

**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 (Date of earliest event reported): **December 12, 2016**

**SUNSHINE HEART, INC.**

(Exact name of registrant as specified in its charter)

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

**001-35312**  
(Commission File Number)

**68-0533453**  
(IRS Employer  
Identification No.)

**12988 Valley View Road**  
**Eden Prairie, Minnesota 55344**  
(Address of principal executive offices) (Zip Code)

**(952) 345-4200**  
(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))

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

(e) On December 12, 2016, Sunshine Heart, Inc. (the "Company") delivered a retention bonus letter to Claudia Drayton, the Company's Chief Financial Officer, pursuant to which the Company committed to pay a retention bonus of \$50,000 if, among other things, the Company receives a minimum of \$5 million in equity financing by June 30, 2017 and so long as Ms. Drayton is not terminated by the Company for misconduct or poor performance and does not resign her employment with the Company prior to that date. Such retention bonus will be paid in a lump sum on July 15, 2017 in accordance with ordinary payroll procedures of the Company.

The foregoing description of the retention bonus letter is qualified in its entirety by reference to the full text of the retention bonus letter attached hereto as Exhibit 10.1, which is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
10.1	Retention Bonus Letter, dated December 12, 2016.

**SIGNATURES**

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.

Date: December 16, 2016

SUNSHINE HEART, INC.

By: /S/ CLAUDIA DRAYTON

Name: Claudia Drayton

Title: Chief Financial Officer

3

---

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
10.1	Retention Bonus Letter, dated December 12, 2016.

4

---



December 12, 2016

Claudia Drayton,

In appreciation for your continued support of Sunshine Heart Inc., the company is offering you a retention bonus. The Company is offering this retention bonus because it wants to reward you with additional compensation should certain conditions as specified below be satisfied.

You will receive a lump sum retention bonus of \$50,000 (less applicable withholdings and deductions) if each of the following conditions are satisfied:

1. You sign this memo in the space provided below and return it to me by no later than Friday, December 16, 2016,
2. Sunshine Heart receives a minimum of \$5 million in equity financing by June 30, 2017,
3. You must not resign your employment or be terminated for misconduct or poor performance (in each case, as determined by the Company in its sole discretion) prior to June 30, 2017,
4. You must perform the tasks and responsibilities that are assigned to you to the Company's satisfaction through June 30, 2017, and

If the conditions for you to receive the retention bonus are met, the retention bonus would become payable to you on July 15, 2017 in accordance with normal payroll procedures.

Please note that your employment remains "at will," meaning either you or the Company have the right to terminate your employment without prior notice at any time and for any reason.

Sincerely,

John Erb  
Chairman of the Board and CEO

**EMPLOYEE ACKNOWLEDGEMENT AND SIGNATURE:**

Although I understand that my employment is at-will, and that this memo does not change my at-will status, by signing below I represent that I currently intend to continue employment with the company in my current position through at least June 30, 2017. I understand that the company is offering the retention bonus described above in reliance upon my representation.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

---