UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

|X| QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2009

or

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 1-12471

INTEGRATED SURGICAL SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

Delaware	68-0232575
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
401 Wilshire Blvd., Suite 1020 Santa Monica, California	90401
(Address of Principal Executive Offices)	(Zip Code)

(310) 526-5000
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES |X| NO |_|

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer |_|	Accelerated filer |_|
Non-accelerated filer |_| (Do not check if a smaller reporting company)	Smaller reporting company |_|

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES |X| NO|_|

As of May 14, 2009 there were 7,474,894 shares of the registrant's common stock outstanding.

Integrated Surgical Systems, Inc.
Form 10-Q
for the three months ended March 31, 2009
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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Integrated Surgical Systems, Inc.
Balance Sheets

Assets	March 31, 2009 (Unaudited)	December 31, 2008 (Audited)
Current assets:		
Cash	$ 3,496,720	$ 3,322,358
Investment in available-for-sale securities	871,390	1,116,151
Other current assets	49,575	62,822
Total current assets	4,417,685	4,501,331
Total assets	$ 4,417,685	$ 4,501,331
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 26,345	$ 4,951
Accrued liabilities	13,235	3,000
Accrued stock compensation	46,566	34,066
Income taxes payable	--	800
Deferred rent - current portion	22,636	22,379
Total current liabilities	108,782	65,196
Rent deposit	8,175	8,175
Deferred rent - noncurrent	17,428	23,185
Total liabilities	134,385	96,556
Convertible preferred stock, $0.01 par value, 1,000,000 shares authorized; 168 shares issued and outstanding ($168,496 aggregate liquidation value)	168,496	168,496
Stockholders' equity:		
Common stock, $0.01 par value, 100,000,000 shares authorized; 7,474,894 shares issued and outstanding	74,479	74,749
Additional paid-in capital	64,108,978	64,101,448
Accumulated deficit	(60,068,363)	(59,943,265)
Accumulated other comprehensive income	(560)	3,347
Total stockholders' equity	4,114,804	4,236,279
Total liabilities and stockholders' equity	$ 4,417,685	$ 4,501,331

See accompanying notes to financial statements.

Integrated Surgical Systems, Inc.
Statements of Operations
(Unaudited)

	Three Months ended March 31, 2009	2008
Operating expenses:		
General and administrative expenses	$ 133,420	$ 159,587
Realized loss on available-for-sale securities	(615)	--
Interest income, net	9,737	18,141
Loss from operations before income taxes	(124,298)	(141,846)
Income taxes	800	--
Net Loss	$ (125,098)	$ (141,846)
Basic net income (loss) per common share	$ (0.02)	$ (0.03)
Diluted net income (loss) per common share	$ (0.02)	$ (0.03)
Weighted average number of shares outstanding:		
Basic	7,474,894	4,578,500
Diluted	7,474,894	4,578,500

See accompanying notes to financial statements.

Integrated Surgical Systems, Inc.

Statement of Stockholders' Equity

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' (Deficit)/Equity
Balance at December 31, 2008 (audited)	7,474,894	$ 74,749	$ 64,101,448	$ 3,347	$(59,943,265)	$ 4,236,279
Stock-based compensation (unaudited)	--	--	7,530	--	--	7,530
Unrealized loss on investment in available-for-sale securities (unaudited)	--	--	--	(3,907)	--	(3,907)
Net loss (unaudited)	--	--	--	--	(125,098)	(125,098)
Balance at March 31, 2009 (unaudited)	7,474,894	$ 74,749	$ 64,108,978	$ (560)	$(60,068,363)	$ 4,114,804

See accompanying notes to financial statements.

