

ITERIS, INC.
Form 3
January 10, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *

Â MARXE AUSTIN W &
GREENHOUSE DAVID M

(Last) (First) (Middle)

2. Date of Event Requiring Statement

(Month/Day/Year)
12/31/2005

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

4. Relationship of Reporting Person(s) to Issuer

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

(Check all applicable)

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

C/O SPECIAL SITUATIONS
FUNDS,Â 527 MADISON
AVENUE, SUITE 2600

(Street)

NEW YORK,Â NYÂ 10022

(City) (State) (Zip)

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security
(Instr. 4)

2. Amount of Securities Beneficially Owned
(Instr. 4)

3. Ownership Form:
Direct (D)
or Indirect (I)
(Instr. 5)

4. Nature of Indirect Beneficial Ownership
(Instr. 5)

Common Stock

2,911,790 ⁽¹⁾

I ⁽¹⁾

By Limited Partnerships ⁽¹⁾

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

SEC 1473 (7-02)

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.

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

1. Title of Derivative Security
(Instr. 4)

2. Date Exercisable and Expiration Date
(Month/Day/Year)

3. Title and Amount of Securities Underlying Derivative Security

4. Conversion or Exercise

5. Ownership Form of

6. Nature of Indirect Beneficial Ownership
(Instr. 5)

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	Date Exercisable	Expiration Date	(Instr. 4) Title	Amount or Number of Shares	Price of Derivative Security	Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	
Warrants	08/16/2002	08/16/2007	Common Stock	1,192,913 ⁽²⁾	\$ 1.61	I ⁽²⁾	By Limited Partnerships ⁽²⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MARXE AUSTIN W & GREENHOUSE DAVID M C/O SPECIAL SITUATIONS FUNDS 527 MADISON AVENUE, SUITE 2600 NEW YORK, NY 10022	Â	Â X	Â	Â

Signatures

Austin W.
Marxe
Date: 01/10/2006
**Signature of Reporting Person

David M.
Greenhouse
Date: 01/10/2006
**Signature of Reporting Person

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(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).

This is a joint filing by Austin W. Marxe (Marxe) and David M. Greenhouse (Greenhouse). They share voting and investment control over all securities owned by Special Situations Fund III QP, L.P. (QP), Special Situations Cayman Fund, L.P. (Cayman) and Special Situations Private Equity Fund, LP (PE), respectively. 1,615,587 shares of Common Stock are held by QP, 519,903 shares of Common Stock are held by Cayman and 776,300 shares of Common Stock are held by PE. The interest of Marxe and Greenhouse in the shares of Common Stock owned by QP, Cayman and PE is limited to the extent of his pecuniary interest.

This is a joint filing by Austin W. Marxe (Marxe) and David M. Greenhouse (Greenhouse). They share voting and investment control over all securities owned by Special Situations Fund III QP, L.P. (QP), Special Situations Cayman Fund, L.P. (Cayman) and Special Situations Private Equity Fund, LP (PE), respectively. 651,263 Warrants B are held by QP, 208,300 Warrants B are held by Cayman and 333,350 Warrants B are held by PE. The interest of Marxe and Greenhouse in the shares of Common Stock owned by QP, Cayman and PE is limited to the extent of his pecuniary interest.

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.