SERVICEMASTER CO
Form S-4
March 25, 2013

As filed with the Securities and Exchange Commission on March 25, 2013

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

The ServiceMaster Company*

(Exact Name of Registrant as Specified in its Charter)

Delaware	**8741**	**36-3858106**
(State or other jurisdiction of incorporation)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

860 Ridge Lake Boulevard,

Memphis, Tennessee 38120

(901) 597-1400

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant s Principal Executive Offices)

Greerson G. McMullen, Esq.

Senior Vice President, General Counsel, Government Affairs & Secretary

The ServiceMaster Company

860 Ridge Lake Boulevard,

Memphis, Tennessee 38120

(901) 597-1400

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

With a copy to:

Peter J. Loughran, Esq.

Debevoise & Plimpton LLP

919 Third Avenue

New York, New York 10022

(212) 909-6000

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* Information regarding additional registrants is contained in the Table of Additional Registrants on the following page.

Approximate date of commencement of proposed sale of the securities to the public:

As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o	Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company o

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) o

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) o

CALCULATION OF REGISTRATION FEE

[redacted]

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) promulgated under the Securities Act of 1933, as amended.

(2) The registration fee has been calculated under Rule 457(f) of the Securities Act.

(3) See the following page for a table of guarantor registrants.

(4) Each of the guarantors will fully and unconditionally guarantee the senior notes being registered hereby. Pursuant to Rule 457(n) under the Securities Act, no separate fee for the guarantee is payable.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the SEC, acting pursuant to said Section 8(a), may determine.

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Table of Additional Registrants

Exact Name of Registrant as Specified in its Charter		State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number
Merry Maids Limited Partnership*	Subsidiary Guarantor	Delaware	47-0718233
MM Maids L.L.C.*	Subsidiary Guarantor	Delaware	06-1668989
ServiceMaster Consumer Services, Inc.**	Subsidiary Guarantor	Delaware	36-3729225
ServiceMaster Consumer Services Limited Partnership**	Subsidiary Guarantor	Delaware	36-3729226
ServiceMaster Holding Corporation**	Subsidiary Guarantor	Delaware	36-4245384
ServiceMaster Management Corporation**	Subsidiary Guarantor	Delaware	36-3837079
ServiceMaster Residential/Commercial Services Limited Partnership*	Subsidiary Guarantor	Delaware	36-3747477
SM Clean L.L.C.*	Subsidiary Guarantor	Delaware	06-1668984
Terminix International, Inc.**	Subsidiary Guarantor	Delaware	36-3478839
The Terminix International Company Limited Partnership**	Subsidiary Guarantor	Delaware	36-3478837
TruGreen Companies L.L.C.**	Subsidiary Guarantor	Delaware	36-4313320
TruGreen, Inc.**	Subsidiary Guarantor	Delaware	36-3734601
TruGreen Limited Partnership**	Subsidiary Guarantor	Delaware	36-3734669

* The address including zip code and telephone number including area code for this registrant is 3839 Forest Hill-Irene Road, Memphis, Tennessee, 38125; (901) 597-7500.

** The address including zip code and telephone number including area code for this registrant is 860 Ridge Lake Boulevard, Memphis, Tennessee, 38120; (901) 597-1400.

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The information in this prospectus is not complete and may be changed. We may not complete this exchange offer or issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MARCH 25, 2013

PROSPECTUS

The ServiceMaster Company

Offer to Exchange

$750,000,000 Outstanding 7.000% Senior Notes due 2020

for

$750,000,000 Registered 7.000% Senior Notes due 2020

The ServiceMaster Company is offering to exchange $750,000,000 aggregate principal amount of its outstanding unregistered 7.000% Senior Notes due 2020 (the Old Notes) for a like principal amount of its registered 7.000% Senior Notes due 2020 (the New Notes).

The terms of the New Notes are identical in all material respects to the terms of the Old Notes, except that the New Notes are registered under the Securities Act of 1933, as amended (the Securities Act), and will not contain restrictions on transfer or provisions relating to additional interest, will bear a different CUSIP number from the Old Notes and will not entitle their holders to registration rights.

No public market currently exists for the Old Notes or the New Notes.

The exchange offer will expire at 5:00 p.m., New York City time, on , 2013 (the Expiration Date) unless we extend the Expiration Date. You should read the section called The Exchange Offer for further information on how to exchange your Old Notes for New Notes.

See Risk Factors beginning on page 16 for a discussion of risk factors that you should consider prior to tendering your Old Notes in the exchange offer and risk factors related to ownership of the New Notes.

Each broker-dealer that receives New Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for Old Notes where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of up to 90 days after the consummation of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

Neither the Securities and Exchange Commission (SEC) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2013

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You should rely only on the information contained in this prospectus or to which we have referred you. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this prospectus in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer or solicitation of an offer in such jurisdiction. You should not assume that the information contained in this prospectus is accurate as of any date other than the date of this prospectus. Also, you should not assume that there has been no change in the affairs of The ServiceMaster Company and its subsidiaries since the date of this prospectus.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider in making your investment decision. You should read the following summary together with the entire prospectus, including the more detailed information regarding our company, the New Notes being issued in the exchange offer and our consolidated financial statements and the related notes included in this prospectus. In this prospectus, unless noted or indicated by context and except as provided in Description of Notes, the terms the Company, ServiceMaster, we, us and our refer to The ServiceMaster Company, a Delaware corporation, and its subsidiaries, and the term Holdings refers to ServiceMaster Global Holdings, Inc., a Delaware corporation.

Our Company

ServiceMaster is a global company serving both residential and commercial customers, with a network of approximately 7,300 company-owned, franchised and licensed locations. ServiceMaster s services include termite and pest control, lawn care, home warranties and preventative maintenance contracts, janitorial, cleaning and disaster restoration, house cleaning, wood furniture repair and home inspection. We provide these services primarily under the following leading brands: Terminix, TruGreen, American Home Shield, ServiceMaster Clean, Merry Maids, Furniture Medic and AmeriSpec.

We are organized into five principal reportable segments: Terminix, TruGreen, American Home Shield, ServiceMaster Clean, and Other Operations and Headquarters. During 2012, we employed an average of approximately 20,000 company associates, and we estimate that our franchise network independently employed over 31,000 additional people. Approximately 98 percent of our 2012 operating revenue was generated by sales in the United States. A significant portion of our assets is located in the United States, and the consolidated value of all assets located outside of the United States is not material. Incorporated in Delaware in 1991, ServiceMaster is the successor to various entities dating back to 1947.

Our Services

The following table shows the percentage of ServiceMaster s consolidated revenue from continuing operations derived from each of ServiceMaster s reportable segments in the years indicated:

Segment	2012	2011	2010
Terminix	40%	37%	37%
TruGreen	31%	34%	35%
American Home Shield	22%	22%	21%
ServiceMaster Clean	4%	4%	4%
Other Operations and Headquarters	3%	3%	3%

Terminix Segment

The Terminix segment provides termite and pest control services primarily under the Terminix brand name and also distributes pest control products. Terminix is a leading provider of termite and pest control services in the United States, serving both residential and commercial customers. Of Terminix s 2012 operating revenue, 39 percent and 17 percent were generated from residential and commercial pest control services, respectively, and 36 percent and 3 percent were generated from residential and commercial termite control services, respectively (with the remainder from other services).

As of December 31, 2012, Terminix provided these services in 47 states and the District of Columbia through approximately 285 company-owned locations and 100 franchised locations. As of December 31, 2012, Terminix also provided termite and pest control services through subsidiaries in Mexico, the Caribbean and Central America and a joint venture in India and had licensing arrangements whereby licensees provided these services in Japan, China, South Korea, Southeast Asia, Central America, the Caribbean and the Middle East.

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TruGreen Segment

The TruGreen segment provides lawn, tree and shrub care services primarily under the TruGreen brand name. TruGreen is a leading provider of lawn, tree and shrub care services in the United States, serving both residential and commercial customers. Of TruGreen s 2012 operating revenue, 53 percent was generated from residential weed control and fertilization services, while expanded lawn services (such as aeration and grub control) (18 percent), commercial weed control and fertilization services (18 percent), and tree and shrub services (11 percent) accounted for the remainder.

