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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **October 27, 2008**

ITERIS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-08762
(Commission File Number)

95-2588496
(IRS Employer Identification No.)

1700 Carnegie Avenue, Suite 100, Santa Ana, California
(Address of principal executive offices)

92705
(Zip Code)

Registrant's telephone number, including area code: **(949) 270-9400**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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Item 1.01 Entry into a Material Definitive Agreement.

On October 27, 2008, Iteris, Inc. (the “Company”) entered into a Debenture Redemption Agreement with each of Lloyd I. Miller, III, Lloyd I. Miller Trust A-4, Milfam I, L.P. and Milfam II, L.P. (collectively, the “Miller Holders”), pursuant to which the Company redeemed seven convertible debentures in the aggregate principal amount of \$5,180,000 held by the Miller Holders. The debentures were redeemed for an aggregate payment of \$5,050,500 plus all accrued but unpaid interest. The debentures were originally issued by the Company in May 2004 pursuant to a Debenture and Warrant Purchase Agreement by and among the Company and certain investors, including the Miller Holders. They were due and payable in full in May 2009, provided for 6.0% annual interest, payable quarterly, and were convertible into the Company’s common stock at an initial conversion price of \$3.61 per share, subject to certain adjustments, including adjustments for dilutive issuances. Warrants to purchase an aggregate of 64,700 shares of the Company’s common stock at an exercise price of \$3.86 per share and warrants to purchase an aggregate of 62,004 shares of the Company’s common stock at an exercise price of \$4.03 per share, which were issued to the Miller Holders pursuant to the Debenture and Warrant Purchase Agreement, were not redeemed or canceled in connection with the redemption of the debentures and will remain outstanding until their expiration in May 2009.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 31, 2008

ITERIS, INC.,
a Delaware corporation

By: /S/ JAMES S. MIELE
James S. Miele
Chief Financial Officer