

VARON LESLIE F
Form 4
November 01, 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
Expires: January 31,
2005
Estimated average
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(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)
10/31/2006

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					6,334	D	
Xerox Stock Fund					804.931	I	Xerox Stock Fund

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Common Stock	10/31/2006	M	3,400	A	\$ 0 (1)	29,758.0725	D
Common Stock	10/31/2006	S	3,400	D	\$ 16.9	26,358.0725	D
Common Stock	10/31/2006	M	5,000	A	\$ 0 (1)	31,358.0725	D
Common Stock	10/31/2006	S	5,000	D	\$ 16.9	26,358.0725	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.

SEC 1474
(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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Stock Option	\$ 4.75	10/31/2006		M	3,400	01/01/2002 ⁽³⁾ 12/31/2010	Common Stock
Stock Option	\$ 7.885					01/01/2004 ⁽³⁾ 12/31/2012	Common Stock
Stock Option	\$ 9.25	10/31/2006		M	5,000	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					01/01/2000 ⁽³⁾ 12/31/2006	Common Stock
Stock Option	\$ 59.4375					01/01/2000 ⁽³⁾ 12/31/2008	Common Stock

01/01/2005⁽³⁾ 12/31/2011

08/08/1988⁽¹⁾ 08/08/1988⁽¹⁾

Relationships

Director 10% Owner Officer Other

Vice President and Controller

11/01/2006

Date _____

- * 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.