

PEPPER JOHN E
Form 4
January 19, 2005

FORM 4

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

OMB APPROVAL

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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 *
PEPPER JOHN E

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
800 LONG RIDGE ROAD, P. O.
BOX 1600

3. Date of Earliest Transaction (Month/Day/Year)
01/14/2005

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

(Street)
STAMFORD, CT 06904

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

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

(City) (State) (Zip)

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					63,728.2969	D	
Common Stock					24,000	I	By John E. Pepper GRAT
Common Stock					24,000	I	By Frances Pepper GRAT
Deferred Stock Unit	01/14/2005		A ⁽⁵⁾	2,487 A	\$ 16.09 8,416	D	

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

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(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 Securities (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 10.5					01/01/2004 ⁽¹⁾	05/15/2013	Common Stock	5,000
Stock Option	\$ 6.8					01/01/2003 ⁽¹⁾	09/09/2012	Common Stock	5,000
Stock Option	\$ 9.25					01/01/2002 ⁽¹⁾	08/28/2011	Common Stock	5,000
Stock Option	\$ 26.5625					01/01/1997 ⁽²⁾	05/22/2006	Common Stock	5,000
Stock Option	\$ 27					01/01/2001 ⁽¹⁾	05/18/2010	Common Stock	5,000
Stock Option	\$ 32.1563					01/01/1998 ⁽²⁾	05/14/2007	Common Stock	5,000
Stock Option	\$ 54.2188					01/01/1999 ⁽¹⁾	05/22/2006	Common Stock	5,000
Stock Option	\$ 60.4375					01/01/2000 ⁽¹⁾	05/20/2009	Common Stock	5,000
Deferred Comp.	\$ 0 ⁽³⁾					08/08/1988 ⁽³⁾	08/08/1988 ⁽³⁾	Common Stock	\$ 0 ⁽³⁾

Reporting Owners

Reporting Owner Name / Address

Relationships

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Director 10% Owner Officer Other

PEPPER JOHN E
800 LONG RIDGE ROAD
P. O. BOX 1600
STAMFORD, CT 06904

X

Signatures

K. W. Fizer,
Attorney-In-Fact 01/19/2005

__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).
- (1) Options vest over three years, 33.3% per year beginning in year shown.
- (2) Options vest over three years, 33%, 33%, 34%, beginning in year shown.
- (3) Not Applicable
- (4) Hypothetical investment of deferred compensation in Xerox Stock Fund under the Xerox Saving Plan.
- (5) Deferred Stock Unit issued as payment of fees under the terms of the 2004 Non-Employee Directors Compensation Plan

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.