As of December 31, 2012, TruGreen provided these services in 48 states and the District of Columbia through approximately 200 company-owned locations and 35 franchised locations. As of December 31, 2012, TruGreen also provided lawn care services through a subsidiary in Canada and had licensing arrangements whereby licensees provided these services in Japan, the United Kingdom and Canada.

American Home Shield Segment

The American Home Shield segment provides home warranties and preventative maintenance contracts for household systems and appliances primarily under the American Home Shield brand name. American Home Shield is a leading provider of home warranties for household systems and appliances in the United States and also offers preventative maintenance contracts. It provides residential customers with contracts to repair or replace electrical, plumbing, central heating and central air conditioning systems, water heaters and other covered household systems and appliances and services those contracts through independent repair contractors. In 2012, 70 percent of the home warranties written by American Home Shield were derived from existing contract renewals, while 17 percent and 13 percent were derived from sales made in conjunction with existing home resale transactions and direct-to-consumer sales, respectively. As of December 31, 2012, American Home Shield issued and administered home warranties in 49 states and the District of Columbia and had no international operations.

ServiceMaster Clean Segment

The ServiceMaster Clean segment provides residential and commercial disaster restoration, janitorial and cleaning services through franchises primarily under the ServiceMaster and ServiceMaster Clean brand names, on-site wood furniture repair and restoration services primarily under the Furniture Medic brand name and home inspection services primarily under the AmeriSpec brand name. Of ServiceMaster Clean s 2012 operating revenue, 50 percent was generated from domestic royalty fees from residential and commercial disaster restoration and cleaning services, while international (19 percent), product sales (10 percent), national janitorial accounts (12 percent), lead generation fees (3 percent), on-site wood furniture repair and restoration (2 percent), home inspection services (2 percent) and new license sales (2 percent) accounted for the remainder.

ServiceMaster Clean. ServiceMaster Clean is a leading franchisor in the residential and commercial disaster restoration and cleaning fields in the United States. As of December 31, 2012, ServiceMaster Clean provided these services in 50 states and the District of Columbia through approximately 2,980 franchised locations. ServiceMaster Clean also has company locations in Canada, the United Kingdom and Honduras. As of December 31, 2012, ServiceMaster Clean had licensing arrangements whereby licensees provided disaster restoration, janitorial and cleaning services in Japan, the United Kingdom, Canada, India, the Middle East, Southeast Asia and Central America.

Furniture Medic. Furniture Medic is a leading provider of on-site wood furniture repair and restoration services serving residential customers in the United States. As of December 31, 2012, Furniture Medic provided these services in 42 states and the District of Columbia through approximately 240 franchised locations. As of December 31, 2012, Furniture Medic also had licensing arrangements whereby licensees provided on-site wood furniture repair and restoration services in the United Kingdom, Canada and Turkey.

AmeriSpec. AmeriSpec is a leading provider of home inspection services serving residential customers in the United States. As of December 31, 2012, AmeriSpec provided these services in 38 states and the District of

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Columbia through approximately 210 franchised locations. AmeriSpec also had licensing arrangements whereby licensees provided home inspection services in Canada.

Other Operations and Headquarters Segment

The Other Operations and Headquarters segment includes the Merry Maids business unit, The ServiceMaster Acceptance Company Limited Partnership (SMAC) and our corporate headquarters functions.

Merry Maids. Merry Maids is a leading provider of home cleaning services in the United States. As of December 31, 2012, these services were provided in 49 states and the District of Columbia through approximately 75 company-owned locations and 390 franchised locations. As of December 31, 2012, Merry Maids also had licensing arrangements whereby licensees provided home cleaning services in Japan, the United Kingdom, Canada, South Korea, Hong Kong, Australia and Southeast Asia.

SMAC. SMAC provides financing to our franchisees through commercial loans for franchise fees and royalties, equipment and vehicle purchases, and working capital needs. Commercial loans are typically for a term of one to seven years and are generally secured by the assets of the franchisee and other collateral. SMAC also provides financing to consumer customers of Terminix and TruGreen through retail installment sales contracts. Retail installment sales contracts are typically for a term of 12 months and are unsecured. In the event a customer fails to make payments under a retail installment sales contract for 120 days after the due date, Terminix and TruGreen purchase the installment contract from SMAC.

Headquarters functions. The Business Support Center, headquartered in Memphis, Tennessee, includes company-wide administrative functions that we refer to as centers of excellence, which administer payroll, benefits, risk management and certain procurement services for our operations. We have various other centers of excellence which provide communications, marketing, government and public relations, administrative, accounting, financial, tax, certain information technology, human resources and legal services for our businesses.

Our corporate headquarters are located at 860 Ridge Lake Boulevard, Memphis, Tennessee, 38120. Our telephone number is (901) 597-1400.

Ownership and Organizational Structure

In July 2007, ServiceMaster was acquired pursuant to a merger transaction (the Merger), and, immediately following the completion of the Merger, all of the outstanding common stock of ServiceMaster Global Holdings, Inc. (Holdings), the ultimate parent company of ServiceMaster, was owned by investment funds managed by, or affiliated with, Clayton, Dubilier & Rice, LLC (CD&R or the CD&R Funds), Citigroup Private Equity LP (Citigroup) and BAS Capital Funding Corporation (BAS) and by JPMorgan Chase Funding Inc. (JPMorgan). On September 30, 2010, Citigroup transferred the management responsibility for certain investment funds that owned shares of Holdings common stock to StepStone Group LLC (such investment funds as managed by StepStone Group, the StepStone Funds) and its proprietary interests in such investment funds to Lexington Partners Advisors LP. As of December 22, 2011, Holdings purchased from BAS 7.5 million shares of its common stock. On March 30, 2012, an affiliate of BAS sold 7.5 million shares of Holdings common stock to Ridgemont Partners Secondary Fund I, L.P.

(Ridgemont). On July 24, 2012, BACSVM-A, L.P., an affiliate of BAS, distributed 2.5 million shares of Holdings common stock to Conversus Investor IV, L.P., its sole limited partner (together with the CD&R Funds, the StepStone Funds, JPMorgan, Citigroup Capital Partners II Employee Master Fund, L.P., an affiliate of Citigroup, and Ridgemont, the Equity Sponsors).

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The following chart illustrates our current ownership and organizational structure:

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(1) Borrower under Credit Facilities (as defined below) and issuer of the Old Notes, New Notes, the 8% Senior Notes due 2020 (the 8% Notes) and the Continuing Notes (as defined in Description of Other Indebtedness). The 8% Notes and the Continuing Notes are described under Description of Other Indebtedness.

(2) ServiceMaster and certain domestic subsidiaries of ServiceMaster are borrowers under a senior secured revolving credit facility entered into by ServiceMaster on July 24, 2007, as amended (the Revolving Credit Facility and, together with the Term Facilities, as described under Description of Other Indebtedness Term Facilities, the Credit Facilities). Each direct and indirect domestic subsidiary of ServiceMaster (other than any subsidiary that is a subsidiary of a foreign subsidiary, foreign subsidiary holding company, an unrestricted subsidiary, a subsidiary below a materiality threshold specified under the Credit Facilities, a receivables financing subsidiary or a subsidiary subject to regulation as an insurance, home warranty, service contract or similar company (or any subsidiary thereof) and certain other specified subsidiaries) currently guarantees ServiceMaster s obligations under the Credit Facilities and certain related interest rate protection or other hedging arrangements with lenders or their affiliates. The Credit Facilities and guarantees thereof are secured as described under Description of Other Indebtedness Credit Facilities. CDRSVM Holding, Inc., ServiceMaster s direct parent, also currently guarantees ServiceMaster s obligations

under the Credit Facilities.

(3) The New Notes will be guaranteed by each domestic subsidiary of ServiceMaster that guarantees ServiceMaster s indebtedness under the Credit Facilities and that is a Wholly Owned Domestic Subsidiary or that guarantees Capital Markets Securities (each as defined under Description of Notes). See Description of Notes. These subsidiaries also guarantee the Old Notes and the 8% Notes. See Description of Other Indebtedness 8% Notes.