Integrated Surgical Systems, Inc.
Statements of Cash Flows
(Unaudited)

	Three Months ended March 31, 2009	2008
Cash flows from operating activities		
Loss from operations	$ (125,098)	$ (141,846)
Adjustments to reconcile net loss from operations to cash flow used in operating activities:		
Stock-based compensation	7,530	3,304
Changes in assets and liabilities		
Other current assets	13,247	19,250
Accounts payable	21,394	--
Accrued liabilities	10,235	79,033
Accrued stock compensation	12,500	--
Income taxes payable	(800)	(30,000)
Deferred rent payable	(5,500)	3,020
Cash used in operating activities	(66,492)	(67,239)
Cash flows from investing activities		
Purchase of available-for-sale securities	(544,146)	--
Sale of available-for-sale securities	785,000	--
Cash provided by investing activities	240,854	--
Cash flows from financing activities		
Offering cost	--	(38,046)
Cash used by financing activities	--	(38,046)
Net increase (decrease) in cash	174,362	(105,285)
Cash at beginning of period	3,322,358	3,099,199
Cash at end of period	$ 3,496,720	$ 2,993,914

Supplemental disclosures of cash flow information:

Income taxes paid	$ 1,600	$ 30,000
Unrealized loss on available-for-sale securities	$ (3,907)	$ --

See accompanying notes to financial statements.

1. Organization and Operations

Integrated Surgical Systems, Inc. (the "Company") was incorporated in Delaware in 1990 to design, manufacture, sell and service image-directed, computer-controlled robotic software and hardware products for use in orthopedic surgical procedures. The Company's products were authorized to be sold through international distributors to hospitals and clinics in European Union member countries and Australia, Canada, India, Israel, Japan, Korea, New Zealand, Switzerland and South Africa.

On June 28, 2007, upon the sale of substantially all of its assets, the Company became inactive.

On June 28, 2007, the stockholders approved the future liquidation of the Company if the Company was unable to complete an acquisition or similar transaction within one year of the sale of its assets. At the same time, our stockholders granted the Board of Directors authority to abandon any decision to liquidate without further stockholder action if it determines the liquidation is not in the best interests of the Company or our stockholders. The Board of Directors decided it is in the best interest of the Company and its stockholders to not liquidate.

2. Significant Accounting Policies

Basis of presentation

The accompanying unaudited financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial statements and with the rules and regulations under Regulation S-X of the Securities and Exchange Commission for Form 10-Q. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements presentation. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary to present fairly the financial position as of March 31, 2009 and results of operations and cash flows for the three months then ended have been included. These financial statements should be read in conjunction with the financial statements of the Company together with the Company's management discussion and analysis in the Company's Form 10-K for the year ended December 31, 2008. Interim results are not necessarily indicative of the results for a full year.

The financial statements include all the accounts of the Company.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141R, "Business Combinations" ("SFAS 141R"), which replaces SFAS No. 141, "Business Combinations." SFAS 141R establishes principles and requirements for determining how an enterprise recognizes and measures the fair value of certain assets and liabilities acquired in a business combination, including non-controlling interests, contingent consideration, and certain acquired contingencies. SFAS 141R also requires acquisition-related transaction expenses and restructuring costs be expensed as incurred rather than capitalized as a component of the business combination. SFAS 141R will be applicable prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS 141R would have an impact on accounting for any businesses acquired after the effective date of this pronouncement.

In December 2007, the FASB issued SFAS No. 160, "Non-controlling Interests in Consolidated Financial Statements - An Amendment of ARB No. 51" ("SFAS 160"). SFAS 160 establishes accounting and reporting standards for the non-controlling interest in a subsidiary (previously referred to as minority interests). SFAS 160 also requires that a retained non-controlling interest upon the deconsolidation of a subsidiary be initially measured at its fair value. Upon adoption of SFAS 160, the Company would be required to report any non-controlling interests as a separate component of stockholders' equity. The Company would also be required to present any net income allocable to non-controlling interests and net income attributable to stockholders of the Company separately in its consolidated statements of income. SFAS 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. SFAS 160 requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. All other requirements of SFAS 160 shall be applied prospectively. SFAS 160 would have an impact on the presentation and disclosure of the non-controlling interests of any non wholly-owned businesses acquired in the future. The Company does not currently expect the adoption of SFAS 160 to have a material effect on its results of operations and financial condition.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative and Hedging Activities." SFAS 161 amends and expands the disclosure requirements related to derivative instruments and hedging activities. SFAS 161 requires qualitative disclosures about credit-risk-related contingent features in derivative agreements. The provisions of SFAS 161 are effective for fiscal years beginning after December 15, 2008. The Company does not currently expect the adoption of SFAS 161 to have a material effect on its results of operations and financial condition.

