

SERVICEMASTER CO
Form 5
February 11, 2005

FORM 5

**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).
Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

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. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2004

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

 Director 10% Owner
 Officer (give title below) Other (specify below)
Ex. Vice President

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

6. Individual or Joint/Group Reporting

(check applicable line)

DOWNERS GROVE, IL 60515-1700

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A)	or	(D)	Price		
Common stock \$.01 par value	Â	Â	Â	Â	Â	Â	74,560	D	Â
Common stock \$.01 par value	Â	Â	Â	Â	Â	Â	726 ⁽¹⁾	I	by 401(k) plan
Common stock \$.01 par value	Â	Â	Â	Â	Â	Â	17,530 ⁽²⁾	I	Deferred Comp

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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 of Underlying Security (Instr. 3 and 4)	Annual Share
					(A)	(D)	Date Exercisable	Expiration Date		
Stock Options (Right to buy)	\$ 13.4667	Â	Â	Â	Â	Â	02/13/1999	02/12/2007	Common stock \$0.01 par value	2
Stock Options (Right to buy)	\$ 13.83	Â	Â	Â	Â	Â	02/08/2003	02/07/2009	Common Stock	10
1997 Option Plan (Right to Buy)	\$ 11.2222	Â	Â	Â	Â	Â	02/13/1998	02/12/2007	Common stock \$0.01 par value	22
1997 Option Plan (Right to Buy)	\$ 12.3467	Â	Â	Â	Â	Â	02/13/1998	02/12/2007	Common stock \$0.01 par value	2
1997 Option Plan (Right to Buy)	\$ 14.5911	Â	Â	Â	Â	Â	02/13/2000	02/12/2007	Common stock \$0.01 par value	2
1997 Option Plan (Right to Buy)	\$ 15.7111	Â	Â	Â	Â	Â	02/13/2001	02/12/2007	Common stock \$0.01 par value	2
1997 Option Plan (Right to Buy)	\$ 16.8355	Â	Â	Â	Â	Â	02/13/2002	02/12/2007	Common stock \$0.01 par value	2
Non-Qual. Stock Option (Right to	\$ 18.075	Â	Â	Â	Â	Â	01/29/2000	01/28/2009	Common stock	9

Buy)

\$.01 par value

1998

Non-Qual. Stock Option (Right to Buy)

\$ 11.5

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12/31/2000 12/31/2009

Common stock \$.01 par value

23

1998

Non-Qual. Stock Option (Right to Buy)

\$ 18.2583

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02/16/1999 02/15/2008

Common Stock

4

Senior Ex.

Ownership Elec. Plan (Right to Buy)

\$ 8.75

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08/08/2001 08/07/2007

Common stock \$.01 par value

20

2000 Emplée Stock Option (Right to Buy)

\$ 9.88

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03/18/2004 03/17/2013

Common Stock

6

2000 Emplée Stock Option (Right to Buy)

\$ 10.52

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03/16/2002 03/15/2008

Common stock \$.01 par value

25

WSH Emplée Stock Option (Right to Buy)

\$ 13.87

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05/04/2000 05/03/2006

Common stock \$.01 par value

2

2003 EIP Stock Appreciation Right

\$ 10.73

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02/13/2005 02/12/2014

Common Stock

5

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

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Ex. Vice President

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Signatures

Sandra L. Groman by power of attorney

02/10/2005

**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 April, July and November 2004.
- (2) Includes 458 shares acquired through the dividend reinvestment feature of the ServiceMaster Deferred Compensation Plan during the months of April, July and November 2004.
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.
- (4) The option is exercisable in five equal annual installments beginning on the first anniversary of the date of the grant.
- (5) 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..
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.
- (6)

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