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Summary of the Terms of the Exchange Offer

The Notes	In August 2012, the Company sold in transactions exempt from registration under the Securities Act, $750,000,000 aggregate principal amount of its 7.000% Senior Notes due 2020. The initial purchasers for the Old Notes were J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. LLC, Barclays Capital Inc., Deutsche Bank Securities Inc., Goldman, Sachs & Co., Citigroup Global Markets Inc. and Natixis Securities America LLC (collectively, the Initial Purchasers). When we use the term Old Notes in this prospectus, we mean the 7.000% Senior Notes due 2020 that were privately placed with the Initial Purchasers in August 2012 and were not registered with the SEC. When we use the term New Notes in this prospectus, we mean the 7.000% Senior Notes due 2020 registered with the SEC and offered hereby in exchange for the Old Notes. When we use the term Notes or 7.000% Notes in this prospectus, the related discussion applies to both the Old Notes and the New Notes, unless the context otherwise requires and except as provided in Description of Notes. The terms of the New Notes are identical in all material respects to the terms of the Old Notes, except that the New Notes are registered under the Securities Act and will not be subject to restrictions on transfer, will bear a different CUSIP and ISIN number than the Old Notes, will not entitle their holders to registration rights and will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the Old Notes. The New Notes will be issued pursuant to the Indenture, dated as of February 13, 2012, as supplemented by the Third Supplemental Indenture thereto, among the Company, the Subsidiary Guarantors and Wilmington Trust, National Association, as Trustee, which Indenture, as supplemented, also governs the 8% Notes. Such Indenture, as supplemented, is referred to herein as the Indenture. The Old Notes and the New Notes are a different series from the 8% Notes that will vote as a class with the 8% Notes for most purposes under such Indenture. See Description of Notes. The CUSIP numbers for the Old Notes are 81760N AS8 (Rule 144A) and U8151C AF7 (Regulation S). The ISIN numbers for the Old Notes are US81760NAS80 (Rule 144A), and USU8151CAF78 (Regulation S). The CUSIP number for the New Notes is 81760N AR0, and the ISIN number for the New Notes is US81760NAR08.
The Exchange Offer	You may exchange Old Notes for a like principal amount of New Notes. The consummation of the exchange offer is not conditioned upon any minimum or maximum aggregate principal amount of Old Notes being tendered for exchange.
Resale of New Notes	We believe the New Notes that will be issued in the exchange offer may be resold by most investors without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to certain conditions. You should read the discussions under the headings The Exchange Offer for further information regarding the exchange offer and resale of the New Notes.
Registration Rights Agreement	We have undertaken the exchange offer pursuant to the terms of the exchange

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	and registration rights agreement we entered into with the Initial Purchasers on August 21, 2012 (the Registration Rights Agreement). Pursuant to the Registration Rights Agreement, we agreed to use our commercially reasonable efforts to consummate an exchange offer for the Old Notes pursuant to an effective registration statement or to cause resales of the Old Notes to be registered. We have filed the registration statement of which this prospectus constitutes a part to meet our obligations under the Registration Rights Agreement. If we fail to satisfy our obligations under the Registration Rights Agreement and a Registration Default occurs, the interest rate on the Registrable Securities will be increased by (i) 0.25 percent per annum for the first 90-day period beginning on the day immediately following such Registration Default and (ii) an additional 0.25 percent per annum with respect to each subsequent 90-day period, in each case until and including the date such Registration Default ends, up to a maximum increase of 0.50 percent per annum. See Exchange Offer; Registration Rights.
Consequences of Failure to Exchange the Old Notes	You will continue to hold Old Notes that remain subject to their existing transfer restrictions if: • you do not tender your Old Notes; or • you tender your Old Notes and they are not accepted for exchange. We will have no obligation to register the Old Notes after we consummate the exchange offer. See The Exchange Offer Terms of the Exchange Offer; Period for Tendering Old Notes.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on , 2013 (the Expiration Date), unless we extend it, in which case Expiration Date means the latest date and time to which the exchange offer is extended.
Interest on the New Notes	The New Notes will accrue interest from the most recent date to which interest has been paid or provided for on the Old Notes.
Conditions to the Exchange Offer	The exchange offer is subject to several customary conditions. We will not be required to accept for exchange, or to issue New Notes in exchange for, any Old Notes, and we may terminate or amend the exchange offer if we determine in our reasonable judgment at any time before the Expiration Date that the exchange offer would violate applicable law or any applicable interpretation of the staff of the SEC. The foregoing conditions are for our sole benefit and may be waived by us at any time. In addition, we will not accept for exchange any Old Notes tendered, and no New Notes will be issued in exchange for any such Old Notes, if at any time any stop order is threatened or in effect with respect to: • the registration statement of which this prospectus constitutes a part; or • the qualification of the Indenture, dated as of February 13, 2012, governing the Notes under the Trust Indenture Act of 1939, as amended (the Trust Indenture Act). See The Exchange Offer Conditions to the Exchange Offer. We reserve the right to terminate or amend the exchange offer at any time prior to the Expiration Date upon the occurrence of any of the foregoing events.
Procedures for Tendering Old Notes	If you wish to accept the exchange offer, you must tender your Old Notes and

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	do the following on or prior to the Expiration Date, unless you follow the procedures described under The Exchange Offer Guaranteed Delivery Procedures. • if Old Notes are tendered in accordance with the book-entry procedures described under The Exchange Offer Book-Entry Transfer, transmit an Agent s Message to the Exchange Agent through the Automated Tender Offer Program (ATOP) of The Depository Trust Company (DTC), or • transmit a properly completed and duly executed letter of transmittal, or a facsimile copy thereof, to the Exchange Agent, including all other documents required by the letter of transmittal. See The Exchange Offer Procedures for Tendering Old Notes.
Guaranteed Delivery Procedures	If you wish to tender your Old Notes, but cannot properly do so prior to the Expiration Date, you may tender your Old Notes according to the guaranteed delivery procedures set forth under The Exchange Offer Guaranteed Delivery Procedures.
Withdrawal Rights	Tenders of Old Notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date. To withdraw a tender of Old Notes, a notice of withdrawal must be actually received by the Exchange Agent at its address set forth in The Exchange Offer Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date. See The Exchange Offer Withdrawal Rights.
Acceptance of Old Notes and Delivery of New Notes	Except in some circumstances, any and all Old Notes that are validly tendered in the exchange offer prior to 5:00 p.m., New York City time, on the Expiration Date will be accepted for exchange. The New Notes issued pursuant to the exchange offer will be delivered promptly after the Expiration Date. See The Exchange Offer Acceptance of Old Notes for Exchange; Delivery of New Notes.
Certain U.S. Federal Tax Considerations	We believe that the exchange of the Old Notes for the New Notes will not constitute a taxable exchange for U.S. federal income tax purposes. See Certain United States Federal Income Tax Considerations.
Exchange Agent	Wilmington Trust, National Association is serving as the Exchange Agent (the Exchange Agent).

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Summary of the Terms of the Notes

The terms of the New Notes offered in the exchange offer are identical in all material respects to the Old Notes, except that the New Notes:

- are registered under the Securities Act and therefore will not be subject to restrictions on transfer;
- will not be subject to provisions relating to additional interest;
- will bear a different CUSIP and ISIN number;
- will not entitle their holders to registration rights; and
- will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the Old Notes.

The following summary contains basic information about the New Notes and the guarantees thereof and is not intended to be complete. For a more complete understanding of the New Notes and the guarantees, please refer to the section entitled Description of Notes in this prospectus.

Issuer	The ServiceMaster Company.
Notes offered	$750,000,000 aggregate principal amount of 7.000% Senior Notes due 2020. The Notes are a different series from the 8% Notes that will vote as a class with the 8% Notes for most purposes under the Indenture. See Description of Notes.
Maturity	The Notes will mature on August 15, 2020.
Interest payment dates	February 15 and August 15.
Optional redemption	We may redeem some or all of the Notes at any time on or after August 15, 2015 at the redemption prices set forth in this prospectus, plus accrued and unpaid interest, if any, to the redemption date. On or prior to August 15, 2015, we may also apply funds equal to the proceeds from one or more equity offerings to redeem up to 35 percent of the Notes at the redemption price set forth in this prospectus, plus accrued and unpaid interest, if any, to the redemption date. In addition, at any time prior to August 15, 2015, we may redeem some or all of the Notes at a price equal to 100 percent of the principal amount plus the applicable make-whole premium set forth in this prospectus and unpaid interest, if any, to the redemption date. See Description of Notes Redemption Optional Redemption.

