

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-KSB/A
(Amendment No. 1)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934
FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 1-12471

INTEGRATED SURGICAL SYSTEMS, INC.
(NAME OF SMALL BUSINESS ISSUER IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

68-0232575
(I.R.S. EMPLOYER
IDENTIFICATION NO.)

1850 RESEARCH PARK DRIVE, DAVIS, CA
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

95616-4884
(ZIP CODE)

(530) 792-2600
(ISSUER'S TELEPHONE NUMBER, INCLUDING AREA CODE)

SECURITIES REGISTERED UNDER SECTION 12(b) OF THE EXCHANGE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH EACH CLASS IS REGISTERED
----- COMMON STOCK, \$.01 PAR VALUE	----- THE PACIFIC EXCHANGE INCORPORATED
COMMON STOCK PURCHASE WARRANTS	THE PACIFIC EXCHANGE INCORPORATED

SECURITIES REGISTERED UNDER SECTION 12(g) OF THE ACT:

NOT APPLICABLE
(TITLE OF CLASS)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

Revenues for the issuer's most recent fiscal year were \$6,240,842.

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the closing price of the common stock on March 24, 2000 was \$63,330,180.

ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS
DURING THE PAST FIVE YEARS

Check whether the issuer has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE REGISTRANTS

As of March 24, 2000, the issuer had 16,888,048 shares of common stock, \$.01 par value, outstanding.

Transitional Small Business Disclosure Format: Yes No

DOCUMENTS INCORPORATED BY REFERENCE

None

Explanatory Note

This Amendment No. 1 to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1999 has been filed to include the information required by Part III.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS AND CONTROL PERSONS: COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

The following is a list of the Directors and Executive Officers of the Company:

Name	Age	Principal Occupation and Related Information	Director Since
Ramesh C. Trivedi	60	Chief Executive Officer of the Company since November 1995; consultant to the Company from February 1995 until November 1995; Principal of California Biomedical Consultants (an international consulting firm) since 1987; President and Chief Executive Officer of DigiRad Corporation (a medical imaging company) from 1985 to 1986.	November 1995
Falah Al-Kadi	50	Chairman of the Board of Directors since January 2000. Vice Chairman of the Dogmoch Group of Companies since 1994.	December 1999
John N. Kapoor	56	President of EJ Financial Enterprises, Inc. (a healthcare consulting and investment company); Chairman of Option Care, Inc. (a franchiser of home infusion therapy businesses) since October 1990; Chairman of Unimed Pharmaceuticals, Inc. (a specialty pharmaceutical company) since 1990; Chief Executive Officer and Chairman of Akorn, Inc. (a manufacturer and distributor of ophthalmic products) since May 1996; Chairman of NeoPharm, Inc. (cancer drug research and development company).	December 1995
Bernd Herrmann	32	Private investor since 1997; Asset Manager, Commerzbank AG, Frankfurt/Main, Germany from 1995 to 1997 and Deutsche Bank AG, Mannheim Kaiserslautern, Germany from 1986 to 1995.	December 1999
Urs Wettstein	44	Private investor; independent tax and accounting consultant in Zurich, Switzerland since 1983; Financial and Tax consultant, Coopers and Lybrand, Zurich, Switzerland from 1977 to 1982.	December 1999

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's Officers, Directors and persons who own more than ten percent of a registered class of the Company's equity securities within specified time periods to file certain reports of ownership and changes in ownership with the Securities and Exchange Commission (the "Commission"). Officers, Directors and ten-percent stockholders are required by regulation to furnish the Company with copies of all Section 16(a) forms they file. Messrs. Al-Kadi, Herrmann and Wettstein have not filed Form 3's reporting their ownership of shares and warrants. Based solely on a review of copies of such reports received by the Company and written representations from such persons concerning the necessity to file such reports, the Company is not aware of any other failures to file reports or report transactions in a timely manner during the fiscal year ended December 31, 1999.

ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth the compensation awarded to, earned by or paid to the Company's Chief Executive Officer and each other executive officer of the Company whose salary and bonus exceeded \$100,000 for the year ended December 31, 1999, 1998 and 1997.

Summary Compensation Table

NAME AND PRINCIPAL POSITION	ANNUAL COMPENSATION			LONG-TERM COMPENSATION
	YEAR	SALARY	OTHER ANNUAL COMPENSATION(1)	SECURITIES UNDERLYING OPTIONS
Ramesh C. Trivedi Chief Executive Officer and President	1999	\$ 279,840	\$ 75,725	6,210
	1998	\$ 279,840	\$ 42,501	120,000
	1997	\$ 264,000	\$ 50,400	20,000
Mark W. Winn Chief Financial Officer	1999	\$ 126,500	\$ --	--
	1998	\$ 118,833	\$ --	--
	1997 (2)	\$ 38,333	\$ --	45,000

(1) Represents cash incentive bonus

(2) Mr. Winn's employment commenced with the Company on September 2, 1997 and ended on December 31, 1999.

