

ITERIS, INC.

Form 4

January 26, 2007

FORM 4

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

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
MCKHANN GREG

(Last) (First) (Middle)

1515 S. MANCHESTER AVE

(Street)

ANAHEIM, CA 92802

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
 Symbol

ITERIS, INC. [ITI]

3. Date of Earliest Transaction
 (Month/Day/Year)

01/24/2007

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

5. Relationship of Reporting Person(s) to
 Issuer

(Check all applicable)

____ Director ____ 10% Owner
 ____X____ Officer (give title below) ____ Other (specify below)

Vice President

6. Individual or Joint/Group Filing(Check
 Applicable Line)
 ____X____ Form filed by One Reporting Person
 ____ Form filed by More than One Reporting
 Person

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	01/24/2007		X	V Amount (A) or (D) Price 6,250 A \$ 0.54	48,300	D	
Common Stock	01/24/2007		S	200 (1) D \$ 2.66	48,100	D	
Common Stock	01/24/2007		S	4,500 (1) D \$ 2.65	43,600	D	
Common Stock	01/24/2007		S	200 D \$ 2.51	43,400	D	
Common Stock	01/24/2007		S	600 (1) D \$ 2.56	42,800	D	

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Common Stock	01/24/2007	S	650 ⁽¹⁾	D	\$ 2.55	42,150	D
Common Stock	01/24/2007	S	100 ⁽¹⁾	D	\$ 2.52	42,050	D

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

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(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Employee stock option (right to buy)	\$ 0.54	01/24/2007		X	6,250 ⁽²⁾	⁽²⁾ 09/30/2007	Common Stock	6,250

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCKHANN GREG 1515 S. MANCHESTER AVE ANAHEIM, CA 92802			Vice President	

Signatures

/s/ Greg McKhann
01/26/2007

**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 sale was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person dated November 29, 2006
- (2) The option shall become exercisable for the option shares in a series of four successive equal annual installment measured from the vesting commencement date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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