XEROX CORP Form 4 July 17, 2006

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 Form 5

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction 1(b).

OMB APPROVAL

OMB 3235-0287 Number:

January 31, Expires: 2005

Estimated average burden hours per response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person * NICHOLAS NICHOLAS J JR

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

(Last) (First)

(Middle)

XEROX CORP [XRX] 3. Date of Earliest Transaction

800 LONG RIDGE ROAD, P. O.

(Month/Day/Year) 07/14/2006

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

BOX 1600

4. If Amendment, Date Original (Street)

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

STAMFORD 06904

(City)	(State)	(Zip) Table	e I - Non-D	erivative	Secur	ities Acq	uired, Disposed o	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securi on(A) or D (Instr. 3,	ispose 4 and (A) or	d 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			Couc v	Amount	(D)	Trice	106,700	D	
Common Stock							1,400	I	Spouse
Deferred Stock Unit	07/14/2006		A(5)	5,347	A	\$ 13.56	21,037	D	

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

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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. Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Date (Month/Day/Year	ite		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option	\$ 10.5					01/01/2004(3)	05/15/2013	Common Stock	5,000	
Stock Option	\$ 6.8					01/01/2003(3)	09/09/2012	Common Stock	5,000	
Stock Option	\$ 9.25					01/01/2002(3)	08/28/2011	Common Stock	5,000	
Stock Option	\$ 26.5625					01/01/1997	05/22/2006	Common Stock	5,000	
Stock Option	\$ 27					01/01/2001(3)	05/18/2010	Common Stock	5,000	
Stock Option	\$ 32.1563					01/01/1998(4)	05/14/2007	Common Stock	5,000	
Stock Option	\$ 54.2188					01/01/1999	05/22/2006	Common Stock	5,000	
Stock Option	\$ 60.4375					01/01/2000(3)	05/20/2009	Common Stock	5,000	
Deferred Comp.	\$ 0 (1)					08/08/1988(1)	08/08/1988(1)	Common Stock	\$ 0 (1)	

Reporting Owners

Reporting Owner Name / Address	Relationships						
reporting of their remains a remainder	Director	10% Owner	Officer	Other			
NICHOLAS NICHOLAS J JR	X						
800 LONG RIDGE ROAD							
P. O. BOX 1600							

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STAMFORD 06904

Signatures

K. Boyle

Attorney-In-Fact 07/17/2006

**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) Hypothetical investment of deferred compensation in Xerox Stock Fund under the Xerox Saving Plan.
- (3) Options vest over three years, 33.3% per year beginning in year shown.
- (4) Options vest over three years, 33%, 33%, 34%, beginning in year shown.
- (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.

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