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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

o TRANSITION REPORT PURSUANT TO 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.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**68-0232575** (I.R.S. Employer Identification No.)
2425 Cedar Springs Road **Dallas, Texas** (Address of principal executive offices)	**75201** (Zip Code)

(310) 526-5000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **Common Stock $0.01 par value**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No þ

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 þ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not 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-K or any amendment to this Form 10-K. ☐

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 the 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 þ

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes þ or No ☐

The aggregate market value of the Common Stock held by non-affiliates of the registrant on June 30, 2015 was $840,489. This calculation is based upon the price of the Common Stock of the Registrant (as quoted on the Pink Sheets) of $0.15 per share on that date.

As of March 24, 2016, the Registrant had 9,366,315 shares of common stock outstanding.

Form 10-K
For the fiscal year ended December 31, 2015

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Cautionary Statement Regarding Forward-Looking Information

This report by Integrated Surgical Systems, Inc. (the “Company”) contains “forward-looking statements,” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements relate to future events or future performance and include, without limitation, statements concerning the Company’s business strategy, future revenues, market growth, capital requirements, product introductions and expansion plans and the adequacy of the Company’s funding. Other statements contained in this Report that are not historical facts are also forward-looking statements. The Company has tried, wherever possible, to identify forward-looking statements by terminology such as “may,” “will,” “could,” “should,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” and other comparable terminology.

The Company cautions investors that any forward-looking statements presented in this report, or that the Company may make orally or in writing from time to time, are based on the beliefs of, assumptions made by, and information currently available to, the Company. Such statements are based on assumptions, and the actual outcome will be affected by known and unknown risks, trends, uncertainties and factors that are beyond the Company’s control or ability to predict. Although the Company believes that its assumptions are reasonable, they are not guarantees of future performance, and some will inevitably prove to be incorrect. As a result, the Company’s actual future results can be expected to differ from its expectations, and those differences may be material. Accordingly, investors should use caution in relying on forward-looking statements, which are based only on known results and trends at the time they are made, to anticipate future results or trends. Certain risks are discussed in this Report and also from time to time in the Company’s other filings with the Securities and Exchange Commission (the “SEC”).

This report and all subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. The Company does not undertake any obligation to release publicly any revisions to its forward-looking statements to reflect events or circumstances after the date of this Report.

Part I

Item 1. Business

The Company was incorporated in Delaware in 1990 and was founded to design, manufacture, sell and service image-directed, computer-controlled robotic software and hardware products for use in orthopedic surgical procedures. On June 28, 2007, the Company completed the sale of substantially all of its operating assets. After completion of the sale, the Company no longer engaged in any business activities related to its former business, described above. The Company's current operations are limited to completing a business combination or strategic alliance, when a suitable candidate is identified.

The management of the Company intends to identify a target business and effect a business combination with a target business. It is anticipated that any business combination will be by negotiation rather than hostile takeover. At this time, there is no schedule of when it might be able to initiate or consummate a specific business combination.

Management has substantial flexibility in identifying and selecting prospective target businesses to evaluate and finally deciding to pursue as an acquisition. In evaluating a prospective target business, management will consider, among other factors, the following:

(i) the costs associated with effecting the business combination;

(ii) the amount of the equity interest it will be able to acquire in the business and opportunity to obtain control;

(iii) the growth potential of the target business;

(iv) the experience and skill of the management of the target business and availability of additional personnel for the target business;

(v) the current and anticipated capital requirements of the target business;

(vi) the competitive position of the target business in its industry;

(vii) the stage of business development of the target business;

(viii) the degree of current or the potential market acceptance of the products or services of the target business;

(ix) the existence of any proprietary features or intellectual property of the target business;

(x) the overall financial condition of the target business; and

(xi) the regulatory environment in which the target business operates.

In connection with its search for an acquisition opportunity, the Company may engage investment banking firms to help it identify and approach target businesses. The Company currently has an exclusive agreement with MDB Capital Group LLC ("MDB"), under which MDB will be entitled to cash and equity based compensation in connection with it finding an acquisition candidate. The cash amount and number of shares under the warrant will be based on the transaction value, if completed. MDB is provided expense reimbursement in connection with a transaction. MDB is a company controlled by Mr. Christopher Marlett, one of our directors and officers, and a company that employs Mr. Robert Levande, one of our directors and officers, and Mr. Gary Schuman, one of our officers. The term of this agreement is currently indefinite, but may be terminated upon thirty days advance notice by either party. Additionally, management will consider retaining one or more independent investment banking firms, each of which will be a member in good standing of FINRA to assist the Company in appraising, structuring and negotiating a potential business combination. These firms may only be engaged if MDB provides a waiver of its exclusivity arrangement with the Company. In connection with its evaluation of a prospective target business, management will conduct a due diligence review which will encompass, among other things, meeting with incumbent management, inspecting the facilities, and reviewing the financial, legal and other information made available to the Company.

The time and costs required to select and evaluate a target business (including conducting a due diligence review) and to structure and consummate any business combination (including negotiating relevant agreements and preparing requisite documents for filing pursuant to applicable securities laws and state "blue sky" and corporation laws) will not be ascertainable with any degree of certainty until consummation of the business combination. Any costs incurred in connection with the identification and evaluation of a prospective target business with which a business combination is not ultimately consummated will result in an expense to the Company.

The Company will use its current working capital and other capital resources to consummate a business combination. In addition, because the Company believes that the resources of the Company are not sufficient to fund a business combination, it will have to raise additional capital. The capital may be in the form of equity or debt or both, and will likely be based solely on the business operation and financial condition of the target business. Therefore, it is not possible at this time to determine the amount of capital that will be needed or will be available for a business combination. There currently are no limitations on the Company's ability to privately obtain funds for a business combination. Nonetheless, the Company's limited resources and lack of operating history may make it difficult to obtain funds. Because of certain SEC interpretations and related rules, the Company does not believe it can publicly raise funds prior to a business combination with an operating company, unless the Company has in excess of $5,000,000 in assets.

The amount and nature of any funding will depend on numerous considerations, including the Company's capital requirements, potential lenders' evaluation of the Company's ability to meet debt service on borrowings and the then prevailing conditions in the financial markets, as well as general economic conditions. The Company does not have any arrangements with any bank or financial institution to secure additional financing, and there can be no assurance that such arrangements if required will be obtainable or otherwise in the best interests of the Company. The inability of the Company to obtain the funds required to effect a business combination, or to provide funds for an additional infusion of capital into a target business, may have material adverse effects on the Company's business prospects, including the ability to effect a business combination.

As of December 31, 2015, the Company had no employees, and the Company relies on outside contractors to perform basic and necessary services.

Item 1A. Risk Factors

See cautionary statements in Item 1 (Business).

Item 1B. Unresolved Staff Comments

Not Applicable.

Item 2. Properties

The Company did not during 2015, and does not currently, own or lease any properties.

Item 3. Legal Proceedings

From time to time, the Company may be subject to claims and litigation arising in the ordinary course of business. The Company is not currently a party to any legal proceedings that it believes would reasonably be expected to have a material adverse effect on the Company’s business, financial condition or results of operations.

Item 4. Mine Safety Disclosure

Not applicable.

Part II.

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information for Common Stock

The Company’s common stock is traded on the Pink Sheets, under the trading symbol “ISSM”. The following table sets forth the high and low bid prices for each quarterly period in the past two fiscal years, as reported by the NASDAQ on-line web site www.NASDAQ.com for shares of the Company’s common stock for the periods indicated. Such prices reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

	Common Stock (ISSM)	
	High	Low
2015		
First Quarter	$ 0.17	$ 0.09
Second Quarter	$ 0.20	$ 0.14
Third Quarter	$ 0.19	$ 0.10
Fourth Quarter	$ 0.20	$ 0.11
2014		
First Quarter	$ 0.18	$ 0.16
Second Quarter	$ 0.25	$ 0.14
Third Quarter	$ 0.22	$ 0.16
Fourth Quarter	$ 0.20	$ 0.15

Holders

As of March 24, 2016, there were approximately 83 holders of record of the common stock. The Company believes that there are additional holders of the common stock who have their stock in "street name" with their brokers. Currently, we cannot determine the approximate number of those street name holders.

Dividends

The Company has never paid cash dividends on its common stock, and its present policy is to retain any future earnings in the Company. See "Item 1, Business".

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of December 31, 2015 with respect to the Company's compensation plans (including individual compensation arrangements). None of the equity compensation was issued under a shareholder approved plan.

