XEROX CORP Form 4 January 05, 2007

FORM 4

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

Check this box if no longer subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

Name and Address of Reporting Person MULCAHY ANNE M	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)	or Batte of Battleot Transaction			
800 LONG RIDGE ROAD, P. O. BOX 1600	(Month/Day/Year) 03/07/2006	Director 10% OwnerX Officer (give title Other (specif below) Chairman and CEO		
(Street)	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		
STAMFORD, CT 06904		Form filed by More than One Reporting Person		

		1 613011								
(City)	(State)	(Zip) Ta	ble I - Non-I)eriv	ative Secur	ities A	cquired, Dis	sposed of, or Ber	neficially Ow	ned
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. Securitie Disposed o (Instr. 3, 4			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)
Incentive Stock Rights								366,000	D	
Xerox Stock Fund								13,300.425 (3)	I	Xerox Stock Fund
Common Stock								4,503.34	I	Employee Stock Ownership Plan
	03/07/2006		$G^{(8)}$	V		D	\$ 0 (2)	73,770	I	

OMB APPROVAL

Estimated average

burden hours per

3235-0287

January 31,

2005

0.5

OMB

Number:

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response...

Common Stock				40,501 (8)					By Anne M. Mulcahy GRAT
Common Stock	03/07/2006	G(8)	V	3,770 (8)	D	\$ 0 (2)	70,000	I	By Anne M. Mulcahy GRAT
Common Stock	03/07/2006	$G_{\overline{(8)}}$	V	40,501 (12)	A	\$ 0 (2)	593,448	D	
Common Stock	03/27/2006	G <u>(9)</u>	V	100,000 (9)	D	\$ 0 (2)	493,448	D	
Common Stock	03/27/2006	G <u>(9)</u>	V	100,000	A	\$ 0 (2)	170,000	I	By Anne M. Mulcahy GRAT
Common Stock	07/05/2006	G	V	34,100 (10)	D	\$ 0 (2)	135,900	I	By Anne M. Mulcahy GRAT
Common Stock	07/05/2006	G	V	34,100 (10)	A	\$ 0 (2)	527,548	D	
Common Stock	08/18/2006	G	V	1,630 (11)	D	\$ 0 (2)	525,918	D	
Common Stock	01/03/2007	M/K(5)(6)		257,577	A	\$ 0 (2)	783,495	D	
Common Stock	01/03/2007	S/K(5)		72,090	D	\$ 16.9715	711,405	D	
Common Stock	01/03/2007	F/K(5)		70,992	D	\$ 16.9715	640,413	D	
Common Stock	01/03/2007	S		2,900	D	\$ 16.93	637,513	D	
Common Stock	01/03/2007	S		14,100	D	\$ 16.94	623,413	D	
Common Stock	01/03/2007	S		20,100	D	\$ 16.95	603,313	D	
Common Stock	01/03/2007	S		20,600	D	\$ 16.96	582,713	D	
Common Stock	01/03/2007	S		20,800	D	\$ 16.97	561,913	D	
Common Stock	01/03/2007	S		11,300	D	\$ 16.98	550,613	D	

Common Stock	01/03/2007	S	800	D	\$ 16.99	549,813	D
Common Stock	01/03/2007	S	2,700	D	\$ 17	547,113	D
Common Stock	01/03/2007	S	9,300	D	\$ 17.01	537,813	D
Common Stock	01/03/2007	S	6,900	D	\$ 17.02	530,913	D
Common Stock	01/03/2007	S	600	D	\$ 17.03	530,313	D
Common Stock	01/03/2007	S	1,800	D	\$ 17.06	528,513	D
Common Stock	01/03/2007	S	1,900	D	\$ 17.07	526,613	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)	1	Deri Secu Acq Disp	umber of vative urities uired (A) or cosed of (D) r. 3, 4, and	6. Date Exercisab Date (Month/Day/Year	•	7. Titl Under (Instr.
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Stock Option	\$ 4.75	01/03/2007		M/K(5)(6)			257,577	01/01/2002(1)	12/31/2010	Com Sto
Stock Option	\$ 7.885							01/01/2004(1)	12/31/2012	Com Sto
Stock Option	\$ 9.25							01/01/2004	08/28/2011	Com
Stock Option	\$ 10.365							01/01/2003(1)	12/31/2011	Com
Stock Option	\$ 21.7812							01/01/2005	12/31/2009	Con Sto
Stock Option	\$ 27							01/01/2001	12/31/2009	Com

Stock Option	\$ 46.875					01/01/1999(1)	12/31/2008	Sto
Stock Option	\$ 47.5					03/01/2003	12/31/2009	Com
Stock Option	\$ 59.4375	12/31/2006	H <u>(7)</u>	V	1,382	01/01/2000	12/31/2006	Com
Deferred Comp.	\$ 0 (2)					08/08/1988(2)	08/08/1988(2)	Con
Stock Option	\$ 13.685					01/01/2005(1)	12/31/2011	Com
Performance Shares	\$ 0 (2)					08/08/1988(2)	08/08/1988(2)	Com

Reporting Owners

Reporting Owner Name / Address	Relationships							
	Director	10% Owner	Officer	Other				
MULCAHY ANNE M								

MULCAHY ANNE M 800 LONG RIDGE ROAD P. O. BOX 1600 STAMFORD, CT 06904

Chairman and CEO

Signatures

Karen Boyle , Attorney-In-Fact 01/05/2007

**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) Hypothetical investment of deferred compensation in Xerox Stock Fund under the Xerox Saving Plan.
- 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.
- (5) Stock options were exercised by stock swap using the attestation method.
- This sale of shares was effected pursuant to a Rule 10B5-1 trading plan adopted by the reporting person on February 8,2005 and disclosed under item 8.01 of the Form 8-K filed with the Securities and Exchange Commission on November 5, 2004.
- (7) Expiration of unexercised stock options.
- (8) Distribution balance of the 2004 GRAT previously held directly by reporting person.
- (9) 2006 GRAT shares previously held directly by reporting person
- (10) Partial distribution of the 2005 GRAT previously held directly by reporting person

Reporting Owners 4

- (11) Shares gifted to Eileen Moore ACF Olivia Kathryn Moore
- (12) Shares gifted to M Mulcahy (1885 shares) and K Mulcahy (1885 shares)

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.