

SERVICEMASTER CO
Form 8-K
September 04, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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): August 29, 2007

THE SERVICEMASTER COMPANY

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-14762
(Commission File Number)

36-3858106
(I.R.S. Employer
Identification Number)

860 Ridge Lake Boulevard, Memphis, Tennessee 38120

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(901) 597-1400**

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On August 29, 2007, The ServiceMaster Company (ServiceMaster) announced the departure of Group President Scott Cromie, effective August 31, 2007. Mr. Cromie had oversight responsibility for the American Home Shield, InStar Services and ServiceMaster Clean and Merry Maids franchise business units which will now report directly to J. Patrick Spainhour, Chief Executive Officer of ServiceMaster.

A copy of the press release issued by ServiceMaster announcing the departure of Mr. Cromie is attached hereto as exhibit 99.1 and incorporated herein by reference.

On September 4, 2007, in connection with his departure, ServiceMaster entered into an agreement (the Acknowledgement) with Mr. Cromie acknowledging that Mr. Cromie's departure triggers the payout provisions of the Change In Control Severance Agreement, dated as of October 31, 2001 (the Agreement), between ServiceMaster and Mr. Cromie (a form of which has previously been filed with the Securities and Exchange Commission). Pursuant to the Agreement, Mr. Cromie will be paid a lump sum amount of \$3,662,362 in severance and prorated bonuses under ServiceMaster's Annual Bonus Plan and Corporate Performance Plan, subject to withholding and other deductions. Mr. Cromie will also be entitled to receive a gross-up payment in the event that any severance payment he receives is subject to excise tax and interest and/or penalties related thereto. In addition, Mr. Cromie and his dependents will continue to be covered under ServiceMaster's medical, disability and life insurance policies for the three years ending August 31, 2010.

A copy of the Acknowledgement is attached as Exhibit 10.1 and is incorporated herein by reference. The foregoing description of the Acknowledgement is qualified in its entirety by reference to the full text of the Acknowledgement.

Item 8.01. Other Events.

On August 30, 2007, ServiceMaster announced the redemption of its 7.875% Notes due August 15, 2009.

A copy of the press release issued by ServiceMaster announcing the redemption of the 7.875% Notes is attached hereto as exhibit 99.2 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit
No.

Description of Exhibit

10.1	Agreement, dated as of August 31, 2007, between Scott Cromie and The ServiceMaster Company
99.1	Press Release, dated August 29, 2007, announcing the departure of Scott Cromie
99.2	Press Release, dated August 30, 2007, announcing the redemption of the 7.875% Notes

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the

Date: September 4, 2007

THE SERVICEMASTER COMPANY

By: /s/ Jim L. Kaput
Jim L. Kaput
Senior Vice President and General Counsel

Exhibit Index

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