In April 2009, the FASB issued Staff Position ("FSP FAS") No. 115-2, "Recognition and Presentation of Other-Than-Temporary Impairments." The provisions of FSP FAS No. 115-2 are effective for interim and fiscal years ending after June 15, 2009, early adoption is permitted for periods ending after March 15, 2009. The Company does not currently expect the adoption of FSP FAS No. 115-2 to have a material effect on its results of operations and financial condition.

In April 2009, the FASB issued FSP FAS No. 157-4. "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That are Not Orderly." The provisions of FSP FAS No. 157-4 are effective for interim and fiscal years ending after June 15, 2009, early adoption is permitted for periods ending after March 15, 2009. The Company does not currently expect the adoption of FSP FAS No. 157-4 to have a material effect on its results of operations and financial condition.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

3. Income (Loss) Per Share

Basic income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period plus dilutive common stock equivalents, using the treasury stock method.

Convertible preferred stock of 660,769 and 650,363 shares would have been dilutive if the Company did not have a net loss for the three-month periods ended March 31, 2009 and 2008, respectively.

A warrant for 30,000 shares and stock options of 160,000 and 63,050 were excluded from the calculation of loss per share for the three month periods ended March 31, 2009 and 2008, respectively, because their effect was anti-dilutive.

4. Investment in Available-for-Sale Securities

The following is a summary of the Company's investment in available-for-sale securities as of March 31, 2009:

	Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. federal agency securities	$ 608,168	$ 1,428	$ (547)	$ 609,048
Corporate securities	263,783	425	(1,866)	262,342
Total	$ 871,951	$ 1,853	$ (2,413)	$ 871,390

The cost and fair value of investment in available-for-sale debt securities, by contractual maturity, as of March 31, 2009, are as follows:

	Cost	Fair Value
Due within one year	$ 55,807	$ 55,998
Due after one year through three years	740,456	740,516
Due after three years	75,688	74,877
	$871,951	$871,390

Expected maturities will differ from contractual maturities because the issuers of certain debt securities have the right to call or prepay their obligations without any penalties. The Company intends to be opportunistic with the purchase and sale of its debt securities and expects all the securities to be sold or called during the twelve-months ended March 31, 2010. Therefore, the Company has classified the entire fair value of its investment in available-for-sale debt securities as current assets in the accompanying balance sheets.

5. Common Stock

On April 25, 2008, the Company sold an aggregate of 2,896,394 shares of common stock at $0.6042 per share, for an aggregate purchase price of $1,750,000. The Company incurred $58,258 of expenses in connection with the offering. Certain of the investors are affiliated with the Company's advisory services firm that is currently providing investment banking services.

6. Convertible Preferred Stock

The Company's Certificates of Incorporation authorized 1,000,000 shares of undesignated, serial preferred stock. Preferred stock may be issued from time to time in one or more series. The Board of Directors is authorized to determine the rights, preferences, privileges, and restrictions granted to and imposed upon any wholly unissued series of preferred stock and designation of any such series without any further vote or action by the Company's stockholders.

As of March 31, 2009 and December 31, 2008, the Company's only outstanding series of convertible preferred stock is the Series G Convertible Preferred Stock ("Series G").

