#### **IMAGE SENSING SYSTEMS INC**

Form 4

January 24, 2008

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per

**OMB APPROVAL** 

response...

if no longer subject to Section 16. Form 4 or Form 5

Check this box

obligations may continue.

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)

See Instruction

1. Name and Address of Reporting Person \* MARXE AUSTIN W &

GREENHOUSE DAVID M

2. Issuer Name and Ticker or Trading Symbol

**IMAGE SENSING SYSTEMS INC** 

[ISNS]

3. Date of Earliest Transaction

01/22/2008

5. Relationship of Reporting Person(s) to

Issuer

below)

(Check all applicable)

(Last)

(First)

(Middle)

(Month/Day/Year)

Director Officer (give title

X 10% Owner Other (specify

C/O SPECIAL SITUATIONS FUNDS, 527 MADISON AVENUE,

**SUITE 2600** 

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

NEW YORK, NY 10022

(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. Code (Instr. 8)

4. Securities Acquired Transaction(A) or Disposed of (D) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following Reported

Ownership Form: Direct (D) or Indirect (I)

 $I^{(1)}$ 

Indirect Beneficial Ownership (Instr. 4)

7. Nature of

(A)

Code V Amount (D) Price Transaction(s) (Instr. 4)

(Instr. 3 and 4)

By Limited **Partnerships** 

Common Stock

01/22/2008

P

700 (1) A

831,453 (1)

(1)

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

### Edgar Filing: IMAGE SENSING SYSTEMS INC - Form 4

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

| 1. Title o | of 2.         | 3. Transaction Date | 3A. Deemed         | 4.                | 5.                              | 6. Date Exerc                    | cisable and | 7. Titl      | le and          | 8. Price of | 9. Nu  |
|------------|---------------|---------------------|--------------------|-------------------|---------------------------------|----------------------------------|-------------|--------------|-----------------|-------------|--------|
| Derivativ  | ve Conversion | (Month/Day/Year)    | Execution Date, if | TransactionNumber |                                 | Expiration D                     | ate Amou    |              | ınt of          | Derivative  | Deriv  |
| Security   | or Exercise   |                     | any                | Code              | of                              | (Month/Day/                      | Year)       | Under        | rlying          | Security    | Secui  |
| (Instr. 3) | Price of      |                     | (Month/Day/Year)   | (Instr. 8)        | Instr. 8) Derivative Securities |                                  |             | Secur        | rities          | (Instr. 5)  | Bene   |
|            | Derivative    |                     |                    |                   |                                 |                                  |             | (Instr. 3 ar | :. 3 and 4)     | d 4)        | Owne   |
|            | Security      |                     |                    |                   | Acquired                        | uired                            |             |              |                 |             | Follo  |
|            | •             |                     |                    |                   | (A) or                          |                                  |             |              |                 |             | Repo   |
|            |               |                     |                    |                   | Disposed                        |                                  |             |              |                 |             | Trans  |
|            |               |                     |                    |                   | of (D)                          |                                  |             |              |                 |             | (Instr |
|            |               |                     |                    |                   | (Instr. 3,                      |                                  |             |              |                 |             |        |
|            |               |                     |                    |                   | 4, and 5)                       |                                  |             |              |                 |             |        |
|            |               |                     |                    |                   |                                 |                                  |             |              | A               |             |        |
|            |               |                     |                    |                   |                                 |                                  |             |              | Amount          |             |        |
|            |               |                     |                    |                   |                                 | Date Expiration Exercisable Date | Expiration  | T:41-        | or<br>True N. 1 |             |        |
|            |               |                     |                    |                   |                                 |                                  | -           | Title        | Number          |             |        |
|            |               |                     |                    | C-1- V            | (A) (D)                         |                                  |             |              | of<br>Shares    |             |        |
|            |               |                     |                    | Code V            | (A) (I))                        |                                  |             |              | Snares          |             |        |

## **Reporting Owners**

Relationships Reporting Owner Name / Address

> 10% Owner Officer Other Director

MARXE AUSTIN W & GREENHOUSE DAVID M C/O SPECIAL SITUATIONS FUNDS 527 MADISON AVENUE, SUITE 2600 NEW YORK, NY 10022

X

### **Signatures**

Austin W.

Marxe 01/24/2008

\*\*Signature of Date

Reporting Person

David M.

Greenhouse 01/24/2008 \*\*Signature of Date Reporting Person

# **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).

This is a joint filing by Austin W. Marxe (Marxe) and David M. Greenhouse (Greenhouse). They share voting and investment control over all securities owned by Special Situations Fund III QP, L.P. (QP), Special Situations Cayman Fund, L.P. (Cayman), Special Situations Technology Fund, L.P. (Tech) and Special Situations Technology II, L.P. (Tech II), respectively. 371,866 shares of Common Stock are held by QP, 107,056 shares of Common Stock are held by Cayman, 63,049 shares of Common Stock are held by Tech and 289,482 shares of Common Stock are held by Tech II. The interest of Marxe and Greenhouse in the shares of Common Stock owned by QP, Cayman, Tech, and Tech II is limited to the extent of his pecuniary interest.

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.

Reporting Owners 2