

DOLAN THOMAS J
 Form 4
 February 13, 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 *
DOLAN THOMAS J

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)
800 LONG RIDGE ROAD, P. O. BOX 1600
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/10/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Senior Vice President

STAMFORD, CT 06904

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 (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 (D) Price | | | |
| Common Stock | 02/10/2006 | | S | 10,000 D \$ 14.36 | 17,477 | D | |
| Employee Stock Ownership Plan | | | | | 2,465.06 | I | Employee Stock Ownership Plan |
| Incentive Stock Rights | | | | | 46,000 | D | |
| Xerox Stock Fund | | | | | 15,136.665 | I | Xerox Stock Fund |

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

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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 Securities (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Stock Option | \$ 4.75 | 11/03/2005 | | M | 15,000 | 01/01/2002 ⁽¹⁾ | 12/31/2010 | Common Stock | 15,000 |
| Stock Option | \$ 10.365 | | | | | 01/01/2003 ⁽¹⁾ | 12/31/2011 | Common Stock | 121,500 |
| Stock Option | \$ 21.7812 | | | | | 01/01/2005 | 12/31/2009 | Common Stock | 40,000 |
| Stock Option | \$ 25.8125 | | | | | 03/01/2003 | 12/31/2009 | Common Stock | 8,860 |
| Stock Option | \$ 46.875 | | | | | 01/01/1999 ⁽²⁾ | 12/31/2008 | Common Stock | 17,160 |
| Stock Option | \$ 54.8594 | | | | | 01/01/2000 ⁽³⁾ | 12/31/2008 | Common Stock | 57,210 |
| Stock Option | \$ 59.4375 | | | | | 01/01/2000 ⁽¹⁾ | 12/31/2006 | Common Stock | 1,180 |
| Stock Option | \$ 7.885 | | | | | 01/01/2004 ⁽¹⁾ | 12/31/2012 | Common Stock | 121,500 |
| Stock Option | \$ 13.685 | | | | | 01/01/2005 ⁽¹⁾ | 12/31/2011 | Common Stock | 77,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| DOLAN THOMAS J 800 LONG RIDGE ROAD P. O. BOX 1600 | | | Senior Vice President | |

STAMFORD, CT 06904

Signatures

K. W. Fizer,
Attorney-In-Fact

02/13/2006

__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) Options vest over three years, 33%, 33%, 34%, beginning in year shown.
- (3) Options vest over two years, 50% each year, beginning in year shown.
- (4) 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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