

ITERIS, INC.
Form 8-K
March 06, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **March 1, 2007**

ITERIS, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation)

001-08762
(Commission File Number)

95-2588496
(IRS Employer Identification No.)

1515 South Manchester Avenue, Anaheim, California 92802

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(714) 774-5000**

Not Applicable

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(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- o Written communications pursuant to Rule 425 under the Securities Act
 - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act
 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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Mr. Mohaddes was also President and Chief Executive Officer of Meyer, Mohaddes Associates, Inc., the Company's former subsidiary which he co-founded in 1991 prior to its acquisition by the Iteris Subsidiary in October 1998.

As more fully described above, in connection with Mr. Abbas' appointment as the Company's new Chief Executive Officer, the Company entered into an offer letter with Mr. Mohaddes, which provides for a base salary of \$350,000 per year, a potential bonus of \$150,000 for the fiscal year ending March 31, 2008, option grants for up to 300,000 shares of the Company's common stock, and certain severance benefits.

Since April 1, 2005, there has been no transaction or any currently proposed transaction in which the Company was or is to be a participant and the amount involved exceeds \$120,000 and in which Mr. Mohaddes had or will have a direct or indirect material interest, other than as described above or as described in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 19, 2006, relating to the Joint Development Agreement with, and Mr. Mohaddes' interest in, Crain & Associates, which description is incorporated herein by reference. As provided in the new offer letter by and between Iteris and Mr. Mohaddes, Iteris may terminate Mr. Mohaddes for cause in the event Mr. Mohaddes fails to enter into a binding contract with an independent third party or with Iteris, within 90 days of his promotion, to dispose of his interest in Crain & Associates.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits

10.1 Offer letter effective February 28, 2007 by and between Iteris, Inc. and Abbas Mohaddes

10.2 Separation Agreement and Release of Claims dated March 1, 2007 by and between Iteris, Inc. and Jack Johnson

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 6, 2007

ITERIS, INC.,
a Delaware corporation

By:

/S/ JAMES S. MIELE
James S. Miele
Chief Financial Officer