EMPLOYMENT AGREEMENT

Dr. Ramesh Trivedi serves as the Company's Chief Executive Officer and President pursuant to an employment agreement terminable at will by either party. Dr. Trivedi's annual salary is \$279,840 (\$23,320 per month). Upon termination by the Company, other than for cause (as defined in the employment agreement), Dr. Trivedi is entitled to receive his monthly salary for a period of eighteen months following the date of termination.

STOCK OPTIONS

The following table contains information concerning the grant of stock options under the Company's 1998 Stock Option Plan to Dr. Trivedi and Mr. Winn (collectively, the "Named Executive Officers") during the fiscal year ended December 31, 1999.

OPTION GRANTS IN LAST FISCAL YEAR
(INDIVIDUAL GRANTS)

NAME	NUMBER OF SHARES UNDERLYING OPTIONS GRANTED(1)	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE PRICE PER SHARE(2)	EXPIRATION DATE
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Ramesh C. Trivedi	6,210	3.7%	.10	8/16/09
Mark W. Winn	-	-	-	

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(1) Stock options are granted at the discretion of the Compensation Committee of the Company's Board of Directors. Stock options have a 10-year term and vest periodically over a period not to exceed five years.

(2) The Compensation Committee of the Company's Board of Directors may elect to reduce the exercise price of any option to the current fair market value of the Common Stock if the value of the Common Stock has declined from the date of grant.

The following table summarizes for each of the Named Executive Officers the total number of unexercised options, if any, held at December 31, 1999, and the aggregate dollar value of in-the-money, unexercised options, held at December 31, 1999. The value of the unexercised, in-the-money options at December 31, 1999, is the difference between their exercise or base price and the value of the underlying Common Stock on December 31, 1999. The closing sale price of the Common Stock on the Nasdaq SmallCap Market on December 31, 1999 was \$1.6562 per share.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FY END OPTION VALUES

NAME	SHARES ACQUIRED UPON EXERCISE OF OPTIONS DURING FISCAL 1999		NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT DECEMBER 31, 1999		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT DECEMBER 31, 1999	
	NUMBER	VALUE REALIZED	EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
Ramesh C. Trivedi	None	None	374,852	68,265	\$512,431(1)	0
Mark W. Winn	None	None	15,000	30,000	0	0

(1) Represents value of options to purchase 316,907 shares at an exercise price of \$0.07 per share and options to purchase 6,210 shares at an exercise price of \$0.10 per share.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth certain information concerning the beneficial ownership of the Company's Common Stock at March 21, 2000 by (i) each stockholder known by the Company to be a beneficial owner of more than five percent of the outstanding Common Stock, (ii) each director of the Company, (iii) each executive officer of the Company listed in the Summary Compensation Table and (iv) all directors and officers as a group.

NAME	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP(1)	PERCENTAGE OF COMMON STOCK BENEFICIALLY OWNED(2)
International Business Machines Corporation Old Orchard Road, Armonk, N.Y. 10504	2,274,066 (3)	11.87%
EJ Financial Investments V, L.P. 225 East Deer Path Road, Suite 250 Lake Forest, IL 60045	1,039,792	6.16%
ILTAG International Licensing Holding	7,311,198 (4)	32.15%

S.A.L., a subsidiary of The Dogmoch Group of Companies,
 Adnan Al Hakim Street
 Assaf Bldg.
 P.O. Box 135660
 Beirut, Lebanon

Ramesh C. Trivedi(5)	378,852 (6)	2.19%
John N. Kapoor(7)	1,039,792 (8)	6.16%
Falah Al-Kadi (9)	7,311,198 (10)	32.15%
Urs Wettstein (11)	3,655,599(12)	18.45%
Bernd Herrmann (13)	3,655,599 (12)	18.45%
All directors and officers as a group (5 persons)	16,041,040	55.38%

