

ENGEL MITCHELL T
Form 4
March 20, 2007

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 *
ENGEL MITCHELL T

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)
03/18/2007

___ Director ___ 10% Owner
__X__ Officer (give title below) ___ Other (specify below)
Chief Marketing Officer

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

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 (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 | 03/18/2007 | | F | 686 D \$ 13.31 | 100,999 ⁽¹⁾ | D | |
| Common stock \$.01 par value | | | | | 3,820 ⁽²⁾ | I | Deferred Comp |
| Common stock \$.01 par value | | | | | 169 ⁽³⁾ | I | 401 (k) plan |

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 |
| 2000 Emplee Stock Option (Right to Buy) | \$ 9.88 | | | | | 03/18/2004 | 03/18/2013 | Common stock \$0.01 par value | 60,000 |
| 2000 Emplee Stock Option (Right to Buy) | \$ 13.73 | | | | | 04/08/2003 | 04/07/2009 | Common stock \$0.01 par value | 200,000 |
| 2003 EIP Stock Appreciation Right | \$ 10.73 | | | | | 02/13/2005 | 02/12/2014 | Common Stock | 45,000 |
| 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
Chief Marketing Officer

ENGEL MITCHELL T
3250 LACEY ROAD, SUITE 600
DOWNERS GROVE, IL 60515-1700

Signatures

Cristen Kogl by power of
attorney

03/20/2007

__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 withheld for the tax obligation on restricted stock vesting. Mr. Engel has an agreement on file to automatically withhold shares for all vesting of restricted stock and restricted stock units. The agreement was pre-cleared and signed on August 10, 2005.

Shares distributed from the Deferred Compensation Plan to direct holding by Mr. Engel. The Deferred Compensation distribution schedule was elected by Mr. Engel in 2002 when he became active in the plan. Also includes share purchased through the dividend reinvestment feature of the Deferred Compensation Plan through February 28, 2007.
- (2) Includes shares acquired through the ServiceMaster Profit Sharing and Retirement Plan through February 28, 2007.
- (3) 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.