

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>Hernandez Gary</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) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>10/22/2004</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

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			

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	Title	Amount or Number of Shares				
Option right to buy	\$0.8	10/22/2004		J			01/15/1999 ⁽²⁾	01/15/2009	Common Stock	37,500	\$0.8	37,500	D	
Option right to buy	\$1.88	10/22/2004		J			04/03/2000 ⁽²⁾	04/03/2010	Common Stock	10,000	\$1.88	10,000	D	
Option right to buy	\$1.24	10/22/2004		J			04/03/2001 ⁽²⁾	04/03/2011	Common Stock	10,000	\$1.24	10,000	D	
Option right to buy	\$1.32	10/22/2004		J			04/17/2002 ⁽²⁾	04/17/2012	Common Stock	10,000	\$1.32	10,000	D	
Option right to buy	\$1.3	10/22/2004		J			04/01/2003 ⁽²⁾	04/01/2013	Common Stock	10,000	\$1.3	10,000	D	
Option right to buy	\$3.39	10/22/2004		J			04/01/2004 ⁽²⁾	04/01/2014	Common Stock	5,000	\$3.39	5,000	D	

Explanation of Responses:

1. Option shares exchanged through merger between Iteris Holdings, Inc. and Iteris, Inc..

2. Options are immediately exercisable and shall vest in three successive equal annual installments upon optionee's completion of each year of service over three year period measured from the vesting commencement date.

/s/ Gary Hernandez

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.

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.