

McDermott John E  
Form 4  
February 03, 2006

**FORM 4**

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

Check this box  
if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
See Instruction  
1(b).

**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

## OMB APPROVAL

OMB  
Number: 3235-0287  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
McDermott John E

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

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

(Last) (First) (Middle)  
C/O XEROX CORPORATION, P.O.  
BOX 1600 / 800 LONG RIDGE  
ROAD

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/01/2006

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_X\_ Officer (give title \_\_\_\_ Other (specify  
below) below)  
Vice President

(Street)  
STAMFORD, CT 06904

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

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

(City) (State) (Zip)

**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 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)	
			Code	V	Amount	(A) or (D)	Price	
Incentive Stock Rights	01/03/2006		J <sup>(2)</sup>	V	6,333	D	\$ 0 <sup>(3)</sup>	6,334 D
Common Stock							2.595	I Employee Stock Ownership Plan
Common Stock	01/03/2006		J <sup>(2)</sup>	V	6,333	A	\$ 0 <sup>(3)</sup>	19,659 D
Common	01/03/2006		F <sup>(2)</sup>	V	2,385	D	\$ 0 <sup>(3)</sup>	17,274 D

## Stock

Common Stock	02/01/2006	M	9,367	A	\$ 0 <sup>(3)</sup>	26,641	D
Common Stock	02/01/2006	S	9,367	D	\$ 14.22	17,274	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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(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 Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Option	\$ 7.885	02/01/2006		M	9,367	01/01/2004 <sup>(1)</sup> 12/31/2012	Common Stock 9,367
Stock Option	\$ 13.685					01/01/2005 <sup>(1)</sup> 12/31/2011	Common Stock 25,000
Stock Option	\$ 15.205					01/01/2005 <sup>(1)</sup> 12/31/2011	Common Stock 6,000

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director    10% Owner    Officer    Other

McDermott John E  
C/O XEROX CORPORATION  
P.O. BOX 1600 / 800 LONG RIDGE ROAD  
STAMFORD, CT 06904

Vice  
President

## Signatures

K.W. Fizer,                      02/03/2006  
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) Options vest over three years, 33.3% per year beginning in year shown.
- (2) Vesting of Incentive Stock Rights.
- (3) Not Applicable

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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