EQUITY COMPENSATION INFORMATION TABLE

Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation not approved by security holders	175,000(1)	$ 0.17	-0-
Total	175,000	$ 0.17	-0-

(1) Consists of: 175,000 stock options granted to directors and officers, which are fully vested, expire in May 2019 and have an exercise price of $0.17 per share.

Recent sales of unregistered securities

On January 8, 2015, the Company issued 41,667 shares of common stock to each of two directors as compensation for the three months ended December 31, 2014. These shares, totaling 83,334, were valued at a per share price of $0.15, or a total of $12,500.

On April 13, 2015, the Company issued 41,667 shares of common stock to each of two directors as compensation for the three months ended March 31, 2015. These shares, totaling 83,334, were valued at a per share price of $0.15, or a total of $12,500.

On July 10, 2015, the Company issued 41,667 shares of common stock to each of two directors as compensation for the three months ended June 30, 2015. These shares, totaling 83,334, were valued at a per share price of $0.15, or a total of $12,500.

On October 12, 2015, the Company issued 41,667 shares of common stock to each of two directors as compensation for the three months ended September 30, 2015. These shares, totaling 83,334, were valued at a per share price of $0.15, or a total of $12,500.

On January 11, 2016, the Company issued 41,667 shares of common stock to each of two directors as compensation for the three months ended December 31, 2015. These shares, totaling 83,334, were valued at a per share price of $0.15, or a total of $12,500.

All of the shares issued as described above were issued in reliance on the exemption under Section 4(2) of the Securities Act, as the issuance of these shares by the Company did not involve a public offering. The issuance of shares was not done in a “public offering” as defined in Section 4(2) because of the small number of persons involved in the issuance, the size of the issuance, the manner of the issuance, the number of shares issued, and the recipients are officers and/or directors of the Company. In addition, the directors had the necessary investment intent required by Section 4(2) since they agreed to receive share certificates bearing legends stating that the shares are restricted shares.

Penny Stock

On March 24, 2016, there were 9,366,315 shares of the Company’s common stock outstanding, as quoted on the Pink Sheets at $0.16 a share, giving the Company a market capitalization of approximately $1.50 million. The SEC defines securities such as our common stock that are traded at less than $5.00 and not traded on a national securities exchange “penny stocks”. SEC rules require brokers to provide specified information to purchasers of penny stocks, and these disclosure requirements and the requirement that brokers must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written agreement to the transaction in advance may have the effect of reducing trading activity in the Company’s common stock and making it more difficult for investors to sell the shares of the Company’s stock.

Item 6. Selected Financial Data

Not applicable.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the Company’s financial statements, including the notes thereto, appearing elsewhere in this report. This discussion may contain certain forward-looking statements based on current expectations that involve risks and uncertainties. Actual results and timing of certain events may differ significantly from those projected in such forward-looking statements due to a number of factors, including those set forth elsewhere in this Report.

Overview

The Company was founded to design, manufacture, sell and service image-directed, computer-controlled robotic software and hardware products for use in orthopedic surgical procedures. On June 28, 2007, the Company completed the sale of substantially all of its assets. After the sale, the Company became inactive, and it is no longer engaged in any business activities related to its former business. The Company’s current operations are limited to completing a business combination or strategic alliance, when a suitable candidate is identified.

Results of Operations for 2015 Compared to 2014

For 2015, total net loss was approximately $197,000, or $0.02 loss per basic and diluted share. Total net loss for 2014 was approximately $236,000, or $0.03 loss per basic and diluted share.

Operations

For 2015, the Company had a net loss of $197,000, which was $39,000 less than the net loss of $236,000 for 2014. Operating expenses for 2015 were $226,000, compared to $254,000 for 2014. For 2015 the Company recognized an increase of approximately $6,000 in the liability associated with the Company’s Series G Convertible Preferred Stock, versus a reduction of liability of $5,000 in 2014. The Company has no employees, so it relies on outside contractors to perform basic and necessary services. Some of these services, which are administrative in nature, are provided under an arrangement with MDB, which is paid an aggregate of $36,000 per annum, pursuant to an advisory agreement. Net interest income increased approximately $6,000, from $26,000 in 2014 to $32,000 in 2015.

Liquidity

The Company believes that existing cash, cash equivalents, and short-term available-for-sale securities will provide sufficient working capital for the Company to meet its operating plan for the next twelve months. The Board of Directors, including a director as its Chief Executive Officer, another director as its Secretary, and the Chief Financial Officer of a related party as the Company's Chief Financial Officer assist the Company with its continuing obligations under the federal securities laws and assist with the Company's plan to evaluate various merger, acquisition, or strategic alliance opportunities. None of these individuals receive additional compensation, other than that which is disclosed herein, for providing this assistance. The Company does not have an estimate as to when it will identify a qualified merger, acquisition, or strategic alliance candidate. There is no assurance that such opportunities will be available, or if available, upon favorable terms. If the Company is unsuccessful in completing a suitable merger, acquisition or strategic alliance, then the Board of Directors may liquidate the Company and distribute all its remaining assets, which consist primarily of cash and available-for-sale securities, to its stockholders.

The Company believes that if it identifies a suitable merger, acquisition or strategic alliance target, it will need additional capital to complete the transaction. The Company, at this time, cannot estimate the amount of financing it may need for a transaction. There is no assurance that it will be able to obtain any required funding for a transaction, or that if it is obtainable it will be on acceptable terms.

The Company anticipates that it will incur operating losses from operations in the next twelve months, until it enters into a suitable merger, acquisition or strategic alliance transaction or until its liquidation.

At December 31, 2015 and December 31, 2014, the Company's "quick ratio" (which is defined as cash, plus accounts receivable, plus short-term investments all divided by current liabilities), a liquidity measure designed to predict the Company's ability to pay bills, was 27.01 and 27.88, respectively. The Company's "current ratio" (current assets divided by current liabilities) was 27.36 at December 31, 2015 and 28.21 at December 31, 2014.

The Company had total current assets, consisting mostly of cash and investments of $2,351,818 and current liabilities of $85,974 at December 31, 2015. Operating expenses were $225,705 and other income was $29,367, as of the same date. The Company believes that it has adequate financial resources to meet its current obligations for the next 12 months.

Cash used in operating activities for 2015 was approximately $153,000, which primarily consisted of an operating loss of approximately $197,000, a decrease in accounts payable of approximately $8,300, and a realized gain on available securities of approximately $3,000, offset by stock-based compensation of $50,000, and an increase in the conversion feature liability of approximately $6,000 related to its Series G Convertible Preferred Stock. Cash used in operating activities for 2014 was approximately $161,000, which primarily consisted of an operating loss of approximately $236,000, offset by stock-based compensation of $50,000, stock option expense of approximately $15,000, realized loss on available for sale securities of $12,000, and the conversion feature liability of approximately $5,000 related to its Series G Convertible Preferred Stock.

Cash provided by investing activities for 2015 of approximately $157,000 was from the maturity or sale of available-for-sale securities of approximately $1,377,000, offset by the purchase of available-for-sale securities of approximately $1,220,000. Cash provided by investing activities for 2014 of approximately $603,000 was from the maturity or sale of available-for-sale securities of approximately $1,314,000, offset by the purchase of available-for-sale securities of approximately $711,000.

Critical Accounting Policies and Estimates

The Company's discussion and analysis of the financial condition and results of operations is based upon the Company's audited financial statements included elsewhere in this Report, which have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). The Company believes the following critical accounting policies affect the Company's more significant judgments and estimates used in the preparation of the financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Investments in Available-for-Sale Securities

The Company has a portfolio of investments in available-for-sale debt securities, which consist of fixed income debt securities, which are accounted for in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 320, "*Investments - Debt and Equity Securities*." Management determines the appropriate classification of the securities at the time they are acquired and evaluates the appropriateness of such classifications at each balance sheet date. Available-for-sale securities are stated at fair value, and unrealized holding gains and losses, net of the related deferred tax effect, if any, are reported as other comprehensive income, a separate component of stockholders' equity.

Stock-Based Compensation

Compensation costs for stock, warrants or options issued to employees and non-employees are based on the fair value method and accounted for in accordance with FASB ASC 718, "*Compensation – Stock Compensation*." The value of warrants and options are calculated using a Black-Scholes Model, using the market price of the Company's common stock on the date of issuance for the employee options and the date of commitment for non-employee options, an expected dividend yield of zero, the expected life of the warrants or options and the expected volatility of the Company's common stock. The Company expects the options to fully vest and the forfeiture rate to be zero.

