

FARREN J MICHAEL  
 Form 4  
 October 30, 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 \*  
**FARREN J MICHAEL**

(Last) (First) (Middle)  
 800 LONG RIDGE ROAD, P. O.  
 BOX 1600  
 (Street)

STAMFORD, CT 06904

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
 10/26/2006

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 Pres. & General Counsel

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			
Common Stock					2,050.69	I	Employee Stock Ownership Plan
Incentive Stock Rights					33,000	D	
Common Stock	10/26/2006		M	62,000 A	\$ 0 <sup>(2)</sup> 117,822	D	
Common Stock	10/26/2006		S	2,700 D	\$ 16.79 115,122	D	

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Common Stock	10/26/2006	S	4,800	D	\$ 16.78	110,322	D
Common Stock	10/26/2006	S	6,600	D	\$ 16.77	103,722	D
Common Stock	10/26/2006	S	1,900	D	\$ 16.76	101,822	D
Common Stock	10/26/2006	S	2,500	D	\$ 16.75	99,322	D
Common Stock	10/26/2006	S	17,900	D	\$ 16.74	81,422	D
Common Stock	10/26/2006	S	1,900	D	\$ 16.73	79,522	D
Common Stock	10/26/2006	S	100	D	\$ 16.71	79,422	D
Common Stock	10/26/2006	S	1,600	D	\$ 16.7	77,822	D
Common Stock	10/26/2006	S	22,000	D	\$ 16.67	55,822	D

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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)	
						Date Exercisable	Expiration Date	Title
				Code	V (A) (D)			
Stock Option	\$ 46.875					01/01/1999 <sup>(1)</sup>	12/31/2008	Common Stock
Stock Option	\$ 59.4375					01/01/2000 <sup>(1)</sup>	12/31/2006	Common Stock
Stock Option	\$ 47.5					03/01/2003	12/31/2009	Common Stock

