

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (date of earliest event reported):
January 16, 1998

XEROX CORPORATION

(Exact name of registrant as specified in its charter)

New York (State or other jurisdiction of incorporation)	1-4471 (Commission File Number)	16-0468020 (IRS Employer Identification No.)
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800 Long Ridge Road
P. O. Box 1600
Stamford, Connecticut 06904-1600
(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code:
(203) 968-3000

This document consists of 2 pages.

Item 5. Other Events

Reference is made to the second paragraph of Note 9. "Litigation" in Registrant's Quarterly Report on Form 10-Q for the Quarter Ended September 30, 1997 regarding the action commenced by Barneyscan Corporation against Registrant, Pixelcraft, Inc., a wholly-owned subsidiary of Registrant, and three individuals.

The parties to this action have reached a settlement and the action has been dismissed with prejudice. The terms of the settlement are not material to Registrant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Registrant has duly authorized this report to be signed on its behalf by the undersigned duly authorized.

XEROX CORPORATION

By: MARTIN S. WAGNER
Assistant Secretary

Dated: January 20, 1998

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