Offer to repurchase	If we experience a change of control (as defined in Description of Notes), we must offer to repurchase all of the Notes (unless otherwise redeemed) at a price equal to 101 percent of their principal amount, plus accrued and unpaid interest, if any, to the repurchase date. See Description of Notes Change of Control. If we sell assets under certain circumstances, we must use the proceeds to make an offer to purchase Notes at a price equal to 100 percent of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase. See Description of Notes Certain Covenants Limitation on Sales of Assets and Subsidiary Stock.
Guarantees	The Notes will be guaranteed, jointly and severally, irrevocably and fully and

unconditionally, on a senior unsecured basis, by each domestic subsidiary of ServiceMaster that guarantees our indebtedness under the Credit Facilities and that is a Wholly Owned Domestic Subsidiary (each as defined under Description of Notes) or that guarantees capital markets securities with an outstanding principal amount over $150.0 million. These entities also guarantee our outstanding 8% Notes. These guarantees are subject to termination and release under specified circumstances without the consent of holders of the Notes. See Description of Notes Subsidiary Guarantees.

For the year ended December 31, 2012, our subsidiaries that guarantee the Notes had aggregate operating revenue of approximately $2.4 billion and an aggregate operating loss of approximately $(556.7) million. Our subsidiaries that do not guarantee the Notes, including our non-U.S. subsidiaries and our subsidiaries subject to regulation as insurance, home warranty or service contract companies (including the American Home Shield companies), represent a significant portion of our operations. These non-guarantor subsidiaries currently do not guarantee borrowings under the Credit Facilities or the 8% Notes. See Note 20 to our audited consolidated financial statements and Note 17 to our unaudited condensed consolidated financial statements included in this prospectus, for condensed consolidating statements of operations, financial position and cash flows that present separately the financial information for our subsidiaries that do not guarantee our indebtedness.

Ranking

The Notes are our unsecured senior indebtedness and rank:

- equal in right of payment with all existing and future senior indebtedness of ServiceMaster;
- senior in right of payment to all existing and future subordinated obligations of ServiceMaster; and
- effectively subordinated to all secured indebtedness of that guarantor to the extent of the value of the assets securing such indebtedness and to all indebtedness and other liabilities of our non-guarantor subsidiaries.

The guarantee of each guarantor is a senior unsecured obligation of that guarantor and ranks:

- equal in right of payment to all existing and future senior indebtedness of that guarantor;
- senior in right of payment to all existing and future guarantor subordinated obligations; and
- effectively subordinated to all secured indebtedness of that guarantor to the extent of the value of the assets securing such indebtedness and to all indebtedness and other liabilities of our non-guarantor subsidiaries.

As of December 31, 2012:

- we had $3.961 billion of total long-term debt outstanding, substantially all of which would have ranked equal in right of payment with the Notes;
- of our total long-term debt outstanding, $2.220 billion was represented by secured indebtedness outstanding under our Credit Facilities, to which the Notes are effectively subordinated, and we had $447.7 million of capacity under the Revolving Credit Facility available to us, all of which borrowings would be secured if borrowed; and

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- our non-guarantor subsidiaries had approximately $169.2 million of total debt and capital leases, excluding trade payables and other obligations, all of which are structurally senior to the Notes.

Covenants	The Indenture contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

- incur additional indebtedness or issue certain preferred shares;
- pay dividends, redeem stock or make other distributions, or make investments;
- create restrictions on the ability of our restricted subsidiaries to make payments to us;
- enter into certain transactions with our affiliates;
- transfer or sell assets;
- create certain liens;
- merge, consolidate, or sell all or substantially all of our assets; and
- designate our subsidiaries as unrestricted subsidiaries.

Most of these covenants will cease to apply for so long as the Notes have investment grade ratings from both Moody s Investment Service, Inc. (Moody s) and Standard & Poor s (S&P). These covenants are subject to important exceptions and qualifications, which are described under Description of Notes Certain Covenants and Description of Notes Merger and Consolidation.

Risk Factors

In evaluating an investment in the Notes, prospective investors should carefully consider, along with the other information included in this prospectus, the specific factors set forth under Risk Factors.

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Ratios of Earnings to Fixed Charges

Our consolidated ratios of earnings to fixed charges for the years ended December 31, 2012, 2011, 2010, 2009 and 2008 are as follows:

	Years Ended December 31,				
(in thousands)	**2012**	**2011**	**2010**	**2009**	**2008**
Ratio of Earnings to Fixed Charges	(a)	1.41	1.10	(b)	(c)

(a) For purposes of the ratio calculation, the deficiency in our earnings to achieve a one-to-one ratio of earnings to fixed charges for the year ended December 31, 2012 was $827.4 million. For purposes of calculating our ratio of earnings to fixed charges for the year ended December 31, 2012, fixed charges were $246.3 million.

(b) For purposes of the ratio calculation, the deficiency in our earnings to achieve a one-to-one ratio of earnings to fixed charges for the year ended December 31, 2009 was $3.1 million. For purposes of calculating our ratio of earnings to fixed charges for the year ended December 31, 2009, fixed charges were $299.3 million.

(c) For purposes of the ratio calculation, the deficiency in our earnings to achieve a one-to-one ratio of earnings to fixed charges for the year ended December 31, 2008 was $170.2 million. For purposes of calculating our ratio of earnings to fixed charges for the year ended December 31, 2008, fixed charges were $347.1 million.

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Summary Consolidated Financial Data

The summary historical financial and operating data as of December 31, 2012 and 2011 and for the years ended December 31, 2012, 2011 and 2010 set forth below are derived from our audited consolidated financial statements and related notes included elsewhere in this prospectus. The summary historical financial and operating data as of December 31, 2010 are derived from our audited consolidated financial statements and related notes not included in this prospectus. The summary historical financial and operating data are qualified in their entirety by, and should be read in conjunction with, our consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

	Year ended December 31,		
(In thousands)	**2012**	**2011**	**2010**
Operating results:			
Operating revenue	$ 3,193,281	$ 3,205,872	$ 3,127,394
Operating (loss) income(1)	(532,762)	375,460	306,692
Percentage of operating revenue	(16.7)%	*11.7%*	*9.8%*
Non-operating expense(2)	294,615	263,711	278,308
(Benefit) provision for income taxes(1)	(114,260)	43,912	10,945
Equity in losses of joint venture	(226)		
(Loss) Income from continuing operations(1)(2)	(713,343)	67,837	17,439
Loss from discontinued operations, net of income taxes(3)	(200)	(27,016)	(31,998)
Net (loss) income (1)(2)(3)	$ (713,543)	$ 40,821	$ (14,559)
Other financial data:			
Capital expenditures	$ 73,228	$ 96,540	$ 134,234
Adjusted EBITDA(4)	530,198	586,482	523,124
Operating Performance(4)	562,728	610,475	551,052
Ratio of total debt to Adjusted EBITDA(4)	7.47x	6.61x	7.55x
Ratio of Adjusted EBITDA to interest expense(4)	2.15x	2.15x	1.82x
Financial position (as of period end):			
Total assets	$ 6,410,914	$ 7,146,823	$ 7,098,090
Total liabilities	5,856,264	5,898,904	5,910,563
Total long-term debt outstanding	3,961,253	3,875,870	3,948,487
Total shareholder s equity(1)(2)(3)	554,650	1,247,919	1,187,527

(1) In 2012, the Company recorded pre-tax non-cash impairment charges of $790.2 million and $118.7 million to reduce the carrying value of TruGreen s goodwill and the TruGreen trade name, respectively, as a result of the Company s interim impairment testing of goodwill and indefinite-lived intangible assets. See Note 1 to the consolidated financial statements included elsewhere in this prospectus for further details.

In 2011, the Company recorded a pre-tax non-cash impairment charge of $36.7 million to reduce the carrying value of trade names as a result of the Company s annual impairment testing of goodwill and indefinite-lived intangible assets. These charges are included in the results of continuing operations. There were no similar impairment charges included in continuing operations in 2010. See Note 1 to the consolidated financial statements elsewhere in this prospectus for further details.

The 2012, 2011 and 2010 results include restructuring charges of $18.2 million, $8.2 million and $11.4 million, respectively, as described in Note 8 to the consolidated financial statements elsewhere in this prospectus.

