consulting services rendered pursuant to this Agreement. Estimated hours of consulting not to exceed 10 – 20 hours per week. Consultant will also receive (board of director approval on July 31, 2015, to be priced as of the execution date of this agreement), a stock option grant for 250,000 shares that will vest over 12 months (1/12 per month) beginning with the date of the signed agreement. 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 \$100 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 two week 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. Except that nothing in this agreement shall limit Consultants coverage under any benefit provided to the Company's directors, such as stock option grants, fees, liability insurance, etc., while Consultant remains a member of the Company's board of directors.
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 Jon Tremmel, 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 and 8 10 shall remain in full force and effect for a period of five (5) years following the date of termination and paragraph 10 shall remain in full force and effect for a period of two (2) 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.

CONSULTANT

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

By: /s/ Jon Tremmel
Printed Name: Jon Tremmel

Tax ID: _____

Date: August 21, 2015

Date: August 19, 2015



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Mark B. Knudson, Ph.D., EnteroMedics Founder, Chairman, President and Chief Executive Officer, to Retire at the End of 2015

Director Jon Tremmel to Support Transition, Lead Board Search for Successor

ST. PAUL, Minnesota, August 25, 2015 – EnteroMedics Inc. (NASDAQ: ETRM), the developer of medical devices using neuroblocking technology to treat obesity, metabolic diseases and other gastrointestinal disorders, today announced that Mark B. Knudson, Ph.D., EnteroMedics Founder, Chairman, President and Chief Executive Officer notified the Company of his intention to retire effective December 31, 2015. Dr. Knudson will remain Chairman of the EnteroMedics Board of Directors. The Company also announced that Jon Tremmel, a Member of the Company’s Board of Directors, has been appointed as Consultant to the CEO. Mr. Tremmel will lead a search committee to find a successor for the chief executive role as well as provide strategic advice to the Company regarding its commercialization and reimbursement activities during the transition.

EnteroMedics, founded by Dr. Knudson in 2003, is one of over 20 healthcare companies that he has started or helped establish. Prior to EnteroMedics, Dr. Knudson held management positions in Research and Development at Cardiac Pacemakers, Inc. (CPI-Guidant) and was a member of the faculty of the University of Washington School of Medicine in Seattle, Washington. He was the recipient of an Individual Post-doctoral Fellowship Award from the National Institutes of Health. Dr. Knudson received a Ph.D. degree (Physiology) from Washington State University and a B.S. degree in biology from Pacific Lutheran University. He holds numerous United States patents and serves or has served on boards of several companies and institutions, both public and private. Dr. Knudson was elected to membership in Sigma Xi, the scientific research society of North America in 1975 and is a Fellow of the American Heart Association.

“I have had the privilege of being involved in numerous companies from conception to generation and have found it particularly rewarding to see EnteroMedics’ vBloc Neurometabolic Therapy evolve to where it stands now, available to both patients and physicians who have been waiting over a decade for

a new treatment option for obesity and its comorbidities,” said Mark B. Knudson, Ph.D., President and Chief Executive Officer. “I am extremely proud of the way we have overcome multiple challenges along the way and of the progress we’ve made thus far. I feel confident that the company is headed in the right direction. I will continue to lead the organization through the transition and look forward to maintaining my role as Chairman of the Board.”

“Dr. Knudson has demonstrated extraordinary leadership throughout his tenure at EnteroMedics,” said Jon Tremmel, EnteroMedics Board Member. “Obesity is a disease of epidemic proportion and his incredible vision and perseverance will allow EnteroMedics to become an important part of the solution. We look forward to Mark’s continued guidance as we work toward an efficient and smooth transition in the executive role.”

About EnteroMedics Inc.

EnteroMedics is a medical device company focused on the development and commercialization of its neuroscience based technology to treat obesity and metabolic diseases. vBloc® Neurometabolic Therapy, delivered by a pacemaker-like device called the Maestro® Rechargeable System, is designed to intermittently block the vagus nerves using high-frequency, low-energy, electrical impulses. EnteroMedics’ Maestro Rechargeable System has received U.S. Food and Drug Administration approval, CE Mark and is listed on the Australian Register of Therapeutic Goods.

Information about the Maestro® Rechargeable System and vBloc® Neurometabolic Therapy

You should not have an implanted Maestro Rechargeable System if you have cirrhosis of the liver, high blood pressure in the veins of the liver, enlarged veins in your esophagus or a significant hiatal hernia of the stomach; if you need magnetic resonance imaging (MRI); if you have a permanently implanted, electrical medical device; or if you need a diathermy procedure using heat. The most common related adverse events that were experienced during clinical study of the Maestro Rechargeable System included pain, heartburn, nausea, difficulty swallowing, belching, wound redness or irritation, and constipation.

Talk with your doctor about the full risks and benefits of vBloc Therapy and the Maestro Rechargeable System. For additional prescribing information, please visit www.enteromedics.com.

If you are interested in learning more about vBloc Therapy, please visit www.vbloc.com or call 1-800-MY-VBLOC.

Forward-Looking Safe Harbor Statement:

This press release contains forward-looking statements about EnteroMedics Inc. Our actual results could differ materially from those discussed due to known and unknown risks, uncertainties and other factors including our limited history of operations; our losses since inception and for the foreseeable future; our lack of commercial sales experience with our Maestro® Rechargeable System for the treatment of obesity in the United States or in any foreign market other than Australia and the European Community; our ability to comply with the Nasdaq continued listing requirements; our ability to

commercialize our Maestro System; our dependence on third parties to initiate and perform our clinical trials; the need to obtain regulatory approval for any modifications to our Maestro System; physician adoption of our Maestro System and vBloc® Neurometabolic Therapy; our ability to obtain third party coding, coverage or payment levels; ongoing regulatory compliance; our dependence on third party manufacturers and suppliers; the successful development of our sales and marketing capabilities; our ability to raise additional capital when needed; international commercialization and operation; our ability to attract and retain management and other personnel and to manage our growth effectively; potential product liability claims; potential healthcare fraud and abuse claims; healthcare legislative reform; and our ability to obtain and maintain intellectual property protection for our technology and products. These and additional risks and uncertainties are described more fully in the Company's filings with the Securities and Exchange Commission, particularly those factors identified as "risk factors" in the annual report on Form 10-K filed March 13, 2015. We are providing this information as of the date of this press release and do not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.