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 September 30, 2008
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 401 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	|_|	Smaller reporting company	|_|

(Do not check if a 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 November 7, 2008, there were 7,474,894 shares of the registrant's common stock outstanding.

Integrated Surgical Systems, Inc.
Form 10-Q
for the nine months ended September 30, 2008
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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Integrated Surgical Systems, Inc.
Balance Sheet

Assets	September 30, 2008 (Unaudited)	December 31, 2007 (Audited)
Current assets:		
Cash	$ 4,449,351	$ 3,099,199
Other current assets	92,633	76,333
Total current assets	4,541,984	3,150,532
Total assets	$ 4,541,984	$ 3,175,532
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 8,800	$ 4,951
Accrued liabilities	436	10,782
Accrued stock compensation	21,566	--
Income taxes payable	--	31,482
Deferred rent - current portion	22,125	41,966
Total current liabilities	52,927	89,181
Rent deposit	8,175	--
Deferred rent - noncurrent	28,875	220,824
Total liabilities	89,977	310,005
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 and 4,578,500 shares issued and outstanding	74,749	45,785
Additional paid-in capital	64,093,918	62,419,665
Accumulated deficit	(59,885,156)	(59,768,419)
Total stockholders' equity	4,283,511	2,697,031
Total liabilities and stockholders' equity	$ 4,541,984	$ 3,175,532

See accompanying notes to financial statements.

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

	Nine Months ended September 30, 2008	2007
Continuing operations		
General and administrative expenses	$ 173,655	$ 115,394
Interest income, net	56,918	26,630
Loss from continuing operations	(116,737)	(88,764)
Discontinued Operations:		
Loss from operations of discontinued segment	--	(1,219,725)
Net gain on sale of assets	--	6,176,137
Gain from discontinued operations	--	4,956,412
Net income (loss)	$ (116,737)	$ 4,867,648
Basic net income (loss) per common share		
Continuing operations	$ (0.02)	$ (0.02)
Discontinued operations	$ --	$ 1.08
	$ (0.02)	$ 1.06
Diluted net income (loss) per common share		
Continuing operations	$ (0.02)	$ (0.02)
Discontinued operations	$ --	$ 0.86
	$ (0.02)	$ 0.85
Weighted average number of shares outstanding:		
Basic	6,248,683	4,578,500
Diluted	6,248,683	5,744,563

See accompanying notes to financial statements.

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

	Three Months ended September 30, 2008	2007
Continuing operations		
General and administrative expenses	$ 133,912	$ 115,394
Interest income, net	21,723	26,630
Loss from continuing operations	(112,189)	(88,764)
Discontinued Operations:		
Gain from discontinued operations	--	34,000
Net income (loss)	$ (112,189)	$ (54,764)
Basic net income (loss) per common share		
Continuing operations	$ (0.02)	$ (0.02)
Discontinued operations	$ --	$ 0.01
	$ (0.02)	$ (0.01)
Diluted net income (loss) per common share		
Continuing operations	$ (0.02)	$ (0.02)
Discontinued operations	$ --	$ 0.01
	$ (0.02)	$ (0.01)
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 Deficit	Total Stockholders' (Deficit)/Equity
Balance at December 31, 2007 (audited)	4,578,500	$ 45,785	$ 62,419,665	$(59,768,419)	$ 2,697,031
Sale of common stock, net of offering cost (unaudited)	2,896,394	28,964	1,662,778	--	1,691,742
Stock-based compensation (unaudited)	--	--	11,475	--	11,475
Net loss (unaudited)	--	--	--	(116,737)	(116,737)
Balance at September 30, 2008 (unaudited)	7,474,894	$ 74,749	$ 64,093,918	$(59,885,156)	$ 4,283,511

See accompanying notes to financial statements.

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

	Nine Months ended September 30, 2008	2007
Continuing operations		
Cash flows from continuing operating activities		
Loss from continuing operations	$ (116,737)	$ (88,764)
Adjustments to reconcile net loss from continuing operations to cash flow used in continuing operating activities:		
Stock-based compensation	11,475	13,215
Stock compensation	21,566	--
Changes in assets and liabilities		
Other current assets	(16,300)	(79,589)
Accounts payable	3,849	(3,435)
Accrued liabilities	(10,346)	55,322
Other current liabilities	--	(6,642)
Income taxes payable	(31,482)	--
Rent deposit received	8,175	--
Deferred rent payable	(211,790)	--
Cash used in continuing operating activities	(341,590)	(109,893)
Cash flows from continuing financing activities		
Proceeds from sale of common stock	1,750,000	--
Offering cost	(58,258)	--
Cash provided by continuing financing activities	1,691,742	--
Cash provided by continuing operations	1,350,152	--
Discontinued operations		
Net cash used in discontinued operating activities	--	(2,887,569)
Net cash provided by (discontinued) investing activities	--	3,961,017
Net cash provided by (discontinued) financing activities	--	1,000,000
Net cash provided by discontinued operations	--	2,073,448
Net increase in cash	1,350,152	1,963,555
Cash at beginning of period	3,099,199	1,327,268
Cash at end of period	$ 4,449,351	$ 3,290,823

Integrated Surgical Systems, Inc.
Notes to Financial Statements (unaudited)

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 are 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. As a result, all the Company's operations from January 1, 2007 through June 28, 2007 have been classified as discontinued operations.

