

MACDONALD MICHAEL C
 Form 4
 May 02, 2007

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 *
 MACDONALD MICHAEL C

(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)
 05/01/2007

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

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)
Common Stock				(A) Amount Price	4,228.78	I	Employee Stock Ownership Plan
Common Stock				(A) Amount Price	45	I	Children
Incentive Stock Rights				(A) Amount Price	55,000	D	
Xerox Stock				(A) Amount Price	11,626.77	I ⁽³⁾	Xerox Stock Fund

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Fund							
Common Stock	05/01/2007	M	33,100	A	\$ 0 ⁽¹⁾	55,407	D
Common Stock	05/01/2007	S	24,800	D	\$ 18.43	30,607	D
Common Stock	05/01/2007	S	8,300	D	\$ 18.42	22,307	D

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

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(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 Underlying Security (Instr. 3 and 4)
Stock Option	\$ 5.14					10/14/2007 12/31/2011	Common Stock
Stock Option	\$ 7.885	05/01/2007		M	33,100	01/01/2004 ⁽²⁾ 12/31/2012	Common Stock
Stock Option	\$ 10.365					01/01/2003 ⁽²⁾ 12/31/2011	Common Stock
Stock Option	\$ 21.7812					01/01/2005 ⁽²⁾ 12/31/2009	Common Stock
Stock Option	\$ 46.875					01/01/1999 ⁽²⁾ 12/31/2008	Common Stock
Stock Option	\$ 47.5					03/01/2003 12/31/2009	Common Stock
Deferred Comp	\$ 0 ⁽¹⁾					08/08/1988 ⁽¹⁾ 08/08/1988 ⁽¹⁾	Common Stock
Stock Option	\$ 13.685					01/01/2005 ⁽²⁾ 12/31/2011	Common Stock
Stock Option	\$ 15.205					01/01/2005 ⁽²⁾ 12/31/2011	Common Stock

Performance Shares \$ 0 ⁽¹⁾

08/08/1988⁽¹⁾ 08/08/1988⁽¹⁾

Common Stock
Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MACDONALD MICHAEL C 800 LONG RIDGE ROAD P. O. BOX 1600 STAMFORD, CT 06904			Senior Vice President	

Signatures

Karen Boyle,
Attorney-In-Fact 05/02/2007

 **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) Options vest over three years, 33.3% per year beginning in year shown.
- (3) Units purchased in Xerox Stock Fund under Xerox Savings Plan. Amount does not represent shares of stock, but dollars invested divided by unit value.
- (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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.