Stock-based costs for equity awards with future service periods are recognized as the equity awards vest over their service period.

Fair Value Measurement

FASB ASC 820 *"Fair Value Measurements and Disclosures"* clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or a liability. As a basis for considering such assumptions, FASB ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

- Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 - Include other inputs that are directly or indirectly observable in the marketplace.

- Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

In accordance with FASB ASC 820, the Company measures its cash and investments in available-for-sale securities at fair value. The Company's cash and investments in available-for-sale securities are classified within Level 1 by using quoted market prices.

The carrying value of other current assets and accounts payable are considered to be representative of their respective fair values because of the short-term nature of those instruments.

Estimates

The preparation of financial statements in conformity with GAAP 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.

Recently Adopted Accounting Pronouncements

In July 2013, the FASB issued Accounting Standards Update 2013-11, "Income Taxes" (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. This amended guidance requires an unrecognized tax benefit, or a portion of an unrecognized tax benefit to be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. The guidance became effective for the reporting period beginning January 1, 2014. The adoption of this guidance did not have a material impact on the Company's financial statements.

Recently Issued Accounting Pronouncements

In January 2016, the FASB issued Accounting Standards Update No. 2016-01 (ASU 2016-01), Financial Instruments – Overall (Subtopic 825-10). ASU 2016-01 provides guidance as to an entity's accounting related to the classification and measurement of investments in equity securities and the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. The amendments require equity investments (excluding those accounted for under the equity method or those that result in consolidation) to be measured at fair value, with changes in fair value recognized in net income. An entity may elect to measure at cost equity investments for which fair value is not readily determinable, minus impairment, if any, plus or minus the change as a result of an observable price change.
The amendments also simplify the impairment assessment of equity investments for which fair value is not readily determinable by requiring an entity to perform a qualitative assessment to identify impairment. If qualitative indicators are identified, the entity will be required to measure the investment at fair value.

For financial liabilities that an entity has elected to measure at fair value in accordance with the fair value option guidance in ASC 825, the amendments require an entity to present separately in other comprehensive income the portion of the change in fair value that results from a change in instrument-specific credit risk.

For public business entities (PBEs), the amendments (1) eliminate the requirement to disclose the method(s) and significant assumptions used to estimate fair value for financial instruments measured at amortized cost and (2) require, for disclosure purposes, the use of an exit price notion in the determination of the fair value of financial instruments measured at amortized cost.

The new standard is effective for PBEs for fiscal years beginning after December 15, 2017, including interim periods therein. Upon adoption, entities will be required to make a cumulative-effect adjustment to the statement of financial position as of the beginning of the first reporting period in which the guidance is effective. The guidance on equity securities without readily determinable fair value will be applied prospectively to all equity investments that exist as of the date of adoption of the standard.

Early adoption is permitted for all entities whose financial statements have yet not been issued or have not yet been made available for issuance with respect to the following changes made to ASC 825. For financial liabilities measured under the fair value option, fair value changes resulting from a change in instrument-specific credit risk would be presented separately in other comprehensive income.

The Company is currently evaluating the impact the adoption of ASU 2016-01 on the Company's financial statement presentation and disclosures.

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

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

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

As of December 31, 2015, the Company held approximately $546,000 in money market and checking accounts at two institutions. The Company has a checking account at one institution with a balance of approximately $60,000 at December 31, 2015. The funds in this account are fully insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 as of December 31, 2015. The Company has a money market account in a brokerage account with a second financial institution, invested in short-term federal securities, municipal bonds, and corporate bonds, with a money market cash balance of approximately $485,000 at December 31, 2015. Assets in this brokerage account are protected by the Securities Investor Protection Corporation ("SIPC") up to $500,000 (with a limit of $250,000 for cash). Throughout the year, the account balances at these institutions periodically exceed FDIC and SIPC insurance coverage; however, the Company has not experienced losses in these accounts and believes it is not exposed to any significant credit risk.

Item 8. Financial Statements and Supplementary Data

The information that appears following Item 15 of this Report is incorporated herein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports filed under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer. We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2015 (the "Evaluation Date"). Based upon the evaluation of our disclosure controls and procedures as of the Evaluation Date, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective because of the identification of a material weakness in our internal control over financial reporting which is identified below, which we view as an integral part of our disclosure controls and procedures.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Rule 13a-15(f). Our internal control over financial reporting is a process designed to provide reasonable assurance to our management and board of directors regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. All internal control systems, no matter how well designed, have inherent limitations, including the possibility of human error and the circumvention of overriding controls. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2015. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on its evaluation, our management concluded that there is a material weakness in our internal control over financial reporting and management has concluded that the Company's internal controls over financial reporting are ineffective as of December 31, 2015. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Management believes that despite these weaknesses in internal controls, there are no material misstatements in our annual financial statements.

The material weakness relates to the lack of segregation of duties in our financial reporting process and our utilization of outside third party consultants. We do not have a separately designated audit committee. These weaknesses are due to our lack of additional accounting and operational staff. To remedy this material weakness, we ultimately, if and when we conclude a business combination, will engage an internal accounting staff to assist with financial reporting. We have no estimate as to when we will conclude a business combination so as to be able to remedy this and any other material weaknesses we have in our internal controls over financial reporting.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the fourth quarter of our fiscal year ended December 31, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management or board override of the control.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 9B. Other Information

None

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The following is a listing of the current officers and directors of the Company:

Name	Age at 3/30/2016	Current Position with the Company	Period
Peter B. Mills	60	Director	Sep 2006 – Present
Christopher A. Marlett	51	Director, Chief Executive Officer	Apr 2008 – Present
Robert M. Levande	67	Director	Apr 2008 – Present
		Secretary	Jul 2008 – Present
Gary Schuman	48	Chief Financial Officer	Jan 2010 – Present

Biographical Information on Officers and Directors

Each of our Board members was elected because he has demonstrated an ability to make meaningful contributions to our business and affairs, has a reputation for honesty and ethical conduct, has experience and strong communication and analytical skills, and because his skills, experience and background are complementary to those of our other Board members.

Peter B. Mills was elected as a Director of the Company in September 2006. Mr. Mills is an entrepreneur in the San Francisco Bay Area. He was CEO of Cimbal, Inc., a startup company developing a mobile payments system in Los Altos, CA, from June 2014 to December 2015. From May 2004 until December 2012, he was Vice President of Sales at Speck Design, a leading product design firm with offices in Palo Alto, California. From July 2007 to April 2008, Mr. Mills served as President, Chief Executive Officer, and Chairman of the Board of the Company. He has spent 15 years selling sophisticated industrial robotics and automation systems with Adept Technology, the leading U.S. manufacturer of industrial robots, and Hewlett-Packard Company. He has also served as the Vice President of Sales from October 2000 to September 2001 at Softchain, an enterprise supply chain software company acquired by RiverOne, Inc. in 2001, which was later acquired by i2 Technologies, Inc. in 2006. Mr. Mills has significant experience with respect to the design and manufacturing needs of a variety of industries including medical devices, disk drives, consumer products, food packaging, printers, computers and networking, and semiconductor equipment. He has extensive international business experience in Japan, Singapore, and Korea. Mr. Mills earned an MBA from Harvard Business School and an A.B. in engineering, cum laude, from Dartmouth College. Mr. Mills was appointed as a director primarily because of his twenty years of experience in the high-technology products business.

Christopher A. Marlett was elected as a Director and the Chief Executive Officer of the Company in April 2008. Mr. Marlett is, and has been since 1997, the co-founder, chairman and Chief Executive Officer of MDB Capital Group LLC (“MDB”), an investment banking firm focused on equity financings and capital formation for growth-oriented technology companies. He holds a Bachelor of Science degree in Business Administration from the University of Southern California. Mr. Marlett was appointed as a director because of his twenty-six years of investment banking experience, including all phases of corporate finance, such as the completion of initial public offerings, secondary offerings, PIPEs and strategic consulting.

