

NICHOLAS NICHOLAS J JR
 Form 4
 January 18, 2006

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 NICHOLAS NICHOLAS J JR

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

3. Date of Earliest Transaction (Month/Day/Year)
 01/16/2006

Director 10% Owner
 Officer (give title below) Other (specify below)

(Street)
 STAMFORD 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

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock | | | | | 106,700 | D | |
| Common Stock | | | | | 1,400 | I | Spouse |
| Deferred Stock Unit | 01/16/2006 | | A ⁽⁵⁾ | 4,716 A | \$ 15,375 | D | |

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

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number.

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) | Title | Amount or Number of Shares |
| Stock Option | \$ 10.5 | | | | | 01/01/2004 ⁽³⁾ | 05/15/2013 | Common Stock | 5,000 |
| Stock Option | \$ 6.8 | | | | | 01/01/2003 ⁽³⁾ | 09/09/2012 | Common Stock | 5,000 |
| Stock Option | \$ 9.25 | | | | | 01/01/2002 ⁽³⁾ | 08/28/2011 | Common Stock | 5,000 |
| Stock Option | \$ 26.5625 | | | | | 01/01/1997 ⁽⁴⁾ | 05/22/2006 | Common Stock | 5,000 |
| Stock Option | \$ 27 | | | | | 01/01/2001 ⁽³⁾ | 05/18/2010 | Common Stock | 5,000 |
| Stock Option | \$ 32.1563 | | | | | 01/01/1998 ⁽⁴⁾ | 05/14/2007 | Common Stock | 5,000 |
| Stock Option | \$ 54.2188 | | | | | 01/01/1999 ⁽³⁾ | 05/22/2006 | Common Stock | 5,000 |
| Stock Option | \$ 60.4375 | | | | | 01/01/2000 ⁽³⁾ | 05/20/2009 | Common Stock | 5,000 |
| Deferred Comp. | \$ 0 ⁽¹⁾ | | | | | 08/08/1988 ⁽¹⁾ | 08/08/1988 ⁽¹⁾ | Common Stock | \$ 0 ⁽¹⁾ |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| NICHOLAS NICHOLAS J JR 800 LONG RIDGE ROAD P. O. BOX 1600 | X | | | |

STAMFORD 06904

Signatures

K. W. Fizer,

Attorney-In-Fact

01/18/2006

__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) Not Applicable

(2) Hypothetical investment of deferred compensation in Xerox Stock Fund under the Xerox Saving Plan.

(3) Options vest over three years, 33.3% per year beginning in year shown.

(4) Options vest over three years, 33%, 33%, 34%, beginning in year shown.

(5) Deferred Stock Unit issued as payment of fees under the terms of the 2004 Non-Employee Directors Compensation Plan

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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