(2) The 2012 results include a $55.6 million ($35.4 million, net of tax) loss on extinguishment of debt related to the redemption of the remaining $996 million aggregate principal amount of the Company s 10.75% senior notes maturing in 2015 (the 2015 Notes) and repayment of $276 million of outstanding borrowings under the Term Facilities.

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(3) In 2011, in conjunction with the decision to dispose of TruGreen LandCare, a pre-tax non-cash impairment charge of $34.2 million was recorded to reduce the carrying value of TruGreen LandCare s assets to their estimated fair value less cost to sell in accordance with applicable accounting standards. Upon completion of the sale of TruGreen LandCare in 2011, the Company recorded a pre-tax loss on sale of $6.2 million. In 2012, upon finalization of certain post-closing adjustments and disputes, the Company recorded an additional $1.3 million loss. In 2010, the Company recorded a pre-tax non-cash impairment charge associated with the goodwill and trade name at its TruGreen LandCare business in the amount of $46.9 million. These charges are classified within the financial statement caption (loss) income from discontinued operations, net of income taxes.

(4) The Company believes Adjusted EBITDA facilitates company-to-company operating performance comparisons by backing out potential differences caused by variations in capital structures (affecting net interest income and expense), taxation and the age and book depreciation of facilities and equipment (affecting relative depreciation expense), which may vary for different companies for reasons unrelated to operating performance. In addition, the Company excludes residual value guarantee charges that do not result in additional cash payments to exit the facility at the end of the lease term. The Company uses Operating Performance as a supplemental measure to assess the Company s performance because it excludes non-cash stock-based compensation expense, non-cash effects on Adjusted EBITDA attributable to the application of purchase accounting in connection with the Merger, restructuring charges and management and consulting fees. The Company presents Operating Performance because it believes that it is useful for investors, analysts and other interested parties in their analysis of the Company s operating results.

Charges relating to stock-based compensation expense and the impact of purchase accounting are non-cash and the exclusion of the impact of these items from Operating Performance allows investors to understand the current period results of operations of the business on a comparable basis with previous periods and, secondarily, gives the investors added insight into cash earnings available to service the Company s debt. We believe this to be of particular importance to the Company s public investors, which are debt holders. The Company also believes that the exclusion of purchase accounting, non-cash stock-based compensation expense, restructuring charges and management and consulting fees may provide an additional means for comparing the Company s performance to the performance of other companies by eliminating the impact of differently structured equity-based, long-term incentive plans, restructuring initiatives and consulting agreements (although care must be taken in making any such comparison, as there may be inconsistencies among companies in the manner of computing similarly titled financial measures).

Adjusted EBITDA and Operating Performance have limitations as analytical tools, and should not be considered in isolation or as substitutes for analyzing the Company s results as reported under accounting principles generally accepted in the United States of America (GAAP). Some of these limitations are:

- Adjusted EBITDA and Operating Performance do not reflect changes in, or cash requirements for, the Company s working capital needs;

- Adjusted EBITDA and Operating Performance do not reflect the Company s interest expense, or the cash requirements necessary to service interest or principal payments on the Company s debt;

- Adjusted EBITDA and Operating Performance do not reflect the Company s tax expense or the cash requirements to pay the Company s taxes;

- Adjusted EBITDA and Operating Performance do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments, nor should they be relied upon to assess current or future liquidity;

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA and Operating Performance do not reflect any cash requirements for such replacements;

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• Other companies in the Company s industries may calculate Adjusted EBITDA and Operating Performance differently, limiting their usefulness as comparative measures;

• Operating Performance does not include purchase accounting and non-cash stock-based compensation expense; the latter of which may cause the overall compensation cost of the business to be understated; and

• Operating Performance does not include restructuring charges and management and consulting fees, the exclusion of which may cause the operating expenses of the business to be understated.

The following table presents a reconciliation of operating income to Adjusted EBITDA and Operating Performance for the periods presented.

	For the year ended December 31,		
(Dollars in thousands)	**2012**	**2011**	**2010**
Operating (loss) income(a)	$ (532,762)	$ 375,460	$ 306,692
Depreciation and amortization expense	146,242	163,436	196,625
EBITDA	(386,520)	538,896	503,317
Interest and net investment income(b)	7,845	10,886	9,358
Residual value guarantee charge(c)			10,449
Non-cash goodwill and trade name impairment(d)	908,873	36,700	
Adjusted EBITDA	530,198	586,482	523,124
Non-cash stock-based compensation expense	7,119	8,412	9,352
Non-cash credits attributable to purchase accounting(e)	(16)	(81)	(372)
Restructuring charges(f)	18,177	8,162	11,448
Management and consulting fees(g)	7,250	7,500	7,500
Operating Performance	$ 562,728	$ 610,475	$ 551,052
Memo: Items excluded from Operating Performance			
Operating performance of discontinued operations(h)	$ (1,138)	$ (3,267)	$ 8,640

(a) Presented below is a reconciliation of operating income to net (loss) income.

	For the year ended December 31,		
(Dollars in thousands)	**2012**	**2011**	**2010**
Operating (loss) income	$ (532,762)	$ 375,460	$ 306,692
Non-operating Expense (Income):			
Interest expense	246,284	273,123	286,933
Interest and net investment income	(7,845)	(10,886)	(9,358)
Loss on extinguishment of debt	55,554	774	
Other expense	622	700	733
(Loss) Income from continuing operations before income taxes	(827,377)	111,749	28,384
(Benefit) provision for income taxes	(114,260)	43,912	10,945
Equity in losses of joint venture	(226)		
(Loss) income from continuing operations	(713,343)	67,837	17,439

Loss from discontinued operations, net of income taxes		(200)		(27,016)		(31,998)
Net (Loss) Income	$	(713,543)	$	40,821	$	(14,559)

(b) Interest and net investment income is primarily comprised of investment income and realized gain (loss) on our American Home Shield segment investment portfolio. Cash, short-term and long-term marketable securities associated with regulatory requirements in connection with American Home Shield and for other purposes totaled $243.7 million as of December 31, 2012. American Home Shield interest and net investment income was $6.2 million, $9.8 million and $6.2 million for the years ended December 31, 2012, 2011 and 2010, respectively. The balance of interest and net investment income primarily relates to (i) investment income (loss) from our employee deferred compensation trust (for which there is a

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corresponding and offsetting change in compensation expense within (loss) income from continuing operations before income taxes) and (ii) interest income on other cash balances.

(c) Represents non-cash residual value guarantee charges recorded in 2010 related to a synthetic lease for operating properties, which expired in July 2010. There were no similar charges in 2012 or 2011.

(d) Represents, as a result of the Company s impairment testing of indefinite-lived intangible assets, pre-tax non-cash impairment charges of $908.9 million recorded in the year ended December 31, 2012 to reduce the carrying value of TruGreen s goodwill and the TruGreen trade name and $36.7 million recorded in the year ended December 31, 2011 to reduce the carrying value of the TruGreen trade name. There were no similar impairment charges included in continuing operations in 2010. See Note 1 to our consolidated financial statements included elsewhere in this prospectus for further information.

(e) The Merger was accounted for using purchase accounting. This adjustment represents the aggregate, non-cash adjustments (other than amortization and depreciation) attributable to the application of purchase accounting.

(f) Represents restructuring charges primarily related to a branch optimization project at Terminix, a reorganization of field leadership and a restructuring of branch operations at TruGreen, a reorganization of leadership at American Home Shield and ServiceMaster Clean, and an initiative to enhance capabilities and reduce costs in our centers of excellence at Other Operations and Headquarters.

(g) Represents management and consulting fees payable to certain related parties. See Note 10 to our consolidated financial statements included elsewhere in this prospectus for further information on management and consulting fees.

(h) The table included in Management s Discussion and Analysis of Financial Condition and Results of Operations Segment Review Discontinued Operations presents reconciliations of operating (loss) income to EBITDA and Operating Performance for the periods presented.

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RISK FACTORS

Investing in the Notes involves a high degree of risk. Before you make your investment decision, you should carefully consider the risks described below and the other information contained in this prospectus, including the consolidated financial statements and the related notes. If any of the following risks actually occurs, our business, financial position, results of operations or cash flows could be materially adversely affected.