On June 28, 2007, the stockholders approved the future liquidation of the Company if the Company is 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.

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 September 30, 2008 and results of operations and cash flows for the three and nine 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-KSB for the year ended December 31, 2007. Interim results are not necessarily indicative of the results for a full year.

Certain amounts for prior years have been reclassified to conform to 2008 financial statement presentations.

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. 141(R), "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.

Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements", ("SFAS 157") defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 applies to other accounting pronouncements that require the use of fair value measurements. A fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability, or, in the absence of a principal market, the most advantageous market for the asset or liability.

SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement 115", ("SFAS 159") permits an entity to elect to measure various financial instruments and certain other items at fair value that are not currently required to be measured at fair value. Unrealized gains and losses on items for which the fair value option has been elected should be reported in earnings at each subsequent reporting date.

Effective January 1, 2008, the Company adopted both SFAS 157 and SFAS 159 without any effect.

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.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS 162"). SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (the GAAP hierarchy). SFAS 162 will become effective 60 days following the SEC's approval of the Public Company Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles." The Company does not currently expect the adoption of SFAS 162 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.

For the nine months ended September 30, 2007 dilutive common stock equivalents were convertible preferred stock of 1,166,062 shares. A warrant for 30,000 shares and stock options of 63,050 shares were excluded from the dilutive common stock equivalents for the nine months ended September 30, 2007 because the exercise price was greater than the weighted average share price for the period. A warrant for 30,000 shares, convertible preferred stock of 1,166,062 shares and stock options of 63,050 shares were excluded from the dilutive common stock equivalents for the three months ended September 30, 2007 because they were anti-dilutive.

A warrant for 30,000 shares of common stock, convertible preferred stock of 639,454 and stock options for 162,950 were excluded from the dilutive common stock equivalents for the nine and three months ended September 30, 2008 because they were anti-dilutive.

4. 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.

5. 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 September 30, 2008 and December 31, 2007, 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 nine months ended September 30, 2008 and the year ended December 31, 2007, no shares of Series G were converted into shares of common stock. At September 30, 2008 and December 31, 2007, the outstanding Series G shares could have been converted into a minimum of 639,454 and 660,769 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.

6. Stock-based compensation

The Company has two stock option plans 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. Both plans are administered by the Company's board of directors.

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 September 30, 2008 the plan had expired therefore, no options were available for future grant. At December 31, 2007, the 1998 plan had 22,857 options 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 September 30, 2008 and December 31, 2007, 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 nine months ended September 30, 2008, option activity was as follows:

	Nine Months Ended September 30, 2008 Number of Shares	Weighted-Average Exercise Price per Share
Outstanding at beginning of period	63,050	$ 3.04
Granted	100,000	$ 0.38
Expired and forfeited	100	$ 23.13
Exercised	-	$ --
Outstanding at end of period	162,950	$ 1.41
Exercisable at end of period	62,950	$ 3.01

For the nine months ended September 30, 2008, there were options for 100,000 shares of common stock granted outside of either of the Company's stock option plans.

The Company's stock options have no intrinsic value as of September 30, 2008.

For the nine and three months ended September 30, 2008, the Company recorded stock-based compensation expense, related to its stock options, of $ 11,475 and $ 4,866 respectively, which is included in general and administrative expenses.

As of September 30, 2008, a summary of options outstanding under the plans was as follows:

Range of Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Number Outstanding at 9/30/08	Weighted-Average Exercise Price	Number Exercisable at 9/30/08	Weighted-Average Exercise Price
0.00-9.99	4.5	158,000	$0.36	58,000	$0.34
10.00-30.99	1.3	1,500	29.17	1,500	29.17
31.00-37.00	0.3	3,450	36.52	3,450	36.52
	4.3	162,950	$1.39	62,950	$3.01

During the three months ended September 30, 2008, the Company granted non-qualified stock options to each of its directors to purchase an aggregate of 100,000 shares of common stock at an exercise price of $0.38. During the same period, the Company finalized its plan to compensate two of its directors with common stock in lieu of cash compensation. The number of shares to be issued as compensation will be based upon the equivalent cash compensation accrued divided by the closing stock price on March 31, 2009. The Company recorded stock compensation related to this compensation for the nine and three months ended September 30, 2008 of $21,566.

