

VARON LESLIE F
Form 4
February 16, 2007

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 *
VARON LESLIE F

(Last) (First) (Middle)
XEROX CORPORATION, 800
LONG RIDGE ROAD
(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)
01/02/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | | | | | 3,510.47 | I | Employee Stock Ownership Plan |
| Common Stock | | | | | 5 | I | Spouse |
| Incentive Stock Rights | 01/02/2007 | | J(4) | V 6,334 D | \$ 0 (1) | D | |
| Xerox Stock Fund | | | | | 804.931 | I | Xerox Stock Fund |

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| | | | | | | | | |
|--------------|------------|------------------|---|-------|---|-------------|-------------|---|
| Common Stock | 01/02/2007 | J ⁽⁴⁾ | V | 6,334 | A | \$ 0 (1) | 32,692.0725 | D |
| Common Stock | 01/02/2007 | F ⁽⁴⁾ | V | 2,348 | D | \$ 0 (1) | 30,344.0725 | 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. Code | 5. Number of Derivative Securities (Instr. 8) | 5. Number 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) |
|--|--|--------------------------------------|--|---------|---|--|--|---|
| Stock Option | \$ 7.885 | | | | | | 01/01/2004 ⁽³⁾ 12/31/2012 | Common Stock |
| Stock Option | \$ 9.25 | | | | | | 01/01/2004 ⁽³⁾ 12/31/2010 | Common Stock |
| Stock Option | \$ 10.365 | | | | | | 01/01/2003 ⁽³⁾ 12/31/2011 | Common Stock |
| Stock Option | \$ 21.7812 | | | | | | 01/01/2001 ⁽³⁾ 12/31/2009 | Common Stock |
| Stock Option | \$ 25.8125 | | | | | | 03/01/2003 ⁽³⁾ 12/31/2009 | Common Stock |
| Stock Option | \$ 59.4375 | 01/02/2007 | | H V | 628 | | 01/01/2000 ⁽³⁾ 12/31/2006 | Common Stock |
| Stock Option | \$ 59.4375 | | | | | | 01/01/2000 ⁽³⁾ 12/31/2008 | Common Stock |
| Stock Option | \$ 13.685 | | | | | | 01/01/2005 ⁽³⁾ 12/31/2011 | Common Stock |
| Performance Shares | \$ 0 ⁽¹⁾ | 02/15/2007 | | A | 8,333 ⁽²⁾ | | 08/08/1988 ⁽¹⁾ 08/08/1988 ⁽¹⁾ | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| VARON LESLIE F XEROX CORPORATION 800 LONG RIDGE ROAD STAMFORD, CT 06904 | | | Vice President and Controller | |

Signatures

Karen Boyle,
Attorney-in-Fact

02/16/2007

**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) Not Applicable
 - (2) 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.
 - (3) Options vest over three years, 33.3% per year beginning in year shown.
 - (4) Vesting of Incentive Stock Rights.

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