McDermott John E Form 4 February 16, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average

burden hours per response...

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 * McDermott John E

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

XEROX CORP [XRX]

(Month/Day/Year)

(Check all applicable)

(Last)

(First)

(Middle)

3. Date of Earliest Transaction

Director

10% Owner Other (specify

C/O XEROX CORPORATION, P.O.

(Street)

01/02/2007

X_ Officer (give title

below)

Vice President

BOX 1600 / 800 LONG RIDGE **ROAD**

4. If Amendment, Date Original

Applicable Line)

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

6. Individual or Joint/Group Filing(Check

STAMFORD, CT 06904

(City)	(State)	(Zip) Tabl	le I - Noi	n-D	erivative	Secur	ities A	equired, Disposed	l of, or Benefici	ially Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	Code		4. Securities onAcquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following	6. Ownership Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)	(Instr. 4)	
Incentive Stock Rights	01/02/2007		J <u>(4)</u>	V	6,334	D	\$ 0 (3)	0	D	
Common Stock								2.595	I	Employee Stock Ownership Plan
Common Stock	01/02/2007		J <u>(4)</u>	V	6,334	A	\$ 0 (3)	23,608	D	
Common	01/02/2007		F(4)	V	2,348	D	\$0	21,260	D	

(3) Stock

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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. Transactic Code (Instr. 8)	5. Number proof Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisab Date (Month/Day/Year	•	7. Title and A Underlying S (Instr. 3 and 4	ec
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	A O N
Stock Option	\$ 13.685					01/01/2005(1)	12/31/2011	Common Stock	2
Stock Option	\$ 15.205					01/01/2005(1)	12/31/2011	Common Stock	
Performance Shares	\$ 0 (3)	02/15/2007		A	8,833	08/08/1988(3)	08/08/1988(3)	Common Stock	

Deletionship

Reporting Owners

Reporting Owner Name / Address	Kelationships					
·	Director	10% Owner	Officer	Other		
McDermott John E						
C/O XEROX CORPORATION			Vice			
P.O. BOX 1600 / 800 LONG RIDGE ROAD			President			
STAMFORD, CT 06904						

Signatures

**Signature of Reporting Person

Karen Boyle, Attorney-in Fact	02/16/2007
**Signature of Reporting Person	Date

2 Reporting Owners

Edgar Filing: McDermott John E - Form 4

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) 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) Not Applicable
- (4) Vesting of Incentive Stock Rights.

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.