

ITERIS, INC.
Form 144
June 11, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL

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FORM 144

**NOTICE OF PROPOSED SALE OF SECURITIES
PURSUANT TO RULE 144 UNDER THE SECURITIES ACT OF 1933**

CUSIP
NUMBER
WORK
LOCATION

ATTENTION:

Transmit for filing 3 copies of this form concurrently with either placing an order with a broker to execute sale or executing a sale directly with a market maker.

1 (a) NAME OF ISSUER (Please type or print)

(b) IRS IDENT. NO.

(c) S.E.C. FILE NO.

Iteris Inc.

95-2588496

001-08762

1 (d) ADDRESS OF ISSUER (Street, City, State, Zip Code)

(e) TELEPHONE NO.

1515 S. Manchester Ave., Anaheim, CA 92802

AREA NUMBER
CODE

714 774-5000

2 (a) NAME OF PERSON FOR WHOSE ACCOUNT THE SECURITIES ARE TO BE SOLD (b) IRS IDENT. NO. (c) RELATIONSHIP TO ISSUER (d) ADDRESS (Street, City, State, Zip Code)

Glenn Grayson

293-44-9358

Associate Principal

8224 Desert Beach Drive, Las Vegas, NV
89128

INSTRUCTION: The person filing this notice should contact the issuer to obtain the I.R.S. Identification Number and the S.E.C. File Number.

| 3 (a) | (b) | SEC USE ONLY | (c) | (d) | (e) | (f) | (g) |
|----------------------------------|---|--------------|------------------|------------------|---------------------------------|--------------------------|-------------------------|
| Title of the Class of Securities | Name and Address of Each Broker Through | | Number of Shares | Aggregate Market | Number of Shares or Other Units | Approximate Date of Sale | Name of Each Securities |

| To be sold | Whom the Securities are to be Offered or Each Market Maker who is Acquiring the Securities | Broker-Dealer File Number | or Other Units To Be Sold | Value (See instr. 3(d)) | Outstanding (See instr. 3(e)) | (See instr. 3(f)) (MO. DAY YR.) | Exchange (See instr. 3(g)) |
|------------|--|------------------------------|---------------------------------------|-----------------------------------|---|--|--------------------------------------|
| Common | B. Riley & Company | | 46,874 | \$ 122,941.13 | 31,800,000 | 6/07/07 | Nasdaq |
| | 11100 Santa Monica Blvd. #800 | | | | | | |
| | Los Angeles, CA 90025 | | | | | | |

INSTRUCTIONS:

1.
 - (a) Title of the class of securities to be sold
 - (b) Name of issuer
 - (b) Name and address of each broker through whom the securities are intended to be sold
 - (c) Issuer's I.R.S. Identification Number
 - (c) Issuer's S.E.C. file number, if any
 - (d) Issuer's address, including zip code
 - (e) Issuer's telephone number, including area code
2.
 - (a) Number of shares or other units to be sold (if debt securities, give the aggregate face amount)
 - (d) Aggregate market value of the securities to be sold as of a specified date within 10 days prior to the filing of this notice
 - (e) Number of shares or other units of the class outstanding, or if debt securities the face amount thereof outstanding, as

(a) shown by the most recent report or statement published by the issuer

Name of person for whose account the securities are to be sold

(f)

(b) Approximate date on which the securities are to be sold

Such person's I.R.S. identification number, if such person is an entity

(g)

(c) Name of each securities exchange, if any, on which the securities are intended to be sold

Such person's relationship to the issuer (e.g., officer, director, 10% stockholder, or member of immediate family of any of the foregoing)

(d)

Such person's address, including zip code

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 control number.

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TABLE I SECURITIES TO BE SOLD

Furnish the following information with respect to the acquisition of the securities to be sold and with respect to the payment of all or any part of the purchase price or other consideration therefor:

| Title of the Class | Date you Acquired | Name of Acquisition Transaction | Name of Person from Whom Acquired <i>(If gift, also give date donor acquired)</i> | Amount of Securities Acquired | Date of Payment | Nature of Payment |
|---------------------------|--------------------------|--|---|--------------------------------------|------------------------|--------------------------|
| Common Stock | 10/16/98 | Stock Option | Iteris Inc. | 46,874 | | |

INSTRUCTIONS:

If the securities were purchased and full payment therefor was not made in cash at the time of purchase, explain in the table or in a note thereto the nature of the consideration given. If the consideration consisted of any note or other obligation, or if payment was made in installments describe the arrangement and state when the note or other obligation was discharged in full or the last installment paid.

TABLE II SECURITIES SOLD DURING THE PAST 3 MONTHS

Furnish the following information as to all securities of the issuer sold during the past 3 months by the person for whose account the securities are to be sold.

| Name and Address of Seller | Title of Securities Sold | Date of Sale | Amount of Securities Sold | Gross Proceeds |
|-----------------------------------|---------------------------------|---------------------|----------------------------------|-----------------------|
| None | | | | |

REMARKS:

INSTRUCTIONS:

See the definition of "person" in paragraph (a) of Rule 144. Information is to be given not only as to the person for whose account the securities are to be sold but also as to all other persons included in that definition. In addition, information shall be given as to sales by all persons whose sales are required by paragraph (e) of Rule 144 to be aggregated with sales for the account of the person filing this notice.

June 8,2007

DATE OF NOTICE

ATTENTION:

The person for whose account the securities to which this notice relates are to be sold hereby represents by signing this notice that he does not know any material adverse information in regard to the current and prospective operations of the Issuer of the securities to be sold which has not been publicly disclosed.

/s/ Glenn Grayson

(SIGNATURE)

The notice shall be signed by the person for whose account the securities are to be sold. At least one copy of the notice shall be manually signed.

Any copies not manually signed shall bear typed or printed signatures.

**ATTENTION: Intentional misstatements or omission of facts constitute Federal Criminal Violations
(See 18 U.S.C. 1001)**

SEC 1147 (01-07)