

KAPUT JIM L
Form 4
December 28, 2004

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 *
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

3. Date of Earliest Transaction
(Month/Day/Year)
12/27/2004

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

(Street)

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 (A) or (D) Price | | | |
| Common stock \$.01 par value | 12/27/2004 | | S | 2,000 D \$ 13.67 | 45,318 ⁽¹⁾ | D | |
| Common stock \$.01 par value | | | | | 15,770 | I | through 401(k) plan |
| Common stock \$.01 par value | | | | | 400 | I | Cust. for children |
| Common | | | | | 5,123 ⁽²⁾ | 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 Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | 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 75,000 |
| 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 541 |
| 2000 Empl Stock Option | \$ 9.88 | | | | | 03/18/2004 03/17/2013 | Common Stock 66,667 |

(Right to Buy)

2003 EIP

Stock Appreciation Right \$ 10.73

02/13/2005 02/12/2014 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 12/28/2004

__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 236 shares acquired through the ServiceMaster Employee Share Purchase Plan during the months of September through December 2004.
- (2) Includes 42 shares purchased through the dividend reinvestment feature of the ServiceMaster Deferred Compensation Plan in November 2004.
- (3) The option is exercisable in five equal annual installments beginning on the first anniversary of the date of the grant.
- (4) 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. 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.