The Series G stock has a stated value of $1,000 per share, and is convertible into common stock at conversion price equal to 85% of the lowest sale price of the common stock on its listed market over the five trading days preceding the date of conversion ("Beneficial Conversion Feature"), subject to a maximum conversion price. The number of shares of common stock that may be converted is determined by dividing the stated value of the number of shares of convertible preferred stock to be converted by the conversion price. The Company may elect to pay the Series G holder in cash at the current market price multiplied by the number of shares issuable upon conversion.

The value that had been assigned to the Beneficial Conversion feature of the Series G was based on the difference between the maximum conversion price and quoted market price of the common stock on the date that the Series G was sold (the "Discount"). The Discount was accreted using the straight-line method over the conversion period. The Series G does not entitle holders to dividends or voting rights, unless required by law.

For the three months ended March 31, 2009 and the year ended December 31, 2008, no shares of Series G were converted into shares of common stock. At March 31, 2009 and December 31, 2008, the outstanding Series G shares could have been converted into a minimum of 660,769 and 707,966 shares of common stock, respectively.

Upon a change in control, sale of or similar transaction, as defined, each holder of the Series G has the option to deem such transaction as a liquidation and may redeem their shares at the liquidation value of $1,000, per share, for an aggregate amount of $168,496. As such redemption is not in control of the Company, the Series G preferred stock has been accounted for as if they were redeemable preferred stock and are classified on the balance sheet between liabilities and stockholders' equity.

7. Stock-based compensation

The Company currently has a stock option plan to attract, motivate and retain selected officers, employees, directors and consultants under which incentive or non-incentive options may be granted, generally for a term of ten years from the date of grant. Exercise prices of incentive stock options may not be less than 100% and exercise prices of non-statutory stock options may not be less than 85% of the fair market value of the common stock on the date of the grant. For persons owning 10% or greater of the voting power of all classes of the Company's stock, the exercise price of the incentive or the non-qualified stock options may not be less than 110% of the fair market value of the common stock on the date of the grant. The plan is administered by the Company's board of directors.

SFAS 123(R) requires entities to estimate the number of forfeitures expected to occur and record expense based upon the number of awards expected to vest. Prior to adoption of SFAS No. 123(R), the Company accounted for forfeitures as they occurred, as permitted under SFAS No. 123. The cumulative effect of adopting the method change of estimating forfeitures is not material to the Company's financial statements for the three months ended March 31, 2009.

The 1998 Stock Option Plan (1998 Plan) was established to grant up to 85,000 non-qualified options through May 12, 2008 to employees and other individuals providing services to the Company. Options under the 1998 Plan vest variably from one year to four years from the date grant and must be exercised within 30 days of employee termination. As of March 31, 2009 the plan had expired therefore, no options were available for future grant.

The 2000 Stock Award Plan (2000 Plan) was established to grant up to 100,000 incentive options through December 11, 2010 to employees, excluding officers and directors, and other individuals providing services to the Company. Options under the 2000 Plan vest variably from one year to four years from the date grant and must be exercised within three months of employee termination. As of March 31, 2009 and December 31, 2008, the 2000 plan had 98,046 options available for future grant.

Under both plans, exercised, forfeited/expired or cancelled shares may be reissued.

Options outstanding or options forfeited/expired may be from expired plans. For the three months ended March 31, 2009, option activity was as follows:

	Shares	Weighted-Average Exercise Price	Remaining Contractual Term	Aggregate Fair Value
Outstanding at beginning of period	161,000	$ 0.97		
Granted	--	$ --		
Expired and forfeited	1,000	$ 36.25		
Exercised	--	$ --		
Outstanding at end of period	160,000	$ 0.75	3.90	$43,335
Exercisable at March 31, 2009	60,000	$ 1.35	1.18	$13,215

The Company expects options un-vested at March 31, 2009 for 100,000 shares of common stock will vest during the year ended December 31, 2009.

