

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 Ownership (Instr. 4)
			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 ⁽²⁾	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.

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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 ⁽¹⁾	12/31/2008	Common Stock
Stock Option	\$ 59.4375					01/01/2000 ⁽¹⁾	12/31/2006	Common Stock
Stock Option	\$ 47.5					03/01/2003	12/31/2009	Common Stock

