

Lesko James H
Form 4
February 21, 2006

FORM 4

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

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Lesko James H

(Last) (First) (Middle)

C/O XEROX CORPORATION, P.O.
BOX 1600 / 800 LONG RIDGE
ROAD

(Street)

STAMFORD, CT 06904-1600

(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
__X__ Officer (give title ____ Other (specify
below) below)
Vice President

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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. 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 | | |
| Incentive Stock Rights | 01/03/2006 | | J ⁽³⁾ | V | 9,333 | D | \$ 0 (2) | 9,334 | D |
| Common Stock | | | | | | | | 5,447.37 | I |
| | | | | | | | | | Employee Stock Ownership Plan |
| Common Stock | 01/03/2006 | | J ⁽³⁾ | V | 9,333 | A | \$ 0 (2) | 17,535 | D |
| Common | 01/03/2006 | | F ⁽³⁾ | V | 3,334 | D | \$ 0 | 14,019 | D |

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Stock

(2)

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 Amount Underlying Security (Instr. 3 and 4) |
|---|--|---|---|--------------------------------------|---|--|-----|--|
| | | | | Code | V | (A) | (D) | |
| Stock Option | \$ 46.875 | | | | | | | 01/01/1999 ⁽¹⁾ 12/31/2008 Commom Stock |
| Stock Option | \$ 59.4375 | | | | | | | 01/01/2000 ⁽¹⁾ 12/31/2006 Commom Stock |
| Stock Option | \$ 47.5 | | | | | | | 03/01/2003 12/31/2009 Commom Stock |
| Stock Option | \$ 21.7812 | | | | | | | 01/01/2005 12/31/2009 Commom Stock |
| Stock Option | \$ 10.365 | | | | | | | 01/01/2003 ⁽¹⁾ 12/31/2011 Commom Stock |
| Stock Option | \$ 7.885 | | | | | | | 01/01/2004 ⁽¹⁾ 12/31/2012 Commom Stock |
| Stock Option | \$ 13.685 | | | | | | | 01/01/2005 ⁽¹⁾ 12/31/2011 Commom Stock |
| Performance Shares | \$ 0 ⁽²⁾ | 02/16/2006 | | A | | 8,833 ⁽⁴⁾ | | 08/08/1988 ⁽²⁾ 08/08/1988 ⁽²⁾ Common Stock |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Lesko James H
C/O XEROX CORPORATION
P.O. BOX 1600 / 800 LONG RIDGE ROAD
STAMFORD, CT 06904-1600

Vice
President

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) Not Applicable
- (3) Vesting of Incentive Stock Rights.
- (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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