

# Quarterly Disclosure Report

June 30, 2008

Item 1. Exact name of the issuer and address of its principal offices:

Optical Systems, Inc.

Optical Systems, Inc.  
888 West Sam Houston Parkway South  
Suite 180  
Houston, Texas 77042  
Phone: 713 226 7700  
Fax: 866 283 2946  
<http://www.saveadeal.net>

Item 2. Shares outstanding.

Reference is made to statement of Shareholders' Equity included with Quarterly Financial Statements.

Item 3. Interim Financial Statements.

Reported under separate cover.

Item 4. Management discussion and analysis of operations.

The Company, through the wholly owned subsidiary, ASD, provides front office software for automotive dealerships called 'save-a-deal' that significantly improves dealership efficiency by automating workflow within a dealership, eliminating manual forms, and reducing the time to desk and finance a deal. The save-a-deal system offers customers the following:

Document and source all sales prospects from the Internet, telephone, walk-in traffic and appointments.

- Track advertising expense and effectiveness
- Monitor Traffic counts and key sales process percentages
- Internet lead management tool
- Monitor inbound sales calls and their follow-up

Facilitate, control and monitor follow-up with the CRM tool.

- Sales person daily work plans
- Letter-Writing and email tool
- Manager controlled sales follow-up
- Protection on privacy issues and security of customer database
- Increase CSI scores and repeat business

Control and monitor the sales process with a customized DEAL DESKING TOOL.

- Dealer controls the sale approach
- Customer friendly and consistent presentation of figures and negotiation
- Dramatically shorten transaction time
- Free up sales managers to use time more productively
- Eliminate COS mistakes and maximize deal potential

Control New and Used vehicle inventories with inventory management tools.

- Tied to the desking system to facilitate inventory turns
- Identifies aged inventory every time a deal is worked
- Tracks used vehicles from appraisal through sale
- Provides historical data on turn, gross margins and values of used vehicles

Item 5. Legal proceeding

None.

Item 6. Defaults upon senior securities

None.

Item 7. Other information

None

Item 8. Exhibits

None

Item 9. Certifications

Attached

These financial statements, and the notes thereto, are based on the best information currently available to the Company, and the best of my knowledge present fairly, in all material respects, the financial position of the Issuer and the results of its operations and cash flow for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied and certified by B. J. Grisaffi, CEO of Optical Systems, Inc.

B. J. Grisaffi

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is highly cursive and extends across most of the width of the page.

Chief Executive Officer  
Optical Systems, Inc.