FARREN J MICHAEL

Form 4

October 30, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

3235-0287 Number: Expires:

OMB APPROVAL

January 31, 2005

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if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

Check this box

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 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * FARREN J MICHAEL		2. Issuer Name and Ticker or Trading Symbol XEROX CORP [XRX]				ng	5. Relationship of Reporting Person(s) to Issuer			
(Last) (First) (Middle) 3. Dai (Mon			(Month/	3. Date of Earliest Transaction (Month/Day/Year) 10/26/2006				(Check all applicable) Director 10% OwnerX_ Officer (give title Other (specify below) Vice Pres. & General Counsel		
(Street) STAMFORD, CT 06904			4. If Amendment, Date Original Filed(Month/Day/Year)					6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person _ Form filed by More than One Reporting Person		
(City)	(State)	(Zip)	Tab	ole I - Non	ı-Derivative	Secui	rities Acq	uired, Disposed	of, or Benefici	ally Owned
1.Title of Security (Instr. 3)	2. Transaction Da (Month/Day/Year		n Date, if	3. Transact Code (Instr. 8)		sposed	of (D)	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 Indirect Beneficial Ownership (Instr. 4)
Common Stock								2,050.69	I	Employee Stock Ownership Plan
Incentive Stock Rights								33,000	D	
Common Stock	10/26/2006			M	62,000	A	\$ 0 (2)	117,822	D	
Common Stock	10/26/2006			S	2,700	D	\$ 16.79	115,122	D	

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Common Stock	10/26/2006	S	4,800	D	\$ 16.78	110,322	D
Common Stock	10/26/2006	S	6,600	D	\$ 16.77	103,722	D
Common Stock	10/26/2006	S	1,900	D	\$ 16.76	101,822	D
Common Stock	10/26/2006	S	2,500	D	\$ 16.75	99,322	D
Common Stock	10/26/2006	S	17,900	D	\$ 16.74	81,422	D
Common Stock	10/26/2006	S	1,900	D	\$ 16.73	79,522	D
Common Stock	10/26/2006	S	100	D	\$ 16.71	79,422	D
Common Stock	10/26/2006	S	1,600	D	\$ 16.7	77,822	D
Common Stock	10/26/2006	S	22,000	D	\$ 16.67	55,822	D

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

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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 or 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 A Underlying Se (Instr. 3 and 4
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title
Stock Option	\$ 46.875					01/01/1999(1)	12/31/2008	Common Stock
Stock Option	\$ 59.4375					01/01/2000(1)	12/31/2006	Common Stock
Stock Option	\$ 47.5					03/01/2003	12/31/2009	Common Stock

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Stock Option	\$ 21.7812				01/01/2005	12/31/2009	Common Stock
Stock Option	\$ 4.75	10/26/2006	M	62,000	01/01/2002(1)	12/31/2010	Common Stock
Stock Option	\$ 10.365				01/01/2003(1)	12/31/2011	Common Stock
Stock Option	\$ 7.885				01/01/2004	12/31/2012	Common Stock
Stock Option	\$ 13.685				01/01/2005(1)	12/31/2011	Common Stock
Performance Shares	\$ 0 (2)				08/08/1988(2)	08/08/1988(2)	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships						
•	Director	10% Owner	Officer	Other			
FARREN J MICHAEL			W. D				
800 LONG RIDGE ROAD			Vice Pres.				
P. O. BOX 1600			& General				
STAMFORD, CT 06904			Counsel				

Signatures

Karen Boyle,
Attorney-In-Fact

**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) Not Applicable
- (3) 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.

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.

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