Risks Related to Our Business and Our Industry

Adverse credit and financial market events and conditions could, among other things, impede access to or increase the cost of financing or cause our commercial and governmental customers to incur liquidity issues that could lead to some of our services not being purchased or being cancelled, or result in reduced operating revenue and lower operating income, any of which could have an adverse impact on our business, financial position, results of operations and cash flows.

Adverse developments in the credit and financial markets, including due to the ongoing European financial and economic crisis and concerns over U.S. debt ceiling, deficit and budget issues, as well as unstable consumer sentiment and high unemployment, continue to challenge the U.S. and global financial and credit markets and overall economies. These developments have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. Disruptions in credit or financial markets could, among other things, lead to impairment charges, make it more difficult for us to obtain, or increase our cost of obtaining, financing for our operations or investments or to refinance our indebtedness, cause our lenders to depart from prior credit industry practice and not give technical or other waivers under our financing agreements, to the extent we may seek them in the future, thereby causing us to be in default under one or more of the financing agreements. These disruptions also could cause our commercial customers to encounter liquidity issues that could lead to some of our services being cancelled or reduced, or that could result in an increase in the time it takes our customers to pay us, or that could lead to a decrease in pricing for our services and products, any of which could adversely affect our accounts receivable, among other things, and, in turn, increase our working capital needs. Volatile swings in the commercial real estate segment could also impact the demand for our services as landlords cut back on services provided to their tenants. In addition, adverse developments at federal, state and local levels associated with budget deficits resulting from economic conditions could result in federal, state and local governments decreasing their purchasing of our products or services and/or increasing taxes or other fees on businesses, including ServiceMaster, to generate more tax revenues, which could negatively impact spending by commercial customers and municipalities on our services.

Adverse developments in the credit and financial markets could adversely affect our ability to borrow under the Revolving Credit Facility or the synthetic letter of credit facility (the L/C Facility , together with the senior secured term loan facility (the Term Loan Facility), the Term Facilities and, together with the Revolving Credit Facility, the Credit Facilities) in the future or to refinance our debt. Liquidity or capital problems at one or more of the Revolving Credit Facility lenders could reduce or eliminate the amount available for us to draw under such facility. We may not be able to access additional capital on terms acceptable to us or at all.

Adverse developments in the credit and financial markets, along with other economic uncertainties, could also get worse over time. Adverse developments in the credit and financial markets and economic uncertainties make it difficult for us to accurately forecast and plan future business activities. The continuance of the current uncertain economic conditions or further deterioration of such conditions could have a material adverse impact on our business, financial position, results of operations and cash flows.

Further weakening in general economic conditions, especially as they may affect home sales, unemployment or consumer confidence or spending levels, may adversely impact our business, financial position, results of operations and cash flows.

A substantial portion of our results of operations is dependent upon spending by consumers. Deterioration in general economic conditions and consumer confidence could affect the demand for our services. Consumer spending and confidence tend to decline during times of declining economic conditions, and consumer spending and

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confidence may not materially improve. A worsening of macroeconomic indicators, including weak home sales, higher home foreclosures, declining consumer confidence or rising unemployment rates, could adversely affect consumer spending levels, reduce the demand for our services and adversely impact our business, financial position, results of operations and cash flows. These factors could also negatively impact the timing or the ultimate collection of accounts receivable, which would adversely impact our business, financial position, results of operations and cash flows.

Weather conditions and seasonality affect the demand for our services and our results of operations and cash flows.

The demand for our services and our results of operations are affected by weather conditions, including, without limitation, potential impacts, if any, from climate change, known and unknown, and by the seasonal nature of our termite and pest control services, lawn care services, home inspection services and disaster restoration services. For example, in geographies that do not have a year-round growing season, the demand for our lawn care services decreases during the winter months. Adverse weather conditions (e.g., droughts, severe storms and significant rain or snow fall), whether created by climate change factors or otherwise, can adversely impact the timing of product or service delivery or demand for lawn care services, and cooler temperatures can impede the development of the termite swarm and lead to lower demand for our termite control services. Severe winter storms can also impact our home cleaning business if we cannot travel to service locations due to hazardous road conditions. In addition, extreme temperatures can lead to an increase in service requests related to household systems and appliances in our American Home Shield business, resulting in higher claim frequency and costs and lower profitability thereby adversely impacting our business, financial position, results of operations and cash flows.

Availability of our raw materials and increases in raw material prices, fuel prices and other operating costs could adversely impact our business, financial position, results of operations and cash flows.

Our financial performance is affected by the level of our operating expenses, such as fuel, fertilizer, chemicals, refrigerants, parts, appliances and equipment, raw materials, wages and salaries, employee benefits, health care, vehicle, self-insurance costs and other insurance premiums as well as various regulatory compliance costs, all of which may be subject to inflationary pressures. In particular, our financial performance is adversely affected by increases in these operating costs. In recent years, fuel prices have fluctuated widely, and previous increases in fuel prices increased our costs of operating vehicles and equipment. We cannot predict what effect recent global events or any future Middle East or other crisis could have on fuel prices, but it is possible that such events could lead to higher fuel prices. With respect to fuel, our fleet, which consumes approximately 20 million gallons annually, has been negatively impacted by significant increases in fuel prices in the past and could be negatively impacted in the future. Although we hedge a significant portion of our fuel costs, we do not hedge all of those costs. A 10 percent change in fuel prices would result in a change of approximately $7.0 million in our annual fuel cost before considering the impact of fuel swap contracts. Based upon Department of Energy fuel price forecasts, as well as the hedges we have executed to date for 2013, we have projected that fuel prices will not significantly increase our fuel costs for 2013 compared to 2012. Fuel price increases can also result in increases in the cost of fertilizer, chemicals and other materials used in our business. We cannot predict the extent to which we may experience future increases in costs of fuel, fertilizer, chemicals, raw materials, wages, employee benefits, health care, vehicles, insurance and other operating costs. To the extent such costs increase, we may be prevented, in whole or in part, from passing these cost increases through to our existing and prospective customers, and the rates we pay to our subcontractors and suppliers may increase, any of which could have a material adverse impact on our business, financial position, results of operations and cash flows.

We may not successfully implement our business strategies, including achieving our growth objectives.

We may not be able to fully implement our business strategies or realize, in whole or in part within the expected time frames, the anticipated benefits of our various growth or other initiatives. Our various business strategies and initiatives, including our growth, productivity and customer retention, cost reduction and management initiatives are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. For example, we recently embarked on a shift in strategy at TruGreen that includes redesigning our product offerings, transforming the customer experience through new technology, new processes and stricter branch standards, and rebalancing our sales and marketing mix towards channels with higher retention and profitability. In 2012, we experienced significant decreases in operating revenue and Operating Performance at TruGreen for full-year 2012 as compared to 2011 as we pursued this new strategy. There can be no assurance that our new strategy will succeed in positioning TruGreen for future operating revenue and Operating Performance growth. In addition, delays, higher than expected costs or unsuccessful implementation of new information technology systems, including the new operating systems at American Home Shield and Merry Maids, which are currently under development, and TruGreen s new operating system, which is in the process of being deployed, could adversely impact our operations. In addition, we may incur certain costs to achieve efficiency improvements and growth in our business and we may not meet anticipated implementation timetables or stay within budgeted costs. We have already experienced unexpected delays and other issues associated with the development of the operating system at American Home Shield which have resulted in a delay in the projected start of the first phase of our implementation. We expect to continue to incur capitalizable and non-capitalizable technology charges through implementation of the operating system, which is expected to occur in various phases over a period of time. As these efficiency improvement and growth initiatives are undertaken, we may not fully achieve our expected cost savings and efficiency improvements or growth rates, or these initiatives could adversely impact our customer retention or our operations. In addition, our strategies to enhance talent management and adopt and transfer best practices across our businesses may not produce the growth, efficiencies and productivity levels we seek and may present unforeseen challenges. Also, our business strategies may change from time to time in light of our ability to implement our new business initiatives, competitive pressures, economic uncertainties or developments, or other factors. As a result, we may not be able to achieve our expected results of operations and cash flows.

Our market segments are highly competitive. Competition could reduce our share of the market segments served by us and adversely impact our reputation, business, financial position, results of operations and cash flows.

