

ITERIS, INC.  
Form 4  
January 26, 2007

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Riley Investment Partners Master Fund, L.P.

(Last) (First) (Middle)

11100 SANTA MONICA BOULEVARD, SUITE 810

(Street)

LOS ANGELES, CA 90025

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ITERIS, INC. [ITI]

3. Date of Earliest Transaction (Month/Day/Year)  
01/25/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ 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)
			Code	V Amount (A) or (D) Price			
Common Stock					2,944,801	I	Footnote (1)
Common Stock	01/25/2007		P	15,100 A \$ 2.4999	15,100	I	Footnote (2)
Common Stock					41,667	I	Footnote (3)
Common Stock					50,000	I	Footnote (4)
Common Stock					33,333	I	Footnote (5)

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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
Warrant to Purchase Common Stock	\$ 3.86					05/19/2004 05/18/2009	Common Stock	80,875
Warrant to Purchase Common Stock	\$ 4.03					05/19/2004 05/18/2009	Common Stock	77,505
Warrant to Purchase Common Stock	\$ 3.61					05/19/2004 05/18/2009	Common Stock	15,506
Warrant to Purchase Common Stock	\$ 3.86					05/19/2004 05/18/2009	Common Stock	21,998
Warrant to Purchase Common Stock	\$ 4.03					05/19/2004 05/18/2009	Common Stock	21,081
6% Convertible Debenture	\$ 3.61					05/19/2004 05/19/2009	Common Stock	88,644
Warrant to Purchase	\$ 3.86					05/19/2004 05/18/2009	Common Stock	10,352

Common  
Stock

Warrant to  
Purchase  
Common  
Stock

\$ 4.03

05/19/2004 05/18/2009

Common  
Stock 9,920

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Riley Investment Partners Master Fund, L.P. 11100 SANTA MONICA BOULEVARD SUITE 810 LOS ANGELES, CA 90025		X		
RILEY BRYANT R 11100 SANTA MONICA BLVD STE 810 LOS ANGELES, CA 90025		X		
Riley Investment Management LLC 11100 SANTA MONICA BLVD. SUITE 810 LOS ANGELES, CA 90025		X		

## Signatures

/s/ Bryant Riley 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) Bryant Riley, as sole equity owner of Riley Investment Management LLC, General Partner of Riley Investment Partners Master Fund, LP (the "Master Fund"). the Master Fund is the holder of the shares.
- (2) Bryant Riley, as sole equity owner of Riley Investment Management LLC, investment adviser to a managed account of an advisory client. Each reporting person disclaims beneficial ownership of shares held by the managed account.
- (3) Bryant Riley, as controlling shareholder of B. Riley and Co. Inc.
- (4) Bryant Riley, as trustee of the B. Rilely & Co. Retirement Trust.
- (5) Bryant Riley, as as holder of a joint account with his spouse.
- (6) Bryant Riley, as custodian for his children. Reporting Persons disclaim beneficial ownership of these securities.
- (7) On an as converted to common stock basis.

### Remarks:

The filing of this statement shall not be construed as an admission (a) that the person filing this statement is, for the purposes of Section 16 of the Securities Exchange Act of 1934, as amended, the beneficial owner of any equity securities covered by this statement, or (b) that this statement is legally required to be filed by such person.

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