

BURNS URSULA M
Form 4
January 12, 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 *
BURNS URSULA M

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

STAMFORD 06904

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
01/11/2007

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)
Senior 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			
Common Stock					3,316.78	I	Employee Stock Ownership Plan
Common Stock					3,458	I	Children
Xerox Stock Fund					2,078.23	I	Xerox Stock Fund (3)
Common Stock	01/11/2007		M(5)	55,400 A	\$ 0 (2) 181,187	D	

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Common Stock	01/11/2007	S ⁽⁵⁾	1,400	D	\$ 16.97	179,787	D
Common Stock	01/11/2007	S ⁽⁵⁾	1,600	D	\$ 16.98	178,187	D
Common Stock	01/11/2007	S ⁽⁵⁾	6,400	D	\$ 16.99	171,787	D
Common Stock	01/11/2007	S ⁽⁵⁾	6,000	D	\$ 17	165,787	D
Common Stock	01/11/2007	S ⁽⁵⁾	14,300	D	\$ 17.01	151,487	D
Common Stock	01/11/2007	S ⁽⁵⁾	500	D	\$ 17.02	150,987	D
Common Stock	01/11/2007	S ⁽⁵⁾	6,164	D	\$ 17.03	144,823	D
Common Stock	01/11/2007	S ⁽⁵⁾	9,636	D	\$ 17.04	135,187	D
Common Stock	01/11/2007	S ⁽⁵⁾	9,400	D	\$ 17.05	125,787	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)	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	\$ 5.14					10/14/2007	12/31/2011	Common Stock
Stock Option	\$ 7.885	01/11/2007		M ⁽⁵⁾	55,400	01/01/2004 ⁽¹⁾	12/31/2012	Common Stock
Stock Option	\$ 10.365					01/01/2003 ⁽¹⁾	12/31/2011	Common Stock
Stock Option	\$ 21.7812					01/01/2005	12/31/2009	

Stock Option	\$ 46.875	01/01/1999 ⁽¹⁾	12/31/2008	Common Stock	Common Stock
Stock Option	\$ 47.5	03/01/2003	12/31/2009	Common Stock	Common Stock
Stock Option	\$ 13.685	01/01/2005 ⁽¹⁾	12/31/2011	Common Stock	Common Stock
Performance Shares	\$ 0 ⁽²⁾	08/08/1988 ⁽²⁾	08/08/1988 ⁽²⁾	Common Stock	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BURNS URSULA M 800 LONG RIDGE ROAD P. O. 1600 STAMFORD 06904			Senior Vice President	

Signatures

Karen Boyle,
Attorney-In-Fact

01/12/2007

**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) Options vest over three years, 33.3% per year beginning in year shown.
- (2) Not Applicable
- (3) Units purchased in and loan repayments to Xerox Stock Fund under Xerox Savings Plan. Amount does not represent shares of stock, but dollars invested divided by unit value.
- (4) 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.
- (5) This sale of shares was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on February 8, 2005 and disclosed under Item 8.01 of the Form 8-K filed with the Securities and Exchange Commission on November 5, 2004.

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.