

McDermott John E
Form 4
February 07, 2005

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
McDermott John E

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

3. Date of Earliest Transaction
(Month/Day/Year)
02/03/2005

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

(Street)
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) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| | | | | (A) or (D) | Amount | | |
| | | | Code | V | Amount | (D) | Price |
| Incentive Stock Rights | | | | | 12,667 | D | |
| Common Stock | | | | | 2.595 | I | Employee Stock Ownership Plan |
| Common Stock | 02/03/2005 | | M | | 20,533 | A | \$ 0 ⁽²⁾ 33,859 |
| Common Stock | 02/03/2005 | | S | | 17,000 | D | \$ 16,859 |

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| | | | | | | | |
|--------------|------------|---|-------|---|-------|--------|---|
| Stock | | | | | | 15.53 | |
| Common Stock | 02/03/2005 | S | 3,533 | D | \$ | 13,326 | D |
| | | | | | 15.45 | | |

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 or Number of Shares |
| Stock Option | \$ 5.87 | 02/03/2005 | | M | 1,800 | 01/01/2003 ⁽¹⁾ 12/31/2011 | Common Stock 1,800 |
| Stock Option | \$ 5.87 | | | | | 01/01/2003 ⁽¹⁾ 12/31/2012 | Common Stock 28,100 |
| Stock Option | \$ 7.885 | 02/03/2005 | | M | 18,733 | 01/01/2004 ⁽¹⁾ 12/31/2012 | Common Stock 18,733 |
| Stock Option | \$ 13.685 | | | | | 01/01/2005 ⁽¹⁾ 12/31/2011 | Common Stock 25,000 |
| Stock Option | \$ 15.205 | | | | | 01/01/2005 ⁽¹⁾ 12/31/2011 | Common Stock 6,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

McDermott John E
C/O XEROX CORPORATION
P.O. BOX 1600 / 800 LONG RIDGE ROAD
STAMFORD, CT 06904

Vice
President

Signatures

K.W. Fizer,
Attorney-in Fact

02/07/2005

__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

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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