

VARON LESLIE F  
Form 4  
November 01, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
VARON LESLIE F

(Last) (First) (Middle)  
XEROX CORPORATION, 800  
LONG RIDGE ROAD  
(Street)

STAMFORD, CT 06904

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
XEROX CORP [XRX]

3. Date of Earliest Transaction  
(Month/Day/Year)  
10/31/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
Vice President and Controller

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

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 Ownership (Instr. 4)
				(A) or (D)			
			Code	V	Amount	(D)	Price
Common Stock					3,510.47	I	Employee Stock Ownership Plan
Common Stock					5	I	Spouse
Incentive Stock Rights					6,334	D	
Xerox Stock Fund					804.931	I	Xerox Stock Fund

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Common Stock	10/31/2006	M	3,400	A	\$ 0 (1)	29,758.0725	D
Common Stock	10/31/2006	S	3,400	D	\$ 16.9	26,358.0725	D
Common Stock	10/31/2006	M	5,000	A	\$ 0 (1)	31,358.0725	D
Common Stock	10/31/2006	S	5,000	D	\$ 16.9	26,358.0725	D

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

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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 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 Security (Instr. 3 and 4)
Stock Option	\$ 4.75	10/31/2006		M	3,400	01/01/2002 <sup>(3)</sup> 12/31/2010	Common Stock
Stock Option	\$ 7.885					01/01/2004 <sup>(3)</sup> 12/31/2012	Common Stock
Stock Option	\$ 9.25	10/31/2006		M	5,000	01/01/2004 <sup>(3)</sup> 12/31/2010	Common Stock
Stock Option	\$ 10.365					01/01/2003 <sup>(3)</sup> 12/31/2011	Common Stock
Stock Option	\$ 21.7812					01/01/2001 <sup>(3)</sup> 12/31/2009	Common Stock
Stock Option	\$ 25.8125					03/01/2003 <sup>(3)</sup> 12/31/2009	Common Stock
Stock Option	\$ 59.4375					01/01/2000 <sup>(3)</sup> 12/31/2006	Common Stock
Stock Option	\$ 59.4375					01/01/2000 <sup>(3)</sup> 12/31/2008	Common Stock

Stock Option	\$ 13.685	01/01/2005 <sup>(3)</sup>	12/31/2011	Common Stock
Performance Shares	\$ 0 <sup>(1)</sup>	08/08/1988 <sup>(1)</sup>	08/08/1988 <sup>(1)</sup>	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
VARON LESLIE F XEROX CORPORATION 800 LONG RIDGE ROAD STAMFORD, CT 06904			Vice President and Controller	

## Signatures

Karen Boyle,  
Attorney-in-Fact

11/01/2006

    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) Not Applicable

(2) These performance shares were earned based on achievement of specific annual performance criteria that are not tied solely to the market price of Issuer securities. Performance shares, to the extent earned, are scheduled to vest three years from their respective grant date.

(3) Options vest over three years, 33.3% per year beginning in year shown.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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