For the three month periods ended March 31, 2009 and 2008, the Company recorded stock-based compensation expense, related to its stock options, of $7,530 and $3,304 respectively, which is included in general and administrative expenses.

The Company's stock options have no intrinsic value as of March 31, 2009.

As of March 31, 2009 a summary of options outstanding under the plans was as follows:

Range of Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Number Outstanding at 3/31/09	Weighted-Average Exercise Price	Number Exercisable at 3/31/09	Weighted-Average Exercise Price
0.00-9.99	4.0	158,000	$0.36	58,000	$0.34
10.00-30.99	0.8	1,500	29.17	1,500	29.17
31.00-37.00	0.3	500	35.63	500	35.63
	3.9	160,000	$0.75	60,000	$1.35

The following is a summary of the status of the Company's non-vested shares as of March 31, 2009, and changes during the three month period ended March 31, 2009:

Non-vested Shares	Shares	Weighted-Average Grant-Date Fair Value
Non-vested at beginning of period	100,000	$0.30
Granted	--	--
Expired and Forfeited	--	--
Vested	--	--
Non-vested at end of period	100,000	$0.30

Stock-based compensation expense of $11,295 net of sublease subsidy payments will be recognized for non-vested options at Net March 31, 2009 during the remainder of the Lease year ended December 31, 2009.

During 2008, the Company agreed to compensate two of its directors with common stock in lieu of cash compensation. The number of shares was to be determined based upon the equivalent cash compensation accrued divided by the closing stock price on March 31, 2009. The closing stock price on March 31, 2009 was $0.39 resulting in compensation of 68,480 shares to each of the two directors. The shares are to be issued on or about June 1, 2009. The Company recorded stock-based compensation related to this common stock of $12,500 for the three-month period ended March 31, 2009.

8. Income Taxes

Effective January 1, 2007, the Company adopted the provisions of Financial Accounting Standards Board (FASB) Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No.109" (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in the Company's financial statements in accordance with FASB Statement 109, "Accounting for Income Taxes," and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance under recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Federal and state income tax returns for the years ended December 31, 2007, 2006 and 2005 are subject to review by the taxing authorities.

The Company's policy is to classify assessments, if any, for tax related interest as interest expenses and penalties as general and administrative expenses.

The Company has evaluated and concluded that there are no uncertain tax positions requiring recognition in the Company's financial statements.

9. Related Party Transactions

In July, 2008, the Company retained an accounting firm in which an officer and director is a partner to perform accounting and administrative services. During the three months ended March 31, 2009, the Company paid this firm $6,000.

The Company entered into an Investment Banking Advisory Services agreement in November, 2007. The Company extended this agreement in April 2009 (See Note 12). The Company advanced $25,000 to the Investment Banking firm in December 2007 for its expenses. The Company recorded $15,122 as general and administrative expense for the three months ended March 31, 2009 for legal expenses presented against this advance. The remaining $9,878 is recorded as an other current asset on the Company's Balance Sheet at March 31, 2009. This amount was repaid to the Company in April 2009. There have been no other payments or fees earned as a result of this agreement. The Company also has a money market account with this financial institution, invested in short-term federal securities, with a balance of $3,128,747 at March 31, 2009. The Chief Executive Officer and director of the Company is the Chief Executive Officer and director of the Investment Banking firm. Another officer and director of the Company is a managing director of the same Investment Banking firm.

10. Fair Value Measurement

The Company has recorded a deferred rent liability in accordance with SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities", ("SFAS 146") and SFAS No. 157, "Fair Value Measurements", ("SFAS 157"). The change in fair value of the deferred rent liability during the three months ended March 31, 2009, was $5,500 resulting in a liability of $40,064. The amount of the liability was calculated based on the net present value technique using an interest rate of 4.58%. The interest rate is based upon the three-year Treasury-Bill rate as of July 2007.