Robert M. Levande was elected as Director of the Company in April 2008 and as Secretary of the Company in July 2008. Mr. Levande has been a Managing Director at MDB from June 2003 through 2010 and a Senior Managing Director since 2010. From April 2002 to April 2003, he was a Managing Director of Gilford Securities, Inc. an investment firm. Previously, Mr. Levande founded and served as president of the Palantir Group, Inc., a private consulting firm specializing in providing strategic advice to entrepreneurs in the medical technology industry. From 1972 to 1998, he held various managerial positions with Pfizer, Inc., including Vice President-Business Analysis & Development of its Medical Technology Group and Senior Vice President of a subsidiary, Howmedica, Inc. Mr. Levande was a Director of Orthovita, Inc. from 2000 to 2007, co-founder and a Director of VirnetX Inc., now VirnetX Holding Corp., from 2005 to 2007, and has been a Director of Pulse Biosciences, Inc. since 2014 and was an officer from May 2014 to September 2015. He received his Bachelor of Science degree from the Wharton School of Finance and Commerce of the University of Pennsylvania and his Masters of Business Administration degree from Columbia University. Mr. Levande was appointed as a director primarily because of his 26 years of managerial experience at Pfizer and 15 years of merchant and investment banking experience.

Gary A. Schuman was appointed as Chief Financial Officer of the Company in January 2010. Mr. Schuman has been the Chief Financial Officer and Chief Compliance Officer of MDB since November 2009, and has been Chief Financial Officer of Imagen Biopharma, Inc. since January 2015. From November 2014 to November 2015, he was the Chief Financial Officer of Electroblate, Inc., now Pulse Biosciences, Inc. From September 2003 to November 2009, he was the Chief Financial Officer and Chief Compliance Officer of USBX Advisory Services, LLC, an investment banking firm focused on mergers and acquisitions, and Chief Financial Officer of its parent company, USBX, Inc. From 1994 to 2003, Mr. Schuman served in several managerial capacities at Equibond, Inc., a securities broker-dealer based in Los Angeles. Mr. Schuman earned a Bachelor of Arts degree in Economics from UCLA and an MBA from the Marshall School of Business at the University of Southern California.

Section 16(a) Beneficial Reporting Compliance

Section 16(a) of the Exchange Act requires the Company’s Officers, Directors, and persons who own more than ten percent of a class of the equity securities of the Company that is registered pursuant to Section 12 of the Exchange Act within specified time periods to file certain reports of ownership and changes in ownership with the SEC. Officers, directors and ten-percent stockholders are required by regulation to furnish the Company with copies of all Section 16(a) forms they file. Based solely on a review of copies of the reports furnished to the Company and written representations from persons concerning the necessity to file these reports, the Company is not aware of any failure to file reports or report transactions in a timely manner including during the fiscal year ended December 31, 2015. For the fiscal year ended December 31, 2014, each of Messrs. Christopher Marlett and Robert Levande filed late one Form 4 reporting the acquisition of shares of common stock of the Company issued as compensation in October.

Board; Committees of the Board of Directors; Financial Expert; and Independence

The board of directors is currently composed of three persons.

The Company does not have securities listed on a national securities exchange or in an inter-dealer quotation system that has director independence or committee independence requirements. Accordingly, the Company is not required to comply with any director independence requirements.

Notwithstanding the foregoing lack of applicable independence requirements, the board of directors currently has one member that qualifies as "independent" as the term is used in Item 7(d)(3)(iv)(B) of Schedule 14A under the Securities Exchange Act of 1934, as amended, and Rule 5605 of the Nasdaq Stock Market Listing Rules. This person is Mr. Peter B. Mills.

We are not required to have and we do not have currently an Audit Committee. The Company's directors perform the same functions of an Audit Committee, including: recommending a firm of independent certified public accountants to audit the financial statements; reviewing the auditors' independence, the financial statements and their audit report; and reviewing management's administration of the system of internal accounting controls. The Company does not currently have a written audit committee charter or similar document.

Although we do not have and are not required to have an Audit Committee, the directors have determined that Mr. Peter Mills qualifies as an “audit committee financial expert.” This director has financial statement preparation and interpretation ability obtained over the years from past business experience and education.

Our board of directors currently does not have nominating or compensation committees nor does it have a written nominating or compensation committee charter. Our directors believe that it is not necessary to have such committees, at this time, because the functions of such committees can be adequately performed by the board of directors.

Code of Ethics

A Code of Ethics that applies to the Company’s Chief Executive Officer and Chief Financial Officer, as well as to all other employees of the Company, was approved and adopted by the Board of Directors on April 8, 2004. Copies of the Code of Ethics may be obtained free of charge by written request to Integrated Surgical Systems, Inc. attention Chief Financial Officer, 2425 Cedar Springs Road, Dallas, TX 75201.

Item 11. Executive Compensation

The following table sets forth, for the fiscal years ended December 31, 2015 and 2014, the compensation awarded to, earned by or paid to those persons who were the Company’s Chief Executive Officer and Chief Financial Officer in 2015 (collectively, the “Named Executive Officers”). There were no other executive officers of the Company whose total salary and bonus exceeded $100,000 for the year ended December 31, 2015.

Summary Compensation Table

Name and Principal Position	Year	Stock Awards (1)	Option Awards (1)	All Other Compensation (2)	Total Compensation
Christopher A. Marlett	2015	$ 25,000	$ -	-	$ 25,000
Chief Executive Officer	2014	$ 25,000	$ 1,927	-	$ 26,927
Gary A. Schuman	2015	-	$ -	$ 36,000	$ 36,000
Chief Financial Officer	2014	-	$ 7,709	$ 36,000	$ 43,709

(1) The amounts in this column represent the aggregate grant date fair value of the shares and stock options issued to Mr. Marlett for his services as a director of the Company, calculated in accordance with Accounting Standards Codification ("ASC") 718, under the assumptions included in Note 6 to the Company’s audited financial statements included in this Report. Mr. Marlett has elected to receive his $6,250 quarterly fee in the form of shares of common stock of the Company, with the number of shares determined by dividing the compensation earned each quarter by the closing price of the Company’s common stock as of the date of issuance.

(2) The Company compensates MDB for Mr. Schuman’s services in the amount of $3,000 in cash per month, and the amounts in this column represent such compensation paid.

Employment Agreements

There are no current employment agreements between the Company and any person.

Outstanding Equity Awards at 2015 Fiscal Year-End

The following table provides information concerning options to purchase shares of the Company's common stock held by the Named Executive Officers on December 31, 2015:

	Option Awards		
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Option Exercise Price ($)	Option Expiration Date
Christopher A. Marlett	25,000	$ 0.17	5/15/2019
Gary A. Schuman	100,000	$ 0.17	5/15/2019

Director Compensation

For 2015, the Company paid its non-employee directors $6,250 per quarter, which the directors were entitled to elect to take in cash, stock, or in a combination of cash and stock.

Director Compensation Table

Name of Director(1)	Fees	Stock Awards (2)	Option Awards	Total
Peter B. Mills	$ 25,000	$ -	$ -	$ 25,000
Robert M. Levande	$ -	$ 25,000	$ -	$ 25,000
Michael J. Tomczak (3)	$ 12,500	$ -	$ -	$ 12,500

(1) Mr. Marlett is a Named Executive Officer, and in accordance with SEC rules, his compensation as a director is included in the "Summary Compensation Table" above.

(2) Mr. Levande has elected to receive his $6,250 quarterly fee in the form of shares of common stock of the Company. The number of shares issued was determined by dividing, for each quarter, the compensation earned by the closing price of the Company's stock as of the issue date.

(3) Mr. Michael J. Tomczak resigned as a director in April 2015.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information concerning the beneficial ownership of the Company's common stock as of March 24, 2016 by (i) each person known by the Company to be the owner of more than 5% of the outstanding common stock, (ii) each director, (iii) each Named Executive Officer and (iv) all directors and executive officers as a group.

Name	Amount and Nature of Beneficial Ownership (1)	Percentage of Common Stock Beneficially Owned (2)
Christopher A. Marlett (3)	2,770,564(4)	29.58%
Robert M. Levande (3)	932,033	9.95%
Peter B. Mills (3)	135,457	1.44%
Gary Schuman (3)	100,000	1.07%
All Directors and executive officers as a group (5 persons)	3,938,054	42.04%
Martin Stephen Walker 1408 Olivia Street, Key West, FL 33040	728,544(5)	7.78%
Toye Anne Drewry 3750 Galt Ocean Drive, Apt. 704, Fort Lauderdale, FL 33308	599,967	6.41%
Jay Gottlieb 27 Misty Brook Lane, New Fairfield, CT 06812	879,349	9.39%

(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. Includes any securities that such person has the right to acquire within sixty (60) days of March 30, 2016 pursuant to options, warrants, conversion privileges or other rights.

(2) Based on 9,366,315 shares of common stock outstanding as of March 30, 2016, plus the number of shares each person has the right to acquire within 60 days of March 30, 2016.

