

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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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 *
MROZEK ERNEST J

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
3250 LACEY ROAD, SUITE 600

(Street)

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

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
PRESIDENT & COO

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

DOWNERS
GROVE, IL 60515-1700

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V Amount (D) Price | | | |
| Common stock \$.01 par value | 02/14/2006 | | A ⁽¹⁾ | 37,500 A \$ 0 | 537,049 | D | |
| Common stock \$.01 par value | | | | | 4,804 ⁽²⁾ | I | by 401(k) plan |
| Common stock \$.01 par value | | | | | 3,272 ⁽³⁾ | I | Deferred 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 Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title |
| Stock Options (Right to buy) | \$ 13.83 | | | | | 02/08/2003 02/07/2009 | Common stock \$.01 par value |
| Stock Options (Right to buy) | \$ 13.972 | | | | | 05/03/2003 05/02/2009 | Common stock \$.01 par value |
| 1997 Option Plan (Right to Buy) | \$ 11.2222 | | | | | 02/13/1998 02/12/2007 | Common stock \$.01 par value |
| 1998 Non-Qual. Stock Option (Right to Buy) | \$ 18.075 | | | | | 01/29/2000 01/28/2009 | Common Stock |
| Senior Ex. Ownership Elec. Plan (Right to Buy) | \$ 11.5 | | | | | 12/31/2000 12/31/2009 | Common stock \$.01 par value |
| 1998 Empl. Stock Option (Right to Buy) | \$ 18.2583 | | | | | 02/16/1999 02/15/2008 | Common stock \$.01 par value |
| 2000 Empl. Stock Option (Right to Buy) | \$ 8.75 | | | | | 08/08/2001 08/07/2007 | Common stock \$.01 par value |
| 2000 Empl. Stock Option | \$ 9.88 | | | | | 03/18/2004 03/17/2013 | Common Stock |

(Right to Buy)

| | | | | | | | |
|---|----------|------------|--|---|------------|------------|---------------------------------------|
| 2000 Empl Stock Option (Right to Buy) | \$ 10.52 | | | | 03/16/2002 | 03/15/2008 | Common stock \$.01 par value |
| WSH Empl Stock Option (Right to Buy) | \$ 13.87 | | | | 05/04/2000 | 05/03/2006 | Common stock \$.01 par value |
| 2003 EIP Stock Appreciation Right | \$ 10.73 | | | | 02/13/2005 | 02/12/2014 | Common Stock |
| 2003 EIP Stock Appreciation Right | \$ 12.45 | 02/14/2006 | | A | 112,500 | 02/14/2007 | 02/13/2016 Common Stock |
| 2003 EIP Stock Appreciation Right | \$ 13.44 | | | | 02/11/2006 | 02/10/2015 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| MROZEK ERNEST J 3250 LACEY ROAD, SUITE 600 DOWNS GROVE, IL 60515-1700 | | | PRESIDENT & COO | |

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) Shares were acquired as a restricted stock unit award, each unit representing the right to receive one share of ServiceMaster's common stock upon distribution. The stock units vest 20% per year for 5 years beginning March 1, 2007
 - (2) Includes 44 shares purchased through the ServiceMaster Profit Sharing and Retirement Plan during the month of November 2005.
 - (3) Includes 30 shares purchased through the dividend reinvestment feature of the ServiceMaster Deferred Compensation Plan during the month November 2005.
 - (4) The option is exercisable in five equal annual installments beginning on the first anniversary of the date of the grant.
 - (5) 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.