

**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**

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*			2. Issuer Name and Ticker or Trading Symbol			5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
<u>MCKHANN GREG</u>			<u>ITERIS, INC. [ ITI ]</u>			Director 10% Owner Officer (give title below) Other (specify below) <b>Vice President</b>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line)  <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
<u>1515 S. MANCHESTER AVE</u>			<u>02/22/2007</u>					
(Street)			4. If Amendment, Date of Original Filed (Month/Day/Year)					
<u>ANAHEIM</u>	<u>CA</u>	<u>92802</u>						
(City)	(State)	(Zip)						

**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	03/21/2007		X		2,650	A	\$0.54	44,700	D	
common Stock	03/21/2007		S		2,250 <sup>(1)</sup>	D	\$2.3	42,450	D	
Common Stock	03/21/2007		S		400 <sup>(1)</sup>	D	\$2.28	42,050	D	
Common Stock	03/22/2007		X		3,600	A	\$0.54	45,650	D	
Common Stock	03/22/2007		S		3,600 <sup>(1)</sup>	D	\$2.5	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	Date Exercisable	Expiration Date					
Employee stock option (right to buy)	\$0.54	03/21/2007		X					Common Stock	\$0.54	16,100	D	
Employee stock option (right to buy)	\$0.54	03/22/2007		X					Common Stock	\$0.54	12,500	D	

**Explanation of Responses:**

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

/s/ Greg McKhann

03/22/2007

\*\* 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.