(3) Address is c/o Integrated Surgical Systems, Inc., 2425 Cedar Springs Road, Dallas, TX 75201.

(4) Mr. Marlett holds 827,541 of these shares in the Christopher A. Marlett Living Trust, 1,027,541 of these shares in his IRA, and 890,482 of these shares in a joint account with Terri Marlett, his spouse and includes 25,000 stock options.

(5) Mr. Walker holds 703,717 shares in the M. Stephen Walker Family Trust, and 24,827 shares in his IRA.

Securities Authorized for Issuance Under Equity Incentive Plans

The Company has provided in Item 11 of this Report the information required for securities authorized for issuance under the Company's equity plans.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Certain Relationships and Related Transactions

The Company entered into an Investment Banking Advisory Services agreement in November 2007 with MDB, and the parties extended this agreement indefinitely in April 2009. The agreement may be terminated by either party upon 30-days advance written notice. MDB has been engaged to provide various investment banking related services, including identifying investors for the Company, locating one or more operating businesses which might be acquired by the Company, and performing investor relations for the Company after the acquisition of a target business. This appointment of MDB is exclusive for identification of investors and locating an acquisition candidate, unless waived by MDB, and subject to the overall termination of the agreement. For the MDB services, it will earn a cash fee of 2% of the gross transaction value for a funding and/or acquisition transaction and a warrant to acquire 5% of the number of shares of common stock outstanding of the Company on a fully diluted basis immediately after completion of the funding and/or acquisition transaction exercisable at a price based on the transaction value. The gross transaction value includes all the elements of consideration paid directly or indirectly in a transaction, including assumed debt and liabilities and contingent future payments, payments for non-competition and consulting contracts, and defeasance of any debt as part of the transaction. MDB will also earn a fee for transactions sourced through other parties or is a second transaction, where MDB provides certain services, equal to one half of the aforementioned percentages. MDB will be reimbursed for its reasonable, out of pocket expenses incurred in connection with the services provided. The Company will provide indemnification to MDB in respect of its retention of MDB and its performance of the obligations under the agreement. The Company acknowledges in the agreement that there may be a conflict of interest between the officers and directors of the Company that are also principals and employees of MDB and that MDB provides similar services to other companies. MDB has agreed to notify the Company of conflicts, but MDB is not prevented from providing similar services to these other parties as provided to the Company. There are no rights of priority granted to the Company in the sourcing of any acquisition or funding opportunities by MDB and no conflict of interest protocols in place to resolve a situation that may be or potentially present a conflict of interest between MDB and its affiliates on the one hand and the Company on the other hand.

The Company has a securities investment account with MDB, consisting of (a) available-for-sale investments totaling $1,776,185, including short-term federal securities of $4,885 and certificates of deposit, municipal bonds and corporate bonds totaling $1,771,300 at December 31, 2015, and (b) available-for-sale investments totaling $1,932,801 consisting of short-term federal securities of $49,690 and certificates of deposit, municipal bonds and corporate bonds totaling $1,883,111 at December 31, 2014.

Mr. Christopher Marlett, the Chief Executive Officer and director of the Company, is the Chief Executive Officer and a director of MDB. Mr. Gary Schuman, who is the Chief Financial Officer of the Company, is the Chief Financial Officer and Chief Compliance Officer of MDB. The Company reimburses MDB for Mr. Schuman's services in the amount of $3,000 per month, totaling $36,000 for the years ended December 31, 2015 and 2014. Mr. Robert Levande, who is an officer and director of the Company, is a senior managing director of MDB.

Director Independence

See "Item 10, Committees of the Board of Directors."

Item 14. Principal Accounting Fees and Services

Audit Fees

All audit fees are approved by the Board of Directors. The Board of Directors considers whether the provision of services, including non-audit services, by its Independent Registered Public Accounting Firm, is compatible with maintaining the firm's independence and has concluded that it is.

The following table sets forth the aggregate fees billed to the Company by its Independent Registered Public Accounting Firm for each of the last two fiscal years for the categories of services indicated.

Category	2015	2014
Audit Fees(1)	$ 43,000	$ 43,000
Tax fees (2)	4,228	6,482
	$ 47,228	$ 49,482

(1) Consists of the aggregate fees billed by the Company's Independent Registered Public Accounting Firm for professional services rendered in connection with the audit of the Company's annual financial statements included in the Company's Form 10-K for fiscal years 2015 and 2014, and the review of the Company's quarterly financial statements included in the Company's Form 10-Q for periods during 2015 and 2014, and services that are normally provided by the Independent Registered Public Accounting Firm in connection with the statutory and regulatory filings or engagements.

(2) Consists of professional services rendered for tax compliance.

Part IV

Item 15. Exhibits, Financial Statement Schedules

1. Financial Statements

Reference is made to the Financial Statements filed under Item 8, Part II of this Report.

2. Financial Statement Schedules

Reference is made to the Final Statements filed under Item 8, Part II of this Report.

3. Exhibits

Exhibit	Description
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended. (5)
3.2	By-laws of the Registrant, as amended. (1)
3.3	Certificate of Designations for Series G Convertible Preferred Stock. (3)
4.1	Specimen Common Stock Certificate. (2)
4.2	1998 Stock Option Plan. (4)
10.1	Preferred Stock Purchase Agreement for Series G Convertible Preferred Stock. (3)
14.1	Code of Ethics (5)
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 Gary A. Schuman
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 Gary A. Schuman
101*	The following material from Integrated Surgical Systems, Inc.'s Form 10-K Report for the year ended December 31, 2015, formatted in XBRL: (i) Balance Sheets, (ii) Statements of Comprehensive Income, (iii) Statement of Changes in Shareholders' Equity, (iv) Statements of Cash Flows, and (v) the Notes to Financial Statements.

* Filed Herewith

(1) Incorporated by reference to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2002.

(2) Incorporated by reference to the Registrant's Registration Statement on Form SB-2 (Registration No. 333-48040) declared effective on October 31, 2000.

(3) Incorporated by reference to the Registrant's Registration Statement on Form S-3 (Registration No. 333-40710), declared effective on July 28, 2000.

(4) Incorporated by reference to the Registrant's Annual Report on Form 10- KSB for the fiscal year ended December 31, 1997.

(5) Incorporated by reference to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2007.

SIGNATURES

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

Integrated Surgical Systems, Inc.

By: /s/ Christopher A. Marlett
Christopher A. Marlett
(Principal Executive Officer)

Dated: March 30, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated and on the dates indicated.

Signature	Title
/s/ CHRISTOPHER A. MARLETT Christopher A. Marlett Date: March 30, 2016	Chief Executive Officer and Director (Principal Executive Officer)
/s/ GARY A. SCHUMAN Gary A. Schuman Date: March 30, 2016	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ ROBERT M. LEVANDE Robert M. Levande Date: March 30, 2016	Secretary and Director
/s/ PETER B. MILLS Peter B. Mills Date: March 30, 2016	Director

Integrated Surgical Systems, Inc.
Index to Financial Statements

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
Integrated Surgical Systems, Inc.

We have audited the accompanying balance sheets of Integrated Surgical Systems, Inc. (the "Company") as of December 31, 2015 and 2014, and the related statements of comprehensive loss, changes in stockholders' equity and cash flows for each of the years in the two-year period ended December 31, 2015. The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2015 and 2014, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America.

/s/ Gumbiner Savett Inc.
Santa Monica, California

March 30, 2016

Integrated Surgical Systems, Inc.
Balance Sheets

	As at December 31, 2015	As at December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	$ 545,705	$ 542,215
Investments in available-for-sale securities	1,776,185	1,932,801
Other current assets	29,928	29,245
Total current assets	2,351,818	2,504,261
Total Assets	$ 2,351,818	$ 2,504,261
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 9,631	$ 18,000
Conversion feature liability	76,343	70,786
Total current liabilities	85,974	88,786
Commitments and contingencies		
Redeemable 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; 9,282,981 and 8,949,645 shares issued and outstanding at December 31, 2015 and 2014, respectively	92,829	89,496
Common stock to be issued	12,500	12,500
Additional paid-in capital	64,514,177	64,467,510
Accumulated deficit	(62,527,454)	(62,330,316)
Accumulated other comprehensive income	5,296	7,789
Total stockholders' equity	2,097,348	2,246,979
Total liabilities and stockholders' equity	$ 2,351,818	$ 2,504,261

See accompanying notes to financial statements.

