

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
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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]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Vice Pres. & General Counsel		
			3. Date of Earliest Transaction (Month/Day/Year) 10/31/2006					
			4. If Amendment, Date of Original Filed (Month/Day/Year)					
			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock							2,050.69	I	Employee Stock Ownership Plan	
Incentive Stock Rights							33,000	D		
Common Stock	10/31/2006		M		8,100	A	\$0 ⁽²⁾	63,922	D	
Common Stock	10/31/2006		S		1,000	D	\$16.86	62,922	D	
Common Stock	10/31/2006		S		6,400	D	\$16.85	56,522	D	
Common Stock	10/31/2006		S		700	D	\$16.8	55,822	D	
Common Stock	10/31/2006		S		17,667	D	\$16.8	38,155	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Option	\$46.875							01/01/1999 ⁽¹⁾	12/31/2008	Common Stock	19,782		19,782	D	
Stock Option	\$59.4375							01/01/2000 ⁽¹⁾	12/31/2006	Common Stock	1,166		1,166	D	
Stock Option	\$47.5							03/01/2003	12/31/2009	Common Stock	5,836		5,836	D	
Stock Option	\$21.7812							01/01/2005	12/31/2009	Common Stock	35,000		35,000	D	
Stock Option	\$4.75	10/31/2006		M		8,100		01/01/2002 ⁽¹⁾	12/31/2010	Common Stock	8,100	\$0 ⁽²⁾	0	D	
Stock Option	\$10.365							01/01/2003 ⁽¹⁾	12/31/2011	Common Stock	70,100		70,100	D	
Stock Option	\$7.885							01/01/2004	12/31/2012	Common Stock	70,100		70,100	D	
Stock Option	\$13.685							01/01/2005 ⁽¹⁾	12/31/2011	Common Stock	55,000		55,000	D	
Performance Shares	\$0.0 ⁽²⁾							08/08/1988 ⁽²⁾	08/08/1988 ⁽²⁾	Common Stock	17,667		17,667 ⁽³⁾	D	

Explanation of Responses:

1. Options vest over three years, 33.3% per year beginning in year shown.

2. Not Applicable

3. 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.

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.