MURDAKES JAMES

Check this box

if no longer

subject to

Section 16.

Form 4 or

Form 4 May 27, 2011

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB Number:

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response...

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Form 5 obligations may continue. See Instruction

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * **MURDAKES JAMES**

(First)

1600 UNIVERSITYT AVE W #500

(Street)

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to

Symbol

IMAGE SENSING SYSTEMS INC

(Check all applicable)

[ISNS]

(Last)

(Middle)

3. Date of Earliest Transaction

X_ Director Officer (give title

10% Owner Other (specify

(Month/Day/Year)

05/25/2011

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Applicable Line)

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

Issuer

below)

ST PAUL, MN 55104

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code

(Instr. 8)

Disposed of (D) (Instr. 3, 4 and 5) 5. Amount of Securities Beneficially Owned

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I)

(Instr. 4) (Instr. 4)

(A) or

Reported Transaction(s) (Instr. 3 and 4)

Following

Code V Amount (D) Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of 3. Transaction Date 3A. Deemed 5. Number Derivative Conversion Transaction of Derivative Expiration Date (Month/Day/Year) Execution Date, if or Exercise Security Code Securities any

6. Date Exercisable and (Month/Day/Year)

7. Title and Amount Underlying Securities (Instr. 3 and 4)

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	Derivative Security				(D)	Disposed of D) Instr. 3, 4,				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amoun or Numbe of Shares
Non-qualified Stock Option (Right to Buy)	\$ 10.15	05/25/2011	A		4,000		<u>(1)</u>	05/25/2017	Common Stock	4,000

(Month/Day/Year) (Instr. 8) Acquired

Reporting Owners

Price of

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
MURDAKES JAMES							
1600 UNIVERSITYT AVE W #500	X						
ST PAUL, MN 55104							

Signatures

(Instr. 3)

/s/ Gregory R. L. Smith, Attorney-in-Fact for James Murdakes

05/26/2011

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The option vests on April 25, 2012.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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