Integrated Surgical Systems, Inc.
Statements of Comprehensive Loss

	Year Ended December 31, 2015	Year Ended December 31, 2014
Operating Expenses		
General and administrative expenses	$ 225,705	$ 254,439
Loss from operations	(225,705)	(254,439)
Other income (expense)		
Interest and dividend income, net	32,313	26,415
Change in fair value of conversion feature	(5,557)	5,450
Realized gain (loss) on available-for-sale securities	2,611	(12,381)
Total other income	29,367	19,484
Loss before income taxes	(196,338)	(234,955)
Income taxes	800	800
Net loss	(197,138)	(235,755)
Other comprehensive income (loss)		
Unrealized gains (losses) on available-for-sale securities, before reclassification, net of tax	(234)	9,849
Reclassification adjustment for losses (gains), net of tax	(2,259)	11,888
Other comprehensive income (loss)	(2,493)	21,737
Comprehensive loss	$ (199,631)	$ (214,018)
Basic net loss per common share	$ (0.02)	$ (0.03)
Diluted net loss per common share	$ (0.02)	$ (0.03)
Weighted average number of shares outstanding		
Basic	9,148,962	8,826,876
Diluted	9,148,962	8,826,876

See accompanying notes to financial statements.

Integrated Surgical Systems, Inc.
Statement of Changes in Stockholders' Equity

	Common Stock Shares	Common Stock Amount	Common Stock To Be Issued Shares	Common Stock To Be Issued Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
Balance at December 31, 2013	8,650,417	$ 86,504	78,126	$ 12,500	$ 64,405,084	$ (13,948)	$ (62,094,561)	$ 2,395,579
Stock-based compensation	299,228	2,992	(78,126)	(12,500)	47,008	-	-	37,500
Stock options granted	-	-	-	-	15,418	-	-	15,418
Common stock to be issued	-	-	83,334	12,500	-	-	-	12,500
Comprehensive loss								
Net loss	-	-	-	-	-	-	(235,755)	(235,755)
Other comprehensive income								
Net unrealized gain on investment in securities	-	-	-	-	-	21,737	-	21,737
Comprehensive income (loss)	-	-	-	-	-	21,737	(235,755)	(214,018)
Balance at December 31, 2014	8,949,645	$ 89,496	83,334	$ 12,500	$ 64,467,510	$ 7,789	$ (62,330,316)	$ 2,246,979
Stock-based compensation	333,336	3,333	(83,334)	(12,500)	46,667	-	-	37,500
Common stock to be issued	-	-	83,334	12,500	-	-	-	12,500
Comprehensive loss								
Net loss	-	-	-	-	-	-	(197,138)	(197,138)
Other comprehensive loss								
Net unrealized loss on investment in securities	-	-	-	-	-	(2,493)	-	(2,493)
Comprehensive loss	-	-	-	-	-	(2,493)	(197,138)	(199,631)
Balance at December 31, 2015	9,282,981	$ 92,829	83,334	$ 12,500	$ 64,514,177	$ 5,296	$ (62,527,454)	$ 2,097,348

See accompanying notes to financial statements

Integrated Surgical Systems, Inc.
Statements of Cash Flows

	For the Year Ended December 31, 2015	2014
Cash flows from operating activities:		
Net loss	$ (197,138)	$ (235,755)
Adjustments to reconcile net loss to net cash used in operating activities:		
Change in fair value of conversion feature	5,557	(5,450)
Stock based compensation	50,000	50,000
Realized losses (gains) on available-for-sale securities	(2,611)	12,381
Stock option expense	-	15,418
Changes in operating assets and liabilities:		
Other current assets	(684)	2,809
Accounts payable and accrued liabilities	(8,368)	-
Net cash used in operating activities	(153,244)	(160,597)
Cash flows from investing activities:		
Purchases of available for sale securities	(1,220,246)	(710,797)
Proceeds received from sales of available-for-sale securities	20,226	102,893
Proceeds received from maturities of available-for-sale securities	1,356,754	1,211,000
Net cash provided by investing activities	156,734	603,096
Net increase in cash and cash equivalents	3,490	442,499
Cash and cash equivalents at beginning of year	542,215	99,716
Cash and cash equivalents at end of year	$ 545,705	$ 542,215
Supplemental cash flow disclosure:		
Income taxes paid	$ 800	$ 800
Supplemental non-cash disclosure:		
Unrealized gain (loss) on available-for-sale securities	$ (2,493)	$ 21,737

See accompanying notes to financial statements

Integrated Surgical Systems, Inc.
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. On June 28, 2007, the Company completed the sale of substantially all of its operating assets. After completion of the sale, the Company no longer engaged in any business activities related to its former business, described above. The Company's current operations are limited to completing a business combination or strategic alliance, when a suitable candidate is identified.

2. Significant Accounting Policies

Use of 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 for the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include checking and money market accounts held in two financial institutions. The Company has a checking account at one institution with a balance of approximately $60,000 at December 31, 2015. The funds in this account are fully guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. The Company has a money market account in a brokerage account with a second financial institution, with a money market cash balance of approximately $485,000 at December 31, 2015. Assets in this brokerage account are protected by the Securities Investor Protection Corporation ("SIPC") up to $500,000 (with a limit of $250,000 for cash). Throughout the year the account balances at these institutions periodically exceed FDIC and SIPC insurance coverage; however, the company has not experienced losses in these accounts and believes it is not exposed to any significant credit risk.

Stock-Based Compensation

Compensation costs for stock, warrants or options issued to employees and non-employees are based on the fair value method and accounted for in accordance with FASB ASC 718, " Compensation – Stock Compensation." The value of warrants and options are calculated using a Black-Scholes Model, using the market price of the Company's common stock on the date of issuance for the employee options or warrants and the date of commitment for non-employee options or warrants, an expected dividend yield of zero, the expected life of the warrants or options and the expected volatility of the Company's common stock.

Investments in Available-for-Sale Securities

The Company has a portfolio of investments in available-for-sale debt securities, which consist of fixed income debt securities, and which are accounted for in accordance with FASB ASC 320, "Investments - Debt and Equity Securities." Management determines the appropriate classification of the securities at the time they are acquired and evaluates the appropriateness of such classifications at each balance sheet date. Available-for-sale securities are stated at fair value, and unrealized holding gains and losses, net of the related deferred tax effect, if any, are reported as other comprehensive income, a separate component of stockholders' equity.

Fair Value Measurement

FASB ASC 820 "*Fair Value Measurements and Disclosures*" clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or a liability. As a basis for considering such assumptions, FASB ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

- Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - Include other inputs that are directly or indirectly observable in the marketplace.
- Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

In accordance with FASB ASC 820, the Company measures its cash equivalents, investments in available-for-sale securities, and derivative liability at fair value. The Company's cash equivalents and investments in available-for-sale securities are classified within Level 1 by using quoted market prices. The Company's derivative liability is classified within Level 3.

The carrying value of other current assets and liabilities are considered to be representative of their respective fair values because of the short-term nature of those instruments.

Income Taxes

Deferred income taxes have been provided for temporary differences between financial statement and income tax reporting under the liability method, using expected tax rates and laws that are expected to be in effect when the differences are expected to reverse. A valuation allowance is provided when realization is not considered more likely than not.

The Company applies the provisions of FASB ASC 740, "*Income Taxes*." ASC 740 clarifies the accounting for uncertainty in income taxes recognized in the Company's financial statements in accordance with ASC 740, " *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. ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Company's policy is to classify expenses as a result of income tax assessments as interest expense for interest charges and as penalties in general and administrative expenses for penalty assessments.

Recently Adopted Accounting Pronouncements

In July 2013, the FASB issued Accounting Standards Update 2013-11, "Income Taxes" (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. This amended guidance requires an unrecognized tax benefit, or a portion of an unrecognized tax benefit to be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. The guidance became effective for the reporting period beginning January 1, 2014. The adoption of this guidance did not have a material impact on the Company's financial statements.

Recently Issued Accounting Pronouncements

In January 2016, the FASB issued Accounting Standards Update No. 2016-01 (ASU 2016-01), Financial Instruments – Overall (Subtopic 825-10). ASU 2016-01 provides guidance as to an entity's accounting related to the classification and measurement of investments in equity securities and the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. The amendments require equity investments (excluding those accounted for under the equity method or those that result in consolidation) to be measured at fair value, with changes in fair value recognized in net income. An entity may elect to measure at cost equity investments for which fair value is not readily determinable, minus impairment, if any, plus or minus the change as a result of an observable price change.
The amendments also simplify the impairment assessment of equity investments for which fair value is not readily determinable by requiring an entity to perform a qualitative assessment to identify impairment. If qualitative indicators are identified, the entity will be required to measure the investment at fair value.

