

PRESTON STEVEN C

Form 4

March 22, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
PRESTON STEVEN C

(Last) (First) (Middle)

3250 LACEY ROAD, SUITE 600

(Street)

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

3. Date of Earliest Transaction
(Month/Day/Year)
03/20/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title ____ Other (specify
below) below)

Ex. Vice President

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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 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	(A) or (D)	Price
Common stock \$.01 par value	03/20/2006		F		753	D	\$ 12.764
Common stock \$.01 par value							855 ⁽¹⁾
						I	by 401(k) plan

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

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information contained in this form are not
required to respond unless the form
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SEC 1474
(9-02)

number.

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 Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Stock Options (Right to buy)	\$ 13.4667					02/13/1999 02/12/2007	Common stock \$.01 par value 22,500
Stock Options (Right to buy)	\$ 13.83					02/08/2003 02/07/2009	Common Stock 100,000
1997 Option Plan (Right to Buy)	\$ 11.2222					02/13/1998 02/12/2007	Common stock \$.01 par value 225,000
1997 Option Plan (Right to Buy)	\$ 12.3467					02/13/1998 02/12/2007	Common stock \$.01 par value 22,500
1997 Option Plan (Right to Buy)	\$ 14.5911					02/13/2000 02/12/2007	Common stock \$.01 par value 22,500
1997 Option Plan (Right to Buy)	\$ 15.7111					02/13/2001 02/12/2007	Common stock \$.01 par value 22,500
1997 Option Plan (Right to Buy)	\$ 16.8355					02/13/2002 02/12/2007	Common stock \$.01 par value 22,500
Non-Qual. Stock Option (Right to Buy)	\$ 18.075					01/29/2000 01/28/2009	Common stock \$.01 par value 90,000

1998 Non-Qual.Stock Option (Right to Buy)	\$ 11.5	12/31/2000	12/31/2009	Common stock \$.01 par value	235,1
1998 Non-Qual.Stock Option (Right to Buy)	\$ 18.2583	02/16/1999	02/15/2008	Common Stock	45,0
Senior Ex. Ownership Elec. Plan (Right to Buy)	\$ 8.75	08/08/2001	08/07/2007	Common stock \$.01 par value	200,0
2000 Emplée Stock Option (Right to Buy)	\$ 9.88	03/18/2004	03/17/2013	Common Stock	66,6
2000 Emplée Stock Option (Right to Buy)	\$ 10.52	03/16/2002	03/15/2008	Common stock \$.01 par value	250,0
WSH Emplée Stock Option (Right to Buy)	\$ 13.87	05/04/2000	05/03/2006	Common stock \$.01 par value	2,52
2003 EIP Stock Appreciation Right	\$ 10.73	02/13/2005	02/12/2014	Common Stock	50,0
2003 EIP Stock Appreciation Right	\$ 13.44	02/11/2006	02/10/2015	Common Stock	50,0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PRESTON STEVEN C 3250 LACEY ROAD, SUITE 600 DOWNERS GROVE, IL 60515-1700			Ex. Vice President	

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) Includes 21 shares acquired through the ServiceMaster Profit Sharing and Retirement Plan during the months of March through December 2005.

(2) Exercise Vesting/Exercise Prices - 1st anniversary 20% exercisable at 110% FMV:\$12.3467 per share - 2nd anniversary 20% exercisable at 120% FMV - \$15.7111 per share - 3rd anniversary - 20% exercisable - at 130% FMV \$14.5911 per share - 4th anniversary 20% exercisable at 140% FMV \$13.4667 - 5th anniversary 20% exercisable at 150% of FMV - \$16.8355 per share FMV - Fair Market Value on Grant Date.

- (3) The option is exercisable in five equal annual installments beginning on the first anniversary of the date of the grant.

- (4) Option becomes exercisable 10% per year on anniversary date of the grant for a period of 8 years, the 9th anniversary the remaining 20% becomes exercisable..

- (5) 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.

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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