

SERVICEMASTER CO
Form 4
February 16, 2006

FORM 4

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

OMB APPROVAL

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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 *
KAPUT JIM L

(Last) (First) (Middle)

3250 LACEY ROAD, SUITE 600

(Street)

DOWNERS GROVE, IL 60515-1700

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
SERVICEMASTER CO [SVM]

3. Date of Earliest Transaction (Month/Day/Year)
02/14/2006

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)
Sr. VP & General Counsel

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V Amount (D) Price | | | |
| Common stock \$.01 par value | 02/14/2006 | | A | 18,333 A \$ 0 | 81,555 | D | |
| Common stock \$.01 par value | | | | | 15,770 | I | through 401(k) plan |
| Common stock \$.01 par value | | | | | 400 | I | Cust. for children |
| Common | | | | | 5,300 ⁽¹⁾ | I | Deferred |

stock \$.01
par value

Comp

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 Security (Instr. 3 and 4) | Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Options (Right to buy) | \$ 8.75 | | | | | 08/08/2001 08/07/2007 | Common Stock | 10,000 | |
| Stock Options (Right to buy) | \$ 10.52 | | | | | 03/16/2002 03/15/2008 | Common Stock | 15,000 | |
| Stock Options (Right to buy) | \$ 11.4125 | | | | | 04/01/2001 03/31/2010 | Common Stock | 50,000 | |
| Stock Options (Right to buy) | \$ 13.83 | | | | | 02/08/2003 02/07/2009 | Common Stock | 85,000 | |
| Stock Options (Right to buy) | \$ 13.87 | | | | | 05/04/2000 05/03/2006 | Common Stock | 54,000 | |
| 2000 Empl Stock Option (Right to Buy) | \$ 9.88 | | | | | 03/18/2004 03/17/2013 | Common Stock | 66,667 | |

| | | | | | | | | |
|--|----------|------------|---|--------|------------|------------|-----------------|--------|
| 2003 EIP Stock Appreciation Right | \$ 10.73 | | | | 02/13/2005 | 02/12/2014 | Common Stock | 50,000 |
| 2003 EIP Stock Appreciation Right | \$ 12.45 | 02/14/2006 | A | 55,000 | 02/14/2007 | 02/13/2016 | Common Stock | 55,000 |
| 2003 EIP Stock Appreciation Right | \$ 13.44 | | | | 02/11/2006 | 02/10/2015 | Common Stock | 50,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| KAPUT JIM L 3250 LACEY ROAD, SUITE 600 DOWNERS GROVE, IL 60515-1700 | | | Sr. VP & General Counsel | |

Signatures

Sandra L. Groman by power of attorney
02/16/2006

__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) Includes 92 shares acquired through the dividend reinvestment feature of the ServiceMaster Deferred Compensation Plan during the months of July through December 2005.
- (2) The option is exercisable in five equal annual installments beginning on the first anniversary of the date of the grant.
In 1999, ServiceMaster entered into a joint venture with Kleiner, Perkins, Caufield & Byers to develop an Internet company, We Serve
- (3) Homes.com ("WSH"). A WSH option was granted in 2000. On January 11, 2002, the WSH option was converted into a ServiceMaster option at a ratio of 55.48 to 1, pursuant to a merger with a subsidiary of ServiceMaster in a transaction exempt under Rule 16b-7.
- (4) The stock appreciation right is exercisable in five equal annual installments beginning on the first anniversary of the date of grant.

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.