We operate in highly competitive market segments. Changes in the source and intensity of competition in the market segments served by us impact the demand for our services and may also result in additional pricing pressures. The relatively low capital cost of entry into certain of our business categories has led to strong competitive market segments, including competition from regional and local owner-operated companies. Regional and local competitors operating in a limited geographic area may have lower labor, benefits and overhead costs. The principal methods of competition in our businesses include name recognition, quality and speed of service, pricing, customer satisfaction and reputation. We may be unable to compete successfully against current or future competitors, and the competitive pressures that we face may result in reduced market segment share, reduced pricing or adversely impact our reputation, business, financial position, results of operations and cash flows.

We may not be able to attract and retain qualified key executives or transition smoothly to new leadership, which could adversely impact us and our businesses and inhibit our ability to operate and grow successfully.

The execution of our business strategy and our financial performance will continue to depend in significant part on our executive management team and other key management personnel and the smooth transition of new senior leadership. We have recently enhanced many of our senior management positions, including the hiring of Thomas J. Coba as President, ServiceMaster Clean, Merry Maids, Furniture Medic & AmeriSpec; Linda A. Goodspeed as Senior Vice President and Chief Information Officer; Mark J. Barry as President, American Home Shield; and R. David Alexander as President, TruGreen. Our future success depends in large part on our success in utilizing current, experienced senior leadership and transitioning responsibilities to, and implementing the goals and objectives of, our new business unit executives. Effective November 27, 2012, Roger A. Cregg, the former Chief Financial Officer (CFO) of the Company, resigned from the Company. The Company s Controller, David W. Martin, is serving as Interim CFO of the Company until a new CFO is named. On March 21, 2013, we announced that Charles M. Fallon, President, Terminix, was resigning from the Company effective March 29, 2013. Terminix s Vice President of Operations, Larry Pruitt, will serve as interim President of Terminix until a new President of Terminix is named. Any inability to attract in a timely manner qualified key executives, retain our leadership team and recruit other important personnel could have a material adverse impact on our business, financial position, results of operations and cash flows.

Public perceptions that the products we use and the services we deliver are not environmentally friendly or safe may adversely impact the demand for our services.

In providing our services, we use, among other things, fertilizers, herbicides and pesticides. Public perception that the products we use and the services we deliver are not environmentally friendly or safe or are harmful to humans or animals, whether justified or not, or our improper application of these chemicals, could reduce demand for our services, increase regulation or government restrictions or actions, result in fines or penalties, impair our reputation, involve us in litigation, damage our brand names and otherwise have a material adverse impact on our business, financial position, results of operations and cash flows.

Changes in the services we deliver or the products we use could impact our reputation, business, financial position, results of operations and cash flows and our future plans.

Our financial performance is affected by changes in the services and products we offer our customers. For example, American Home Shield initiated the offering of preventative maintenance contracts and other new products. In addition, TruGreen recently embarked on a shift in strategy that includes redesigning its product offerings, transforming the customer experience through new technology, new processes and stricter branch standards, and rebalancing its sales and marketing mix towards channels with higher retention and profitability. There can be no assurance that our new strategy will succeed in positioning TruGreen for future operating revenue and Operating Performance growth. An unsuccessful execution of this strategy, including the rollout or adjustment of our new services or products or TruGreen s sales and marketing plans could cause us to re-evaluate or change our business strategies and could have a material adverse impact on our reputation, business, financial position, results of operations and cash flows and our future plans.

Laws and government regulations applicable to our businesses could increase our legal and regulatory expenses, and impact our business, financial position, results of operations and cash flows.

Our businesses are subject to significant international, federal, state, provincial and local laws and regulations. These laws and regulations include laws relating to consumer protection, wage and hour requirements, franchising, the employment of immigrants, labor relations, permitting and licensing, building code requirements, workers safety, the environment, insurance and home warranties, employee benefits, marketing (including, without limitation, telemarketing or green marketing) and advertising, the application and use of fertilizers, herbicides, pesticides and other chemicals, noise and air pollution from power equipment and water management techniques. In particular, we anticipate that various international, federal, state, provincial and local governing bodies may propose additional legislation and regulation that may be detrimental to our business or may substantially increase our operating costs, including proposed legislation, such as the Employee Free Choice Act, the Paycheck Fairness Act and the Arbitration Fairness Act; environmental regulations related to water quality, water use, chemical use, climate change, equipment efficiency standards, refrigerant production and use and other environmental matters; other consumer protection laws or regulations; or do-not-knock, do-not-mail, do-not-leave or other marketing regulations. It is difficult to predict the future impact of the broad and expanding legislative and regulatory requirements affecting our businesses and changes to such requirements may adversely affect our business, financial position, results of operations and cash flows. In addition, if we were to fail to comply with any applicable law or regulation, we could be subject to substantial fines or damages, be involved in litigation, suffer losses to our reputation or suffer the loss of licenses or incur penalties that may affect how our business is operated, which, in turn, could have a material adverse impact on our business, financial position, results of operations and cash flows.

The enactment of new federal or state legislation or the promulgation of new regulations or interpretations at any level of government may also expose us to potential new liabilities or costs, or may require us to modify our business model or business practices. In March 2010, comprehensive health care reform legislation was enacted in the United States which, among other things, includes guaranteed coverage requirements, including for dependents up to age 26; eliminates pre-existing condition exclusions and annual and lifetime maximum limits; restricts the extent to which policies can be rescinded; and requires employers to provide employees with insurance coverage that meets minimum eligibility and coverage requirements. The legislation imposes implementation effective dates that began in 2010. Due to the breadth and complexity of the health reform legislation and uncertainties surrounding the issuance of final regulations, it is difficult to predict the overall impact of the health reform legislation on our business over the coming years. However, new requirements to provide additional health insurance benefits to our associates would likely increase our expenses, and any such increases could be significant enough to materially impact our business, financial position, results of operations and cash flows. Additional or new regulations, or changes in current regulations, promulgated by the U.S. Consumer Financial Protection Bureau may also require us to modify our business model or business practices.

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Compliance with environmental, health and safety laws and regulations, including laws pertaining to the use of pesticides, herbicides and fertilizers, could result in significant costs that adversely impact our reputation, business, financial position, results of operations and cash flows.

International, federal, state, provincial and local laws and regulations relating to environmental, health and safety matters affect us in several ways. In the United States, products containing pesticides generally must be registered with the U.S. Environmental Protection Agency (EPA) and similar state agencies before they can be sold or applied. The failure to obtain or the cancellation of any such registration, or the withdrawal from the market place of such pesticides, could have an adverse effect on our business, the severity of which would depend on the products involved, whether other products could be substituted and whether our competitors were similarly affected. The pesticides we use are manufactured by independent third parties and are evaluated by the EPA as part of its ongoing exposure risk assessment. The EPA may decide that a pesticide we use will be limited or will not be re-registered for use in the United States. We cannot predict the outcome or the severity of the effect of the EPA s continuing evaluations.

In addition, the use of certain pesticides, herbicides and fertilizer products is regulated by various international, federal, state, provincial and local environmental and public health agencies. These regulations may ban or restrict applications or use or require that only certified or professional users apply the product or that certain products only be used on certain types of locations. These laws may also require users to post notices on properties at which products have been or will be applied, may require notification to individuals in the vicinity that products will be applied in the future or may restrict or ban the use of certain products. Although we strive to comply with such regulations and have processes in place designed to achieve compliance, given our dispersed locations, distributed operations and numerous associates, we may be unable to prevent violations of these or other regulations from occurring. Even if we are able to comply with all such regulations and obtain all necessary registrations and licenses, the pesticides, herbicides, fertilizers or other products we apply, or the manner in which we apply them, could be alleged to cause injury to the environment, to people or to animals, or such products could be banned in certain circumstances. The regulations may apply to third-party vendors who are hired to repair or remediate property and who may fail to comply with environmental laws and regulations and subject us to risk of legal exposure. The costs of compliance, non-compliance, remediation, combating unfavorable public perceptions or defending products liability lawsuits could have a material adverse impact on our reputation, business, financial position, results of operations and cash flows.

