

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**OMB APPROVAL**

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934  
 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>MCKHANN GREG</u>  (Last) (First) (Middle) <u>1515 S. MANCHESTER AVE</u>  (Street) <u>ANAHEIM CA 92802</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ITERIS HOLDINGS INC [ ITRSA.OB ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner Officer (give title below) Other (specify below) <b>X</b> <u>Vice President</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>10/22/2004</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	
6. Individual or Joint/Group Filing (Check Applicable Line) <b>X</b> 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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	10/13/2004		J		42,050	A	(1)	42,050	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Option right to buy	\$1.07	10/22/2004		J		56,248 <sup>(2)</sup>		05/14/1999 <sup>(3)</sup>	05/14/2008	Common Stock	56,248	\$1.07	56,248	D	
Option right to buy	\$0.54	10/22/2004		J		37,500 <sup>(2)</sup>		09/30/1998 <sup>(3)</sup>	09/30/2007	Common Stock	37,500	\$0.54	37,500	D	
Option right to buy	\$1.19	10/22/2004		J		96,000 <sup>(2)</sup>		09/27/2001 <sup>(3)</sup>	09/27/2011	Common Stock	96,000	\$1.19	96,000	D	
Option right to buy	\$1.4	10/22/2004		J		34,000 <sup>(2)</sup>		05/01/2002 <sup>(3)</sup>	05/01/2012	Common Stock	34,000	\$1.4	34,000	D	

**Explanation of Responses:**

- Issued in exchange of Iteris, Inc. common stock through merger of Iteris, Inc. and Iteris Holdings, Inc.
- Option shares exchanged through merger between Iteris Holdings, Inc. and Iteris, Inc.
- Options shall become exercisable in four successive equal annual installments upon completion of each year of service over the four year period measured from the vesting commencement date.

/s/ Greg McKhann 10/22/2004

\*\* Signature of Reporting Person Date

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

\* 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).

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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