11. Commitments and Contingencies

Lease

As of March 31, 2009, the Company was committed for future minimum rent under the lease for its former manufacturing, warehouse and administrative space, net of sublease income, plus subsidy payments by the Company to the sublessor, through December 31, 2010. The present value of the future minimum rent under the lease, net of sublease income, was charged to general and administrative expenses in connection with the Company's continuing operations. The minimum payments are as follows:

	Lease	Sublease net of sublease subsidy payments	Net
April 1 through December 31, 2009	$ 71,550	$ 53,550	$ 18,000
2010	97,875	73,875	24,000
	$169,425	$127,425	$ 42,000

Other

The Company is subject to claims arising in the ordinary course of business. On January 8, 2009, a complaint was filed in Superior Court of California, County of Sacramento in which the Company was named as a co-defendant in a matter involving an automobile accident. The plaintiffs are seeking damages for pain & suffering, emotional distress, past and future medical expenses and past and future loss of earnings totaling approximately $30,000,000. The Company has not recorded any amount as a liability on its balance sheet at March 31, 2009 for this claim. The Company believes the demands are totally without merit and intends to vigorously defend the complaint. There are no current proceedings or litigation involving us that we believe if judgment were rendered against us would have a material adverse impact on our financial position, results of operations or cash flows.

12. Subsequent Event

On April 15, 2009, the Company extended its November 28, 2007 agreement indefinitely, as modified by the September 12, 2008 amendment, with an advisory services firm to provide investment banking services. Certain officers and directors are affiliated with the Investment Banking firm. The agreement as modified may be terminated by either party upon 30-days written notice.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

The discussion in this Quarterly Report on Form 10-Q contains forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations, estimates, projections and certain assumptions made by the Company's management. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "could," "would," "may," "on target," "envisions," and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict; therefore, actual results may differ materially from those expressed or forecasted in any such forward-looking statements. Unless required by law, the Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. However, readers should carefully review the risk factors set forth in other reports or documents the Company files from time to time with the SEC, particularly the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K.

The following discussion should be read in conjunction with the unaudited financial statements and notes thereto in Part I, Item 1 of this Quarterly Report on Form 10-Q and with the audited Financial Statements and Notes thereto, together with Management's Discussion and Analysis of Financial Condition and Results of Operations, which are included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 as filed with the SEC.

Overview

We were incorporated in Delaware in 1990 to design, manufacture, sell and service image-directed, computer-controlled robotic software and hardware products for use in orthopedic surgical procedures. Although we had not received clearance to market the ROBODOC(R) System (ROBODOC) in the U.S., we were permitted to export the system provided certain requirements were met. Products approved for use by European Union member countries and Australia, Canada, India, Israel, Japan, Korea, New Zealand, Switzerland and South Africa, do not require U.S. FDA export approval. We had sold our robotic systems to international distributors, who in turn resold the product in their territories. Our international distributors were KTEC in Japan, ROCOM Frontier in Korea and Paramount Impex in India.

After the sale of substantially all of our assets on June 28, 2007, the Company became inactive. The Company has no employees and all services are provided by contracted personnel.

Our operations are limited to raising additional funds to be used to maintain our public company status and for a business combination if a suitable candidate is located. Our stockholders approved the future liquidation of the Company if we were unable to complete an acquisition or similar transaction by June 28, 2008. Our stockholders also granted the Board of Directors authority to abandon any decision to liquidate without further stockholder action if it determines the liquidation is not in the best interests of the Company or our stockholders. The Board of Directors has decided it is in the best interest of the Company and its stockholders to not liquidate.

For the three months ended March 31, 2009, our general and administrative expenses consisted primarily of our continuing expenses to maintain our public company status, the cost to maintain a lease agreement for the facility we used while we were an operating company offset by a sublease for the same space. We retained the lease obligation as part of the sale of substantially of our assets. The sublease agreement provides for the sublessee to pay our lessor each month for the rent owed by us under our lease through December 31, 2010, the duration of the lease term. As an incentive to agree to the sublease, we have agreed to pay the sublessor $2,000 each month our rent is paid.