7. 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.

8. 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 nine months ended September 30, 2008, was $211,790 resulting in a liability of $51,000. 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. The change was due to a new sublease agreement with a company to rent office space from the Company.

9. Commitments and Contingencies

Lease

As of September 30, 2008, the Company was committed for future minimum rent under the lease for their 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
October 1 through December 31, 2008	$ 23,175	$ 17,175	$ 6,000
2009	95,175	71,175	24,000
2010	97,875	73,875	24,000
	$216,225	$ 162,225	$ 54,000

Other

The Company is subject to claims arising in the ordinary course of business. 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.

10. Subsequent Event

On September 12, 2008, the Company extended its November 28, 2007 agreement with an advisory services firm to provide investment banking services. The agreement as modified will terminate on December 31, 2008.

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 and projections about the software industry 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-KSB, 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-KSB for the fiscal year ended December 31, 2007 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. Raising additional funds includes the sale of 2,896,394 shares of common stock at $0.6042 per share for an aggregate purchase price of $1,750,000 in April, 2008. Our stockholders have approved the future liquidation of the Company if we are unable to complete an acquisition or similar transaction by June 28, 2008. 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. As at the date of this filing, the Company has not begun its liquidation.

Operations for the nine months ended September 30, 2008 are not comparative to the corresponding period ended September 30, 2007 as 2008 included only our limited continuing activity, while 2007 included the operations of our historical discontinued business until the sale of substantially all of our assets on June 28, 2007 and our limited continuing activity thereafter.

For the nine months ended September 30, 2008, our general and administrative expenses consisted of our continuing expenses to maintain our public company status offset by the effect of a reduction in deferred rent from a new sublease agreement with a company to lease office space from us. 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. For the three months ended September 30, 2008, and September 30, 2007, our general and administrative expenses consisted of our continuing expenses to maintain our public company status. Discontinued operations for the nine ended September 30, 2007 consisted primarily of revenues and the amortization and settlement of existing agreements of $1,016,000, net of costs of those revenues general and administrative expenses. For the same period, net gain on sale of assets was related to the sale of substantially all of our assets on June 28, 2007 and consisted of the following:

Proceeds	
Cash	$ 4,000,000
Cancellation of indebtedness	3,934,462
Total proceeds	7,934,462
Net book value of assets sold	(1,001,007)
Employee retention incentives	(486,385)
Present value of net future lease payments	(250,376)
Legal expenses	(20,557)
Gain on sale of assets	$ 6,176,137

Liquidity and Capital Resources

On April 18, 2008, we entered into stock purchase agreements with five accredited investors pursuant to which the investors agreed to purchase from us an aggregate of 2,896,394 shares of our common stock at a purchase price per share equal to $0.6042, for an aggregate purchase price of $1,750,000. In connection with the transaction, we provided demand and piggy-back registration rights to each investor pursuant to a registration rights agreement. The transaction was completed on April 25, 2008.

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

At September 30, 2008, our "quick ratio" (cash divided by current liabilities), a conservative liquidity measure designed to predict our ability to pay bills, was 84.1.

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 continuing operating activities of $342,000 for the nine months ended September 30, 2008 was due primarily to our net loss from continuing operations of $117,000 and a decrease in deferred rent of $212,000.

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-KSB for the year ended December 31, 2007. 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 short-term investments that have maturities or interest reset dates of 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 September 30, 2008, we held approximately $4.45 million in a money market, savings and checking accounts account at major banks.

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 (as defined in Rule 13(a)-15(e) under the Securities Exchange Act of 1934) 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 includes 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 September 30, 2008, our management, including our Chief Executive Officer and our Chief Financial Officer, had 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

Our management, including our Chief Executive Officer and our Chief Financial Officer, also conducted an evaluation of any changes in internal control over financial reporting (as defined under Rule 13(a)-15(e) under the Securities Exchange Act of 1934) that occurred during the last fiscal quarter covered by this Quarterly Report. That evaluation did not identify any significant changes to the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is subject to various legal proceedings and claims arising in the ordinary course of business. 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 operation or cash flows.

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: November 7, 2008

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 September 30, 2008 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: November 7, 2008

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 September 30, 2008 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: November 7, 2008

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 September 30, 2008, 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: November 7, 2008

/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 September 30, 2008, 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: November 7, 2008

/s/ Michael J. Tomczak

Michael J. Tomczak
Chief Financial Officer