For financial liabilities that an entity has elected to measure at fair value in accordance with the fair value option guidance in ASC 825, the amendments require an entity to present separately in other comprehensive income the portion of the change in fair value that results from a change in instrument-specific credit risk.

For public business entities (PBEs), the amendments (1) eliminate the requirement to disclose the method(s) and significant assumptions used to estimate fair value for financial instruments measured at amortized cost and (2) require, for disclosure purposes, the use of an exit price notion in the determination of the fair value of financial instruments measured at amortized cost.

The new standard is effective for PBEs for fiscal years beginning after December 15, 2017, including interim periods therein. Upon adoption, entities will be required to make a cumulative-effect adjustment to the statement of financial position as of the beginning of the first reporting period in which the guidance is effective. The guidance on equity securities without readily determinable fair value will be applied prospectively to all equity investments that exist as of the date of adoption of the standard.

Early adoption is permitted for all entities whose financial statements have yet not been issued or have not yet been made available for issuance with respect to the following changes made to ASC 825. For financial liabilities measured under the fair value option, fair value changes resulting from a change in instrument-specific credit risk would be presented separately in other comprehensive income.

The Company is currently evaluating the impact the adoption of ASU 2016-01 on the Company's financial statement presentation and disclosures.

Management does not believe that any 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 earnings (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.

Common stock equivalents for convertible preferred stock of 1,321,537 shares were excluded from the calculation of loss per share for the year ended December 31, 2015 and 2014, because they were not dilutive; these shares would have been dilutive if the Company had not had a net loss for the this period.

Stock options for the purchase of 175,000 and 200,000 shares were excluded from the calculation of loss per share for the ended December 31, 2015 and 2014, respectively, because their effect was anti-dilutive.

4. Investments in Available-for-Sale Securities

The following is a summary of the Company's investments in available-for-sale securities as of December 31, 2015:

	Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. federal agency securities	$ 4,830	$ 55	$ -	$ 4,885
Municipal securities	492,237	789	(980)	492,046
Certificates of deposit	1,256,649	20,182	(14,865)	1,261,966
Corporate debt securities	17,173	115	-	17,288
	$ 1,770,889	$ 21,141	$ (15,845)	$ 1,776,185

The following is a summary of the Company's investments in available-for-sale securities as of December 31, 2014:

	Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. federal agency securities	$ 49,739	$ 68	$ (117)	$ 49,690
Municipal securities	441,372	463	(966)	440,869
Certificates of deposit	1,395,990	22,904	(14,861)	1,404,033
Corporate debt securities	37,911	298	-	38,209
	$ 1,925,012	$ 23,733	$ (15,944)	$ 1,932,801

The Company’s investment portfolio had a net realized gain of $2,611 and a net realized loss of $12,381 for the years ended December 31, 2015 and 2014, respectively. The Company’s investment portfolio has thirty-six positions with an unrealized loss as of December 31, 2015.

The cost and fair value of investments in fixed income available-for-sale debt securities, by contractual maturity, as of December 31, 2015, are as follows:

	Cost	Fair Value
Due within one year	$ 1,004,435	$ 1,018,896
Due after one year through three years	565,646	556,763
Due after three years	200,808	200,526
	$ 1,770,889	$ 1,776,185

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 has classified the entire fair value of its investments in available-for-sale debt securities as current assets in the accompanying balance sheets.

5. Redeemable Convertible Preferred Stock

The Company’s Certificate 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 December 31, 2015 and December 31, 2014, 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 a 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 Series G 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 of common stock issuable upon conversion.

For the years ended December 31, 2015 and 2014, no shares of Series G were converted into shares of common stock. At December 31, 2015 and 2014, the outstanding Series G shares were convertible into a minimum of 1,321,537 shares of common stock.

Upon a change in control, sale of or similar transaction, as defined in the Certificate of Designation for the Series G, each holder of the Series G has the option to deem such transaction as a liquidation and may redeem his or her shares at the liquidation value of $1,000, per share, for an aggregate amount of $168,496. The sale of all the assets on June 28, 2007 triggered the preferred stockholders' redemption option. As such redemption is not in the control of the Company, the Series G stock has been accounted for as if it was redeemable preferred stock and is classified on the balance sheet between liabilities and stockholders' equity.

The conversion feature of the preferred stock is considered a derivative according to ASC 815 "Derivatives and Hedging", therefore, the fair value of the derivative is reflected in the financial statements as a liability, which was determined to be $76,343 as of December 31, 2015, and has been included as "conversion feature liability" on the accompanying balance sheets. As of December 31, 2014, the fair value of the derivative was determined to be $70,786.

The fair value of the conversion feature liability is calculated under a Black-Scholes Model, using the market price of the Company's common stock on each of the balance sheet dates presented, the expected dividend yield, the expected life of the redemption and the expected volatility of the Company's common stock.

The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and considering factors specific to the conversion feature liability. Since some of the assumptions used by the Company are unobservable, the conversion feature liability is classified within the level 3 hierarchy in the fair value measurement.

The expected volatility of the conversion feature liability was based on the historical volatility of the Company's common stock. The expected life assumption was based on the expected remaining life of the underlying preferred stock redemption. The risk-free interest rate for the expected term of the conversion feature liability was based on the average market rate on U.S. treasury securities in effect during the applicable quarter. The dividend yield reflected historical experience as well as future expectations over the expected term of the underlying preferred stock redemption. Therefore, the fair value of the conversion feature liability is sensitive to changes in above assumptions and changes of the Company's common stock price.

The table below shows the quantitative information about the significant unobservable inputs used in the fair value measurement of level 3 conversion feature liability at December 31, 2015 and 2014:

	2015	2014
Expected life of the redemption in years	1.0	1.0
Risk free interest rate	0.61%	0.25%
Expected annual volatility	84.49%	76.42%
Annual rate of dividends	0%	0%

The changes in the fair value of the derivative are as follows:

Balance as of January 1, 2014	$	76,236
Decrease of fair value		(5,450)
Ending balance as of December 31, 2014		70,786
Increase of fair value		5,557
Ending balance as of December 31, 2015	$	76,343

6. Stock-based compensation

On May 16, 2014, the Company granted 100,000 non-qualified stock options, 25,000 to each of its four directors, and 100,000 non-qualified stock options to its Chief Financial Officer. These options became fully vested and exercisable on the date of the grant. These options expire on May 15, 2019 and have an exercise price of $0.17 per share. As of December 31, 2015, 175,000 options remain outstanding under this grant. As of December 31, 2014, 200,000 options remained outstanding under this grant.

FASB ASC 718 "Compensation-Stock Compensation" requires entities to estimate the number of forfeitures expected to occur and record expense based upon the number of awards expected to vest. The outstanding stock options granted during the year ended December 31, 2014 are fully vested and the related expense amounting to approximately $15,000, was fully amortized during this period.

For the years ended December 31, 2015 and 2014 option activity was as follows:

	Shares	Weighted-Average Exercise Price	Remaining Contractual Term (in years)
Outstanding at January 1, 2014	-	$ -	
Granted	200,000	0.17	4.38
Expired and forfeited	-		
Exercised	-		
Outstanding at December 31, 2014	200,000	$ 0.17	4.38
Granted	-		
Expired and forfeited	(25,000)	$ 0.17	3.38
Exercised	-		
Outstanding at December 31, 2015	175,000	$ 0.17	3.38
Exercisable at December 31, 2015	175,000	$ 0.17	3.38

The Company has previously issued 30,000 warrants in lieu of consulting fees, which expired in July 2014 and had an exercise price of $0.63 per share.

The Company agreed to compensate two of its four directors by issuing common stock and two directors in cash for services rendered in 2015 and 2014. Two of these directors are affiliated with the advisory services firm that is currently providing investment banking services to the Company. The number of shares issued to each director was determined based upon the equivalent cash compensation accrued divided by the closing price of the Company's common stock on the date that the compensation is fully earned each quarter, which is the last day of such quarter. The Company recorded stock-based compensation of $12,500 for the quarter ended December 31, 2015 for two directors, which is recorded as common stock to be issued.

On January 8, 2015, the Company issued 41,667 shares of common stock to each of two directors as compensation for the three months ended December 31, 2014. These shares, totaling 83,334, were valued at a per share price of $0.15, or a total of $12,500.