Results of Operations

Three Months Ended March 31, 2009 and 2008

For the three months ended March 31, 2009 and 2008 we had a net loss of $125,098 and $141,846, respectively. General and administrative expenses were $133,420 and $159,587 for the three months ended March 31, 2009 and 2008, respectively. Legal fees decreased by approximately $25,000 from the three months ended March 31, 2008 to March 31, 2009 due to an effort to control our costs. Net interest income was $9,737 and $18,141 for the three months ended March 31, 2009 and 2008, respectively. The decrease of approximately $8,000 was due to a general decline in interest rates and less funds in interest-bearing cash and securities.

Liquidity and Capital Resources

We believe our current cash position is adequate to carry out our plan.

At March 31, 2009 and December 31, 2008, our "quick ratio" (cash divided by current liabilities), a conservative liquidity measure designed to predict our ability to pay bills, was 32.14 and 50.96, respectively.

We anticipate that we will incur operating losses from continuing operations in the next twelve months, until we enter into a business combination or until our liquidation.

Cash used in operating activities was $66,492 and $67,239 for the three months ended March 31, 2009 and 2008, respectively. Cash used in operating activities for the three months ended March 31, 2009 was due primarily to our net loss from operations of $125,098 offset by adding back non-cash expenses of $20,030 a decrease in other current assets of $13,247, an increase in accounts payable of $21,394 and an increase in accrued liabilities of $10,265. Cash used in operating activities for the three months ended March 31, 2008 was primarily due to our net loss from operations of $141,846 and a decrease in income taxes payable of $30,000 offset by an increase in accrued liabilities of $79,033 and decrease in other current assets of $19,250.

Cash provided by investing activities for the three months ended March 31, 2009 of $240,854 was from the sale of available-for-sale securities of $785,000 offset by the purchase of available-for-sale securities of $544,146.

Cash used in financing activities for the three month period ended March 31, 2008 was $38,046 and was due to an increase in deferred offering cost related to the April 2008 sale of common stock.

We do not have any material commitments for capital expenditures.

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, liquidity or capital resources that are material to our investors.

Critical Accounting Policies and Estimates

The Company's discussion and analysis of the financial condition and results of operations are based upon the Company's unaudited financial statements included elsewhere in this Form 10-Q and has been prepared in accordance with accounting principles generally accepted in the United States of America as disclosed in our annual financial statements in our Form 10-K for the year ended December 31, 2008. Interim results are not necessarily indicative of the results for a full year.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk represents the risk of loss that may impact our financial position, operating results or cash flows due to changes in U.S. interest rates. Our exposure to market risk is confined to our cash and available-for-sale investments that we expect to hold less than one year. The goals of our cash investment policy are the security of the principal invested and fulfillment of liquidity needs. We currently do not hedge interest rate exposure. Because of the short-term nature of our investments, we do not believe that an increase in market rates would have any material negative impact on the value of our investment portfolio.

As of March 31, 2009, we held $3,496,720 in money market, savings and checking accounts at three financial institutions. The Company has a checking account and savings accounts at one major banking institution with combined balances of $325,974 at March 31, 2009. The Company has a savings account in another major banking institution with a balance of $42,000 at March 31, 2009. These accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. The Company has a money market account in a brokerage account with a third financial institution, invested in fixed-income securities, with a balance of $3,128,746 at March 31, 2009. The funds in the money market at this institution are guaranteed by the Securities Investor Protection Corporation (SIPC) up to $500,000. The Company had total uninsured funds at March 31, 2009 of $2,704,719.

