

ITERIS, INC.
Form 4
January 26, 2007

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

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)

2. Issuer Name and Ticker or Trading Symbol
ITERIS, INC. [ITI]

3. Date of Earliest Transaction (Month/Day/Year)
01/25/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

___ Form filed by One Reporting Person
X 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 | | | | | 2,944,801 | I | Footnote (1) |
| Common Stock | 01/25/2007 | | P | 15,100 A \$ 2.4999 | 15,100 | I | Footnote (2) |
| Common Stock | | | | | 41,667 | I | Footnote (3) |
| Common Stock | | | | | 50,000 | I | Footnote (4) |
| Common Stock | | | | | 33,333 | I | Footnote (5) |

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

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(9-02)

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 Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Warrant to Purchase Common Stock | \$ 3.86 | | | | | 05/19/2004 05/18/2009 | Common Stock | 80,875 |
| Warrant to Purchase Common Stock | \$ 4.03 | | | | | 05/19/2004 05/18/2009 | Common Stock | 77,505 |
| Warrant to Purchase Common Stock | \$ 3.61 | | | | | 05/19/2004 05/18/2009 | Common Stock | 15,506 |
| Warrant to Purchase Common Stock | \$ 3.86 | | | | | 05/19/2004 05/18/2009 | Common Stock | 21,998 |
| Warrant to Purchase Common Stock | \$ 4.03 | | | | | 05/19/2004 05/18/2009 | Common Stock | 21,081 |
| 6% Convertible Debenture | \$ 3.61 | | | | | 05/19/2004 05/19/2009 | Common Stock | 88,644 |
| Warrant to Purchase | \$ 3.86 | | | | | 05/19/2004 05/18/2009 | Common Stock | 10,352 |

Common
Stock

Warrant to
Purchase
Common
Stock

\$ 4.03

05/19/2004 05/18/2009

Common
Stock 9,920

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Riley Investment Partners Master Fund, L.P. 11100 SANTA MONICA BOULEVARD SUITE 810 LOS ANGELES, CA 90025 | | X | | |
| RILEY BRYANT R 11100 SANTA MONICA BLVD STE 810 LOS ANGELES, CA 90025 | | X | | |
| Riley Investment Management LLC 11100 SANTA MONICA BLVD. SUITE 810 LOS ANGELES, CA 90025 | | X | | |

Signatures

/s/ Bryant Riley 01/26/2007

**Signature of
Reporting Person

Date

Explanation of Responses:

- * 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).
- (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. Rilely & 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.

Remarks:

The filing of this statement shall not be construed as an admission (a) that the person filing this statement is, for the purposes of Section 16 of the Securities Exchange Act of 1934, as amended, the beneficial owner of any equity securities covered by this statement, or (b) that this statement is legally required to be filed by such person.

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