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- (1) Unless otherwise indicated, each person has sole investment and voting power with respect to the shares indicated, subject to community property laws, where applicable.
 - (2) For purposes of computing the percentage of outstanding shares held by each person or group of persons named above on March 21, 2000, any security which such person or group of persons has the right to acquire within 60 days after such date is deemed to be outstanding for the purpose of computing the percentage ownership for such person or persons, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.
 - (3) Includes warrants to purchase 2,206,479 shares of Common Stock at an exercise price of \$0.01 per share exercisable until December 31, 2005, warrants to purchase 67,587 shares of Common Stock at an exercise price of \$0.07 per share exercisable until December 31, 2000 which warrants are presently exercisable.
 - (4) Includes warrants to purchase 5,850,000 shares of common stock at an exercise price of \$1.027 per share until December 14, 2002
 - (5) Address is c/o the Company, 1850 Research Park, Davis, California 95616-4884
 - (6) Includes 378,852 shares that Dr. Trivedi may acquire upon exercise of stock options exercisable within 60 days -- 316,907 shares at an exercise price of \$0.07 per share, 51,735 shares at an exercise price of \$3.00 per share and 6,210 shares at an exercise price of \$0.10 per share. Dr. Trivedi may acquire additional 68,625 shares upon exercise of stock options that become exercisable over the remaining term of the options at an exercise price of \$3.00 per share.

- (7) Address is c/o EJ Financial Enterprises, 225 E. Deer Path Road, Suite 250, Lake Forest, Illinois 60045.
- (8) Represents shares of Common Stock owned by EJ Financial Investments V, L.P., a limited partnership of which Mr. Kapoor is the managing general partner. Mr. Kapoor disclaims beneficial ownership of such shares.
- (9) Address is Adnan Al Hakim St., Assaf Bldg., P.O. Box 135660, Beirut, Lebanon
- (10) Represents shares and warrants owned by ILTAG, a subsidiary of The Dogmoch Group of Companies, of which he is Vice-Chairman.
- (11) Address is Gartenstrasse 33, 8002 Zurich, Switzerland
- (12) Includes 2,925,000 warrants to purchase shares of common stock at \$1.027 per share exercisable until December 14, 2002.
- (13) Address is 37 Avenue des Papalins, MC-8000, Monaco

ITEM 12. CERTAIN TRANSACTIONS

The Company has entered into a distribution agreement, dated November 11, 1999 with Spark 1st Vision GmbH & Co. KG, a German company, that gives the distributor the exclusive right to distribute the Company's products in Europe, the Middle East and Africa through 2003. The distributor is obligated to purchase a minimum of 24 ROBODOC systems and 4 NeuroMate systems during 2000 and 32 ROBODOC systems and 6 NeuroMate systems during 2001. The distributor is required to pay the Company advance payments of \$200,000 per month for the first six months of 2000, \$300,000 per month for the remainder of 2000, and \$400,000 per month for 2001, offset by the purchase price of products purchased. However, the distributor has no minimum purchase or advance payment obligation after 2001, even though it will retain exclusive rights to distribute the Company's products in Europe, the Middle East and Africa through 2003. The distributor's only obligation to the Company after 2001 is to pay for products that it purchases. The distributor's liability to the Company under the distribution agreement is limited to \$1 million, exclusive of the minimum purchase obligation. The Company will continue to receive service contract revenues and bear the cost of maintenance, training and customer support. The distribution agreement will eliminate marketing; sales and administrative expenses associated with the Company's European activities and provide the Company with a more predictable source of revenues based upon the minimum purchase commitments of the

distributor. The distributor is controlled by Manfred Schmitt, a German venture capitalist. As of November 11, 1999, Mr. Schmitt beneficially owned slightly more than five percent of the then outstanding shares of Common Stock. The Company believes that the terms of the distribution agreement are as fair to the Company as those that could have been obtained from an unaffiliated party.

As of April 24, 2000 the Company had received the minimum payment under the agreement for the month of January.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has caused this amendment to the report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTEGRATED SURGICAL SYSTEMS, INC.

By: /s/ Ramesh C. Trivedi

By: /s/ Louis J. Kirchner

Ramesh C. Trivedi, President
(Principal Executive Officer)

Louis J. Kirchner, Chief Financial Officer
(Principal Financial and Accounting Officer)

Dated: April 27, 2000

In accordance with the Securities Exchange Act of 1934, this amendment to the report has been signed below by the following persons on behalf of the Registrant on April 27, 2000 in the capacities indicated.

SIGNATURE

TITLE

/s/ Ramesh C. Trivedi

Chief Executive Officer, President and a
Director (Principal Executive Officer)

Ramesh C. Trivedi

/s/ Louis J. Kirchner

Chief Financial Officer (Principal
Financial and Accounting Officer)

Louis J. Kirchner

/s/ Falah Al-Kadi

Chairman of the Board

Falah Al-Kadi

/s/ John N. Kapoor

Director

John N. Kapoor

Director

Bernd Herrmann

/s/ Urs Wettstein

Director

Urs Wettstein