ITERIS, INC. Form 4 September 19, 2005

OMB APPROVAL

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

OMB Number:

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

January 31, Expires: 2005 Estimated average

3235-0287

0.5

Form 4 or Form 5 obligations may continue.

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

burden hours per response...

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Hernandez Gary

Symbol ITERIS, INC. [ITI]

(Check all applicable)

(First) (Middle) (Last)

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

X Director 10% Owner Officer (give title Other (specify

1515 S. MANCHESTER AVE.

09/16/2005

below)

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

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

(Month/Day/Year)

X 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

ANAHEIM, CA 92802

Security

(Instr. 3)

(City) (State) (Zip) 1.Title of 2. Transaction Date 2A. Deemed

4. Securities (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Code Disposed of (D)

(Instr. 8)

5. Amount of 6. Ownership 7. Nature of Securities Form: Direct Indirect Beneficially (D) or Indirect Beneficial Owned (I) Ownership (Instr. 4) (Instr. 4)

Following Reported (A) Transaction(s) or (Instr. 3 and 4)

Code V Amount (D) Price

(Instr. 3, 4 and 5)

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

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 control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5. Number	6. Date Exercisable and
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction Derivative		Expiration Date
Security	or Exercise		any	Code	Securities	(Month/Day/Year)
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Acquired	

(Instr. 3 and 4)

7. Title and Amount of 8. l **Underlying Securities**

De

Sec (In Edgar Filing: ITERIS, INC. - Form 4

Derivative (A) or Security Disposed of (D) (Instr. 3, 4,

and 5)

Code V (A) (D) Date Expiration Title Amount Exercisable Date or

Number of Shares

Option

right to \$ 2.91 09/16/2005 A 5,000 (1) 09/16/2015 Common Stock 5,000

buy

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Hernandez Gary 1515 S. MANCHESTER AVE. X ANAHEIM, CA 92802

Signatures

/s/Jim Miele, Attorney-in-fact 09/19/2005

**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).

Options are immediately exercisable - optionee shall acquire a vested interest in the option shares and the Corporation's repurchase right

(1) shall accordingly lapse with respect to the option shares in a series of four successive equal annual installments upon optionee's cessation of Board service

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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