Item 4T. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Our management has established and maintains a system of disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed by us in the reports filed or submitted by us under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and include controls and procedures designed to provide reasonable assurance that information required to be disclosed by us in those reports is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer (our principal executive officer and principal financial officer, respectively), as appropriate to allow timely decisions regarding required disclosure. As of March 31, 2009, our management, including our Chief Executive Officer and our Chief Financial Officer, conducted an evaluation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that the information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

All disclosure control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

(b) Changes in Internal Controls

There were no changes in internal control during the three-month period ended March 31, 2009. Management has not identified any matters that constitute material weaknesses (as defined under the Public Company Accounting Oversight Board Auditing Standard) in our internal controls over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

On January 8, 2009, a complaint was filed in Superior Court of California, County of Sacramento in which the Company was named as a co-defendant in a matter involving an automobile accident. The plaintiffs are seeking damages for pain & suffering, emotional distress, past and future medical expenses and past and future loss of earnings totaling approximately $30,000,000. The Company believes the demands are totally without merit and intends to vigorously defend the complaint. To the best of the Company's knowledge, there are no other proceedings or litigation currently threatened or proceeding against us or threatening us.

From time to time, the Company may be party to other claims and litigation arising in the ordinary course of business. The Company does not believe that any adverse final outcome of any of these matters, whether or not covered by insurance, would have a material adverse effect on the Company.

Item 6. Exhibits

Pursuant to the rules and regulations of the SEC, we have filed certain agreements as exhibits to this Quarterly Report on Form 10-Q. These agreements may contain representations and warranties by the parties. These representations and warranties have been made solely for the benefit of the other party or parties to such agreements and (i) may have been qualified by such disclosures made to such other party or parties, (ii) were made only as of the date of such agreements or such other date(s) as may be specified in such agreements and are subject to more recent developments, which may not be fully reflected in our public disclosure, (iii) may reflect the allocation risk among the parties to such agreements and (iv) may apply materiality standards different from what may be viewed as material to investors. Accordingly, these representations and warranties may not describe our actual state of affairs at the date hereof and should not be relied upon.

Exhibit No.	Description
3.1	Articles of Incorporation (1)
3.2	By-laws (1)
31.1	Certification Pursuant to Exchange Act Rule 13a-14(a) of Christopher A. Marlett *
31.2	Certification Pursuant to Exchange Act Rule 13a-14(a) of Michael J. Tomczak *
32.1	Certification Pursuant to Section 1350 of the Sarbanes-Oxley Act of 2002 of Christopher A. Marlett *
32.2	Certification Pursuant to Section 1350 of the Sarbanes-Oxley Act of 2002 of Michael J. Tomczak *

(1) Incorporated by reference to Form SB-2 filed on July 30, 1996
* Filed herewith

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INTEGRATED SURGICAL SYSTEMS, INC.

By: /s/ Michael J. Tomczak

Michael J. Tomczak, Chief Financial Officer

Dated: May 14, 2009

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher A. Marlett, Chief Executive Officer of Integrated Surgical Systems, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 of Integrated Surgical Systems, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

   (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Quarterly Report, my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Quarterly Report based on such evaluation; and

   (d) Disclosed in this Quarterly Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions);

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 14, 2009

By: /s/ Christopher A. Marlett

Christopher A. Marlett
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael J. Tomczak, Chief Financial Officer of Integrated Surgical Systems, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 of Integrated Surgical Systems, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

   (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Quarterly Report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Quarterly Report based on such evaluation; and

   (d) Disclosed in this Quarterly Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions);

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 14, 2009

By: /s/ Michael J. Tomczak

Michael J. Tomczak
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher A. Marlett, Chief Executive Officer of Integrated Surgical Systems, Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2009, which this certification accompanies (the "Periodic Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 14, 2009

/s/ Christopher A. Marlett

Christopher A. Marlett
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael J. Tomczak, Chief Financial Officer of Integrated Surgical Systems, Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2009, which this certification accompanies (the "Periodic Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 14, 2009

/s/ Michael J. Tomczak

Michael J. Tomczak
Chief Financial Officer