International, federal, state, provincial and local agencies regulate the disposal, handling and storage of waste, discharges from our facilities and the investigation and clean-up of contaminated sites. We could incur significant costs, including investigation and clean-up costs, fines, penalties and civil or criminal sanctions and claims by third parties for property damage and personal injury, as a result of violations of, or liabilities under, these laws and regulations. If there is a significant change in the facts or circumstances surrounding the assumptions upon which we operate, or if we are found to violate applicable environmental and public health laws and regulations, it could have a material adverse impact on future environmental capital expenditures and other environmental expenses and on our reputation, financial position, results of operations and cash flows. In addition, potentially significant expenditures could be required to comply with environmental laws and regulations, including requirements that may be adopted or imposed in the future.

International, federal, state, provincial and local agencies that regulate environmental matters may change environmental laws, regulations or standards, including imposing new regulations with respect to climate change matters. Changes in any of these or other laws, regulations or standards could materially adversely impact our business, financial position, results of operations and cash flows.

If we fail to protect the security of personal information about our customers, we could be subject to interruption of our business operations, private litigation, reputational damage and costly penalties.

We rely on, among other things, commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential customer information, such as payment card and personal information. The systems currently used for transmission and approval of payment card transactions, and the technology utilized in payment cards themselves, all of which can put payment card data at risk, are central to meeting standards set by the payment card industry (PCI). We continue to evaluate and modify our systems and protocols for PCI compliance purposes, and such PCI standards may change from time to time. Activities by third parties, advances in computer and software capabilities and encryption technology, new tools and discoveries and

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other events or developments may facilitate or result in a compromise or breach of our systems. Any compromises, breaches or errors in application related to our systems or failures to comply with standards set by the PCI could cause damage to our reputation and interruptions in our operations, including our customers ability to pay for our services and products by credit card or their willingness to purchase our services and products and could result in a violation of applicable laws, regulations, orders, industry standards or agreements and subject us to costs, penalties and liabilities which could have a material adverse impact on our reputation, business, financial position, results of operations and cash flows.

Our business process outsourcing initiatives have increased our reliance on third-party contractors and may expose our business to harm upon the termination or disruption of our third-party contractor relationships.

Our strategy to increase profitability, in part, by reducing our costs of operations includes the implementation of certain business process outsourcing initiatives. Any disruption, termination or substandard performance of these outsourced services, including possible breaches by third-party vendors of their agreements with us, could adversely affect our brands, reputation, customer relationships, financial position, results of operations and cash flows. Also, to the extent a third party outsourcing provider relationship is terminated, there is a risk that we may not be able to enter into a similar agreement with an alternate provider in a timely manner or on terms that we consider favorable, and even if we find an alternate provider, or choose to insource such services, there are significant risks associated with any transitioning activities. In addition, to the extent we decide to terminate outsourcing services and insource such services, there is a risk that we may not have the capabilities to perform these services internally, resulting in a disruption to our business, which could adversely impact our reputation, business, financial position, results of operations and cash flows. We expect to phase out a significant portion of our use of information technology services provided by International Business Machines Corporations (IBM) by the end of 2013. We could incur costs, including personnel and equipment costs, to insource previously outsourced services like these, and these costs could adversely affect our results of operations and cash flows.

We may not be able to adequately protect our intellectual property and other proprietary rights that are material to our business.

Our ability to compete effectively depends in part on our rights to service marks, trademarks, trade names and other intellectual property rights we own or license, particularly our registered brand names, ServiceMaster, Terminix, TruGreen, Merry Maids, ServiceMaster Clean, American Home Shield, AmeriSpec and Furniture Medic. We have not sought to register or protect every one of our marks either in the United States or in every country in which they are or may be used. Furthermore, because of the differences in foreign trademark, patent and other intellectual property or proprietary rights laws, we may not receive the same protection in other countries as we would in the United States. If we are unable to protect our proprietary information and brand names, we could suffer a material adverse impact on our reputation, business, financial position, results of operations and cash flows.

Litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that our products, services or activities infringe their intellectual property rights. Any litigation or claims brought by or against us could result in substantial costs and diversion of our resources. A successful claim of trademark, patent or other intellectual property infringement against us, or any other successful challenge to the use of our intellectual property, could subject us to damages or prevent us from operating our business in the manner in which we have in the past, including preventing us from providing certain services under our recognized brand names, all of which could have a material adverse impact on our reputation, business, financial position, results of operations and cash flows.

Disruptions or failures in our information technology systems could create liability for us or limit our ability to effectively monitor, operate and control our operations and adversely impact our reputation, business, financial position, results of operations and cash flows.

Our information technology systems facilitate our ability to monitor, operate and control our operations. Changes or modifications to our information technology systems could cause disruption to our operations or cause challenges with respect to our compliance with laws, regulations or other applicable standards. For example, delays, higher than expected costs or unsuccessful development and implementation of new operating systems at American Home Shield and Merry Maids, which are currently under development, and at TruGreen, which is in the process of being deployed, could adversely impact our operations. We have already experienced unexpected delays and other issues associated with the development of the operating system at American Home Shield which has resulted in a delay in the projected start of the first phase of our implementation. We expect to continue to incur capitalizable and non-capitalizable technology charges through implementation of the operating system, which is expected to occur in various phases over a period of time. We are relying on third-party providers to develop and implement our operating systems, and disruption, termination or substandard performance by these providers could negatively impact the development and implementation of these systems. As the development and implementation of our information technology systems (including our operating systems) evolve, we may elect to modify, replace or abandon certain technology initiatives, which could result in write-downs. For example, in 2012 we incurred a $4.2 million charge related to the abandonment of certain internally developed software for Merry Maids. In addition, when a third-party provider relationship is terminated, there is a risk of disputes or litigation and that we may not be able to enter into a similar agreement with an alternate provider in a timely manner or on terms that we consider favorable, and even if we find an alternate provider, there are significant risks associated with any transitioning activities.

In addition, any disruption in, capacity limitations, stability or failure to operate as expected of our information technology systems, including our new operating systems at American Home Shield, TruGreen and Merry Maids and our information technology initiative for our human resources function, could, depending on the magnitude of the problem, adversely impact our business, financial position, results of operations and cash flows, including by limiting our capacity to monitor, operate and control our operations effectively, or could have a negative impact on the services provided by our human resources center of excellence. Failures of our information technology systems could also lead to violations of privacy laws, regulations, trade guidelines or practices related to our customers and associates. If our disaster recovery plans do not work as anticipated, or if the third-party vendors to which we have outsourced certain information technology, contact center or other services fail to fulfill their obligations to us, our operations may be adversely impacted and any of these circumstances could adversely impact our reputation, business, financial position, results of operations and cash flows.

Future acquisitions or other strategic transactions could impact our reputation, business, financial position, results of operations and cash flows.

We may pursue strategic transactions in the future domestically and internationally, which could involve acquisitions or dispositions of businesses or assets or joint ventures with strategic partners. Any future strategic transaction could involve integration or implementation challenges, business disruption or other risks, or change our business profile significantly. Any inability on our part to consolidate and manage growth from acquired businesses or successfully implement dispositions or other strategic transactions could have an adverse impact on our reputation, business, financial position, results of operations and cash flows. Any acquisition or joint venture we undertake may not provide us with the benefits that were anticipated when entering into such transaction. The process of integrating an acquired business or establishing a joint venture may create unforeseen difficulties and expenses, including the diversion of resources needed to integrate new businesses, technologies, products, personnel or systems; the inability to retain associates, customers and suppliers; the assumption of actual or contingent liabilities (including those relating to the environment); monitoring and complying with governmental and regulatory schemes; failure to effectively and timely adopt and adhere to our internal control processes and other policies; write-offs or impairment charges relating to goodwill and other intangible assets; unanticipated liabilities relating to acquired businesses; and potential expense associated with litigation with sellers of such businesses. Any disposition transaction could also negatively impact our business and may subject us to various risks, including failure to obtain appropriate value for the disposed business; exposure to post-closing claims, other actual or contingent liabilities, and expenses; difficulties retaining associates, customers and suppliers; material costs and charges associated with the disposition; and disruption to our other businesses and distraction of management during the disposition process or thereafter.

We are subject to various restrictive covenants that could adversely impact our business, financial position, results of operations and cash flows.

From time to time, we enter into noncompetition agreements or other restrictive covenants (e.g., exclusivity, take or pay and non-solicitation), including in connection with business dispositions (