
**UNITED STATES
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): December 13, 2009

XEROX CORPORATION

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction
of incorporation)

001-04471
(Commission File Number)

16-0468020
(I.R.S. Employer
Identification No.)

45 Glover Avenue
P. O. Box 4505
Norwalk, Connecticut
(Address of principal executive offices)

06856-4505
(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

On December 13, 2009, Xerox Corporation (“Xerox”), Affiliated Computer Services, Inc. (“ACS”), plaintiffs and certain other parties named in a class action filed by ACS shareholders in the Delaware Court of Chancery related to Xerox’s proposed acquisition of ACS (the “Merger”) entered into a Stipulation and Proposed Order (the “Stipulation”), a copy of which is attached as Exhibit 99.1 to this report. On December 14, 2009, the parties to the Stipulation will submit the Stipulation to the Delaware Court of Chancery.

Under the Stipulation, the plaintiffs agreed not to take any action to prevent or delay the Merger from closing, and the parties to the merger agreement agreed to amend the merger agreement so that, in order to complete the Merger, ACS must receive approval of the holders of a majority of the outstanding shares of ACS Class A common stock (other than the shares held by holders of ACS Class B common stock). Post-closing monetary damage claims remain outstanding.

Additional Information

The proposed merger transaction involving Xerox and ACS will be submitted to the respective stockholders of Xerox and ACS for their consideration. In connection with the proposed merger, Xerox filed with the SEC a registration statement on Form S-4 that included a preliminary joint proxy statement of Xerox and ACS that also constitutes a preliminary prospectus of Xerox and each of the companies may be filing with the SEC other documents regarding the proposed transaction. Xerox will mail the definitive joint proxy statement/prospectus to its stockholders. Xerox and ACS urge investors and security holders to read the definitive joint proxy statement/prospectus regarding the proposed transaction before making any voting or investment decision when it becomes available because it will contain important information. You may obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about Xerox and ACS, without charge, at the SEC’s Internet site (<http://www.sec.gov>). Copies of the definitive joint proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the definitive joint proxy statement/prospectus can also be obtained, when available, without charge, from Xerox’s website, www.xerox.com, under the heading “Investor Relations” and then under the heading “SEC Filings”. You may also obtain these documents, without charge, from ACS’s website, www.acs-inc.com, under the tab “Investor Relations” and then under the heading “SEC Filings”.

Xerox, ACS and their respective directors, executive officers and certain other members of management and employees may be deemed to be participants in the solicitation of proxies from the respective stockholders of Xerox and ACS in favor of the merger. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the respective stockholders of Xerox and ACS in connection with the proposed merger are set forth in the preliminary joint proxy statement/prospectus filed with the SEC. You can find information about Xerox’s executive officers and directors in its definitive proxy statement filed with the SEC on April 6, 2009. You can find information about ACS’s executive officers and directors in its annual report on Form 10-K filed with the SEC on August 27, 2009. You can obtain free copies of these documents from Xerox and ACS websites using the contact information above.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit
No.

Description

99.1 Stipulation and Proposed Order, dated as of December 13, 2009.

SIGNATURES

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

Date: December 14, 2009

XEROX CORPORATION

By: _____ /s/ LAWRENCE A. ZIMMERMAN
Name: Lawrence A. Zimmerman
Title: Vice Chairman and Chief Financial Officer

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1 Stipulation and Proposed Order, dated as of December 13, 2009.

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

)
In re ACS SHAREHOLDER LITIGATION
)

)

Consolidated C.A. No. 4940-VCP

STIPULATION AND [PROPOSED] ORDER

WHEREAS, on September 28, 2009, Affiliated Computer Services, Inc. (“ACS”) announced that it had entered into a definitive agreement for Xerox Corporation (“Xerox”) to acquire ACS in a cash and stock transaction (the “Proposed Transaction”) that valued ACS at \$6.4 billion as of September 25, 2009;

WHEREAS, two actions were filed in this Court, which the Court consolidated on October 7, 2009 under the caption *In re ACS Shareholder Litigation*, Consolidated C.A. No. 4940-VCP (the “Action”);

WHEREAS, on October 22, 2009, the Court issued an order certifying a class of ACS shareholders (the “Class”), appointing New Orleans Employees’ Retirement System, The Federated Kaufmann Fund, The Federated Kaufmann Growth Fund, and The Federated Kaufmann Fund II as Class Representatives;

WHEREAS, Plaintiffs filed a motion to enjoin the closing of the Proposed Transaction on multiple grounds;

WHEREAS, on December 10, 2009, representatives of each of the defendants and Class Counsel (with participation of counsel from a parallel action in Texas) met in person to negotiate terms of a potential settlement of all or part of the Action;

WHEREAS, on December 11, 2009, Class Representatives filed an Amended Complaint in the Action;

NOW, THEREFORE, the undersigned parties (the "Parties"), through their counsel, have STIPULATED and the Court HEREBY ORDERS as follows:

1. The Merger Agreement will be amended to provide that a non-waivable condition to a closing of the Merger will be the approval of the Merger Agreement by the affirmative vote of holders of a majority of the outstanding shares of Company Class A Common Stock (other than those shares of Company Class A Common Stock held by holders of Company Class B Common Stock).

2. The Parties are discussing in good faith and will attempt to resolve any issues relating to disclosure in Xerox's S-4 relating to the Merger by midnight on Sunday, December 13, 2009, subject to Plaintiffs' Counsel's fiduciary duties, provided that nothing shall in any way affect the undertaking by plaintiffs in the first sentence of paragraph 3 hereof.

3. The plaintiffs agree not to seek to enjoin any shareholder vote on the closing of the Merger, nor shall they take any action for the purpose of preventing or delaying the closing of the Merger. Subject to the prior sentence, nothing in this agreement shall preclude plaintiffs from moving for other relief at the hearing now scheduled for January 13 and 14, 2010, including without limitation a motion seeking an equitable set aside or constructive trust with respect to some or all of the consideration paid to Deason in the Merger, with respect to which motion defendants reserve the right to oppose.

4. The Parties shall not oppose any application by plaintiffs to set a final trial on the post-closing litigation to take place consistent with the Court's schedule between March 15, 2010 and no later than May 15, 2010.

5. The Parties will negotiate in good faith the scope and timing of any additional discovery in advance of any pre-closing hearing.

6. The Parties acknowledge that, pursuant to this Stipulation, plaintiffs have conferred benefits on the Class, and that plaintiffs will seek an award of attorneys' fees and reimbursement of litigation expenses ("Attorneys' Fees") in connection therewith. The parties have not in any respect discussed the amount of any potential fee award. Regardless of whether the parties ultimately reach an agreement as to the reasonableness of any fee award, ACS or its successor will pay to plaintiffs any Attorneys' Fees that the Court may award. ACS or its successor reserves the right to object to the amount of any Attorneys' Fees for which plaintiffs may apply.

7. The Parties' respective agreement to approve this Stipulation shall not in any respect be argued to constitute a waiver, acceptance, ratification or in any other respect prejudice the rights of any party in the Action or the Class with respect to any post-closing claims or proceedings.

Dated: December 13, 2009

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SO ORDERED:

Vice Chancellor Donald F. Parsons