

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* <u>Riley Investment Partners Master Fund, L.P.</u> (Last) (First) (Middle) <u>11100 SANTA MONICA BOULEVARD</u> <u>SUITE 810</u> (Street) <u>LOS ANGELES CA 90025</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ITERIS, INC. [ITI]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>01/26/2007</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			
Common Stock								2,944,801	I	Footnote ⁽¹⁾
Common Stock	01/26/2007		P		5,800	A	\$2.5	20,900	I	Footnote ⁽²⁾
Common Stock	01/29/2007		P		12,300	A	\$2.5	33,200	I	Footnote ⁽²⁾
Common Stock								41,667	I	Footnote ⁽³⁾
Common Stock								50,000	I	Footnote ⁽⁴⁾
Common Stock								33,333	I	Footnote ⁽⁵⁾

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				
Warrant to Purchase Common Stock	\$3.86							05/19/2004	05/18/2009	Common Stock	80,875		80,875	I	Footnote ⁽¹⁾
Warrant to Purchase Common Stock	\$4.03							05/19/2004	05/18/2009	Common Stock	77,505		77,505	I	Footnote ⁽¹⁾
Warrant to Purchase Common Stock	\$3.61							05/19/2004	05/18/2009	Common Stock	15,506		15,506	I	Footnote ⁽³⁾
Warrant to Purchase Common Stock	\$3.86							05/19/2004	05/18/2009	Common Stock	21,998		21,998	I	Footnote ⁽⁵⁾

**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				
Warrant to Purchase Common Stock	\$4.03							05/19/2004	05/18/2009	Common Stock	21,081		21,081	I	Footnote ⁽⁵⁾
6% Convertible Debenture	\$3.61							05/19/2004	05/19/2009	Common Stock	88,644		88,644 ⁽⁷⁾	I	Footnote ⁽⁶⁾
Warrant to Purchase Common Stock	\$3.86							05/19/2004	05/18/2009	Common Stock	10,352		10,352	I	Footnote ⁽⁶⁾
Warrant to Purchase Common Stock	\$4.03							05/19/2004	05/18/2009	Common Stock	9,920		108,915	I	Footnote ⁽⁶⁾

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)

1. Name and Address of Reporting Person*

RILEY BRYANT R

(Last) (First) (Middle)

11100 SANTA MONICA BLVD STE 810

(Street)

LOS ANGELES CA 90025

(City) (State) (Zip)

1. Name and Address of Reporting Person*

Riley Investment Management LLC

(Last) (First) (Middle)

11100 SANTA MONICA BLVD.
SUITE 810

(Street)

LOS ANGELES CA 90025

(City) (State) (Zip)

Explanation of Responses:

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. Riley & 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.

/s/ Bryant Riley

01/29/2007

** 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.

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