

KAPUT JIM L
Form 4
March 22, 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

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)
03/20/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. VP & General Counsel

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common stock \$.01 par value	03/20/2006		F		753 \$ 12.764	D	63,358
Common stock \$.01 par value	03/21/2006		M		2,404 \$ 10.73	D	65,762
Common stock \$.01 par value	03/21/2006		M		50,000 \$ 11.4125	D	115,762
Common stock \$.01 par value	03/21/2006		M		10,000 \$ 8.75	D	125,762

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stock \$.01 par value									
Common stock \$.01 par value	03/21/2006	M	15,000	A	\$ 10.52	140,762	D		
Common stock \$.01 par value	03/21/2006	M	40,000	A	\$ 9.88	180,762	D		
Common stock \$.01 par value	03/21/2006	S	25,000	D	\$ 13	155,762	D		
Common stock \$.01 par value	03/22/2006	S	3,583 ⁽¹⁾	D	\$ 12.9533	152,179	D		
Common stock \$.01 par value	03/22/2006	S	101,825	D	\$ 12.9121	50,354	D		
Common stock \$.01 par value						15,770	I		through 401(k) plan
Common stock \$.01 par value						400	I		Cust. for children
Common stock \$.01 par value						5,300 ⁽²⁾	I		Deferred Comp

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(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 Underlying Security (Instr. 3 and 4)	8. Date Exercisable	9. Expiration Date	10. Title	11. Amount or Number of Shares
				Code	V (A) (D)						

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Stock Options (Right to buy)	\$ 8.75	03/21/2006	M	10,000	08/08/2001	08/07/2007	Common Stock	10,000
Stock Options (Right to buy)	\$ 10.52	03/21/2006	M	15,000	03/16/2002	03/15/2008	Common Stock	15,000
Stock Options (Right to buy)	\$ 11.4125	03/21/2006	M	50,000	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	03/21/2006	M	40,000	03/18/2004	03/17/2013	Common Stock	40,000
2003 EIP Stock Appreciation Right	\$ 10.73	03/21/2006	M	20,000	02/13/2005	02/12/2014	Common Stock	20,000
2003 EIP Stock Appreciation Right	\$ 12.45				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

03/22/2006

__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 sold through Employee Stock Purchase Plan.

(2) Includes 92 shares acquired through the dividend reinvestment feature of the ServiceMaster Deferred Compensation Plan during the months of July through December 2005.

(3) 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 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.

(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.

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