On April 13, 2015, the Company issued 41,667 shares of common stock to each of two directors as compensation for the three months ended March 31, 2015. These shares, totaling 83,334, were valued at a per share price of $0.15, or a total of $12,500.

On July 10, 2015, the Company issued 41,667 shares of common stock to each of two directors as compensation for the three months ended June 30, 2015. These shares, totaling 83,334, were valued at a per share price of $0.15, or a total of $12,500.

On October 12, 2015, the Company issued 41,667 shares of common stock to each of two directors as compensation for the three months ended September 30, 2015. These shares, totaling 83,334, were valued at a per share price of $0.15, or a total of $12,500.

On January 11, 2016, the Company issued 41,667 shares of common stock to each of two directors as compensation for the three months ended December 31, 2015. These shares, totaling 83,334, were valued at a per share price of $0.15, or a total of $12,500.

7. Income Taxes

The Company accounts for income taxes under FASB ASC 740 "Accounting for Income Taxes." Deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities in the Company's financial statements and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that all or some portion of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company is no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2011. The Company currently is not under examination by any tax authority.

The Company has evaluated and concluded that there are no uncertain tax positions requiring recognition in the Company's financial statements for the year ended December 31, 2015. The tax expense for each the years ended December 31, 2015 and 2014 was $800.

Income tax provision consisted of the following for 2015:

	Federal	California	2015
Current provision	$ -	$ 800	$ 800
Deferred provision:			
Deferred tax – beg of year	-	-	-
Deferred tax – end of year	-	-	-
Change in deferred	-	-	-
Subtotal	-	-	-
Total Provision	$ -	$ 800	$ 800

Income tax provision consisted of the following for 2014:

	Federal	California	2014
Current provision	$ -	$ 800	$ 800
Deferred provision:			
Deferred tax – beg of year	-	-	-
Deferred tax – end of year	-	-	-
Change in deferred	-	-	-
Subtotal	-	-	-
Total Provision	$ -	$ 800	$ 800

As of December 31, 2015, and December 31, 2014 the Company had deferred tax assets primarily consisting of its net operating loss carryforwards. However, because of the cumulative losses in several consecutive years, the Company has recorded a full valuation allowance such that its net deferred tax asset is zero.

Deferred tax assets consist of the following components:

	2015	2014
Current		
Current state taxes	$ -	$ -
Accrued and other related costs	30,000	38,000
Total current	30,000	38,000
Non-current		
Net operating loss carryforward	14,247,000	14,165,000
Research and development credit	1,560,000	1,364,000
Total non-current	15,807,000	15,529,000
Total deferred tax asset	15,837,000	15,567,000
Less valuation allowance	(15,837,000)	(15,567,000)
Net deferred tax asset	$ -	$ -

The Company must make judgments as to whether the deferred tax assets will be recovered from future taxable income. To the extent that the Company believes that recovery is not likely, it must establish a valuation allowance. A valuation allowance has been established for deferred tax assets which the Company does not believe meet the “more likely than not” criteria. The Company’s judgments regarding future taxable income may change due to changes in market conditions, changes in tax laws, tax planning strategies or other factors. If the Company’s assumptions and consequently its estimates change in the future, the valuation allowances it has established may be increased or decreased, resulting in a respective increase or decrease in income tax expense.

At December 31, 2015, the Company had net operating loss carryforwards of approximately $41,664,000 and $1,401,000 for federal income and California tax purposes, respectively. Such carryforwards may be used to reduce taxable income, if any, in future years through their expiration in 2019 to 2035 subject to limitations of Sec 382 of the Internal Revenue Code for federal income, and 2033 to 2035 for California tax purposes. The Company believes an ownership change may have occurred, as defined by Sections 382 and 383 of the Internal Revenue Code (IRC), which could result in the forfeiture of a significant portion of its net operating loss and credit carryforwards.

In addition, the Company has research and development credits aggregating approximately $830,000 for federal income tax purposes and approximately $1,071,000 for California tax purposes at December 31, 2015, which are net of potentially ineligible Research and Development credits. Such credits may be used to reduce federal income taxes payable if any, in future years through their expiration in 2024; such credits have no expiration in California.

For 2015 and 2014, the provision for income taxes on the statements of operations differs from the amount computed by applying the statutory Federal income tax rate to income before the provision for income taxes, as follows:

	2015	2014
Federal expense expected at statutory rate	$ (66,755)	$ (79,885)
State taxes, net of federal income tax benefit	(11,455)	(13,708)
Other	135,326	332,209
Change in valuation allowance	(56,316)	(237,816)
Effective Income Tax	$ 800	$ 800

The Company follows guidance issued by the FASB with regard to its accounting for uncertainty in income taxes recognized in the financial statements. Such guidance prescribes a recognition threshold of more likely than not and a measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In making this assessment, a company must determine whether it is more likely than not that a tax position will be sustained upon examination, based solely on the technical merits of the position and must assume that the tax position will be examined by taxing authorities. The Company's policy is to include interest and penalties in general and administrative expenses. There were no interest and penalties recorded for the years ended December 31, 2015 and 2014. The Company's review of prior year tax positions using the criteria and provisions presented in guidance issued by the FASB did not result in a material impact on the Company's financial position or results of operations.

8. Related Party Transactions

The Company entered into an Investment Banking Advisory Services agreement in November 2007 with MDB Capital Group, LLC ("MDB"), and the parties extended this agreement indefinitely in April 2009. The agreement may be terminated by either party upon 30-days written notice. The Company has not paid, nor is it currently obligated to pay, any fees to MDB pursuant to this agreement and no services have been provided by MDB.

The Company has a securities investment account with MDB, consisting of (a) available-for-sale investments totaling $1,776,185, including short-term federal securities of $4,885 and certificates of deposit, municipal bonds and corporate debt securities totaling $1,1771,300 at December 31, 2015, and (b) available-for-sale investments totaling $1,932,801 consisting of short-term federal securities of $49,690 and certificates of deposit, municipal bonds and corporate debt securities totaling $1,883,111 at December 31, 2014.

Mr. Christopher Marlett, the Chief Executive Officer and director of the Company, is also the Chief Executive Officer of MDB. Mr. Gary Schuman, who is the Chief Financial Officer of the Company, is also the Chief Financial Officer and Chief Compliance Officer of MDB. The Company reimburses MDB for Mr. Schuman's services in the amount of $3,000 per month, totaling $36,000 for both 2015 and 2014. Mr. Robert Levande, who is an officer and director of the Company, is also a senior managing director of MDB.

9. Commitments and Contingencies

From time to time, the Company may be subject to other claims and litigation arising in the ordinary course of business. The Company is not currently a party to any legal proceedings that it believes would reasonably be expected to have a material adverse effect on the Company's business, financial condition or results of operations.

10. Subsequent Event

On January 11, 2016, the Company issued 41,667 shares of common stock to each of two directors as compensation for the three months ended December 31, 2015. These shares, totaling 83,334, were valued at a per share price of $0.15, or a total of $12,500.

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 Annual Report on Form 10-K for the year ended December 31, 2015 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 Annual 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 Annual Report;

4. The registrant's other certifying officer 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 us by others within those entities, particularly during the period in which this Annual 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 Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and

   (d) Disclosed in this Annual 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; and

5. The registrant's other certifying officer 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: March 30, 2016

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, Gary A. Schuman, Chief Financial Officer of Integrated Surgical Systems, Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2015 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 Annual 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 Annual Report;

4. The registrant’s other certifying officer 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 us by others within those entities, particularly during the period in which this Annual 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 Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and

   (d) Disclosed in this Annual 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; and

5. The registrant's other certifying officer 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: March 30, 2016

By: /s/Gary A. Schuman
Gary A. Schuman
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 Annual Report on Form 10-K of the Company for the year ended December 31, 2015, 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: March 30, 2016

/s/ Christopher A. Marlett
Christopher A. Marlett
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. This written statement accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission, and will not be incorporated by reference into any filing of Integrated Surgical Systems, Inc. under the Securities Act of 1933 or the Securities Exchange Act of 1934, irrespective of any general incorporation language contained in such filing.

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, Gary A. Schuman, 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 Annual Report on Form 10-K of the Company for the year ended December 31, 2015, 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: March 30, 2016

/s/ Gary A. Schuman
Gary A. Schuman
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. This written statement accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission, and will not be incorporated by reference into any filing of Integrated Surgical Systems, Inc. under the Securities Act of 1933 or the Securities Exchange Act of 1934, irrespective of any general incorporation language contained in such filing.