MOTRONI HECTOR J

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 Number:

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

1. Name and Address of Reporting Person * MOTRONI HECTOR J			2. Issuer Name and Ticker or Trading Symbol XEROX CORP [XRX]	5. Relationship of Reporting Person(s) to Issuer		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check all applicable)		
			(Month/Day/Year)	Director 10% Owner		
800 LONG RI	DGE ROAD), P. O.	10/26/2006	X Officer (give title Other (specify below)		
BOX 1600				Senior Vice President		
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
			Filed(Month/Day/Year)	Applicable Line)		
STAMFORD, CT 06904				_X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Ta	ble I - Non-Do	erivative S	ecurit	ies Acqui	red, Disposed of, o	or Beneficially	y 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. Securit (A) or Dis (Instr. 3,	sposed	of (D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code V	Amount	(D)	Price	(Instr. 3 and 4)		
Common Stock	10/26/2006		M/K(4)	40,500	A	\$ 0 (3)	168,205.7078	D	
Common Stock	10/26/2006		F/K(4)	9,154	D	\$ 16.88	159,051.7078	D	
Common Stock	10/26/2006		S/K(4)	11,396	D	\$ 16.88	147,655.7078	D	
Common Stock	10/26/2006		M/K(4)	81,000	A	\$ 0 (3)	228,655.7078	D	
Common Stock	10/26/2006		F/K(4)	17,892	D	\$ 16.88	210,763.7078	D	

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Common Stock	10/26/2006	S/K	37,836	D	\$ 16.88	172,927.7078	D	
Common Stock	10/26/2006	S	4,500	D	\$ 16.87	168,427.7078	D	
Common Stock	10/26/2006	S	28,622	D	\$ 16.85	139,805.7078	D	
Common Stock	10/26/2006	S	12,100	D	\$ 16.84	127,705.7078	D	
Common Stock						5,046.14	I	Employee Stock Ownership Plan
Incentive Stock Rights						15,334	D	

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)	Date (Month/Day/Year	ole and Expiration	7. Title and Underlying (Instr. 3 an
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title
Stock Options	\$ 4.75	10/26/2006		M/K(4)	40,500	01/01/2001(2)	12/31/2010	Common
Stock Options	\$ 7.885	10/26/2006		M/K(4)	81,000	01/01/2003(2)	12/31/2012	Common
Stock Options	\$ 10.365					01/01/2002(2)	12/31/2011	Commo
Stock Options	\$ 21.7812					01/01/2005	12/31/2009	Common
Stock Options	\$ 46.875					01/01/1999	12/31/2008	Common Stock

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Stock Options	\$ 47.5	03/01/2003	12/31/2009	Common Stock
Stock Options	\$ 54.8594	01/01/2000	12/31/2008	Common
Stock Options	\$ 59.4375	01/01/2000	12/31/2006	Common Stock
Deferred Comp. (1)	\$ 0	08/08/1988(2)	08/08/1988(2)	Common
Stock Option	\$ 13.685	01/01/2005(2)	12/31/2011	Common
Performance Shares	\$ 0 <u>(3)</u>	08/08/1988(3)	08/08/1988(3)	Common

Reporting Owners

Reporting Owner Name / Address	Relationships				
	Director	10% Owner	Officer	Other	

MOTRONI HECTOR J 800 LONG RIDGE ROAD P. O. BOX 1600 STAMFORD, CT 06904

Senior Vice President

Deletionship

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) Hypothetical investment of deferred compensation in Xerox Stock Fund under the Xerox Saving Plan.
- (2) Options vest over three years, 33.3% per year beginning in year shown.
- (3) Not Applicable
- (4) Stock options were exercised by stock swap using the attestation method.
- (5) 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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