

ZIMMERMAN LAWRENCE A
Form 4
February 21, 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 *
ZIMMERMAN LAWRENCE A

(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)
01/03/2006

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)
Senior Vice President and CFO

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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock | 01/03/2006 | | J(2) | V 24,667 A \$0 (3) | 175,397 | D | |
| Common Stock | 01/03/2006 | | F(2) | V 8,157 D \$0 (3) | 167,240 | D | |
| Common Stock | | | | | 5,000 | I | Spouse |
| Common Stock | | | | | 4,000 | I | Custodian/Trustee for Grandchildren |
| Common Stock | | | | | 4.019 | I | Employee Stock Ownership Plan |

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Incentive
 Stock 01/03/2006 J⁽²⁾ V 24,667 D \$ 0 24,667 D
 Rights ⁽³⁾

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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code V | (A) (D) | Date Exercisable Expiration Date | Title |
| Stock Option | \$ 7.885 | | | | | 01/01/2004 ⁽¹⁾ 12/31/2012 | Common Stock |
| Stock Option | \$ 8.975 | | | | | 01/01/2003 ⁽¹⁾ 12/31/2011 | Common Stock |
| Stock Option | \$ 8.975 | | | | | 01/01/2005 ⁽¹⁾ 12/31/2011 | Common Stock |
| Stock Option | \$ 13.685 | | | | | 01/01/2005 ⁽¹⁾ 12/31/2011 | Common Stock |
| Performance Shares | \$ 0 ⁽³⁾ | 02/16/2006 | | A | 31,367 ⁽⁴⁾ | 08/08/1988 ⁽³⁾ 08/08/1988 ⁽³⁾ | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| ZIMMERMAN LAWRENCE A 800 LONG RIDGE ROAD P. O. BOX 1600 STAMFORD, CT 06904 | | | Senior Vice President and CFO | |

Signatures

K. W. Fizer,
Attorney-In-Fact

02/21/2006

__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) Vesting of incentive stock rights.
 - (3) Not Applicable
 - (4) 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.

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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