

XEROX CORP
 Form 4
 November 13, 2006

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Lesko James H

(Last) (First) (Middle)

C/O XEROX CORPORATION, P.O.
 BOX 1600 / 800 LONG RIDGE
 ROAD

(Street)

STAMFORD, CT 06904-1600

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 XEROX CORP [XRX]

3. Date of Earliest Transaction
 (Month/Day/Year)
 11/09/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially 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. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	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)
				(A) or (D) Code V Amount (D) Price			
Incentive Stock Rights					9,334	D	
Common Stock					5,447.37	I	Employee Stock Ownership Plan
Common Stock	11/09/2006		M	40,000 A	\$ 0 ⁽²⁾ 54,019	D	
Common Stock	11/09/2006		S	29,600 D	\$ 24,419	D	

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Stock					16.96		
Common Stock	11/09/2006		S	10,400	D	\$ 16.95	14,019 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 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 Underlying Security (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
Stock Option	\$ 21.7812					01/01/2005	12/31/2009	Common Stock
Stock Option	\$ 10.365					01/01/2003 ⁽¹⁾	12/31/2011	Common Stock
Stock Option	\$ 7.885	11/09/2006		M	40,000	01/01/2004 ⁽¹⁾	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

Lesko James H
C/O XEROX CORPORATION
P.O. BOX 1600 / 800 LONG RIDGE ROAD
STAMFORD, CT 06904-1600

Vice
President

Signatures

K. Boyle,
Attorney-in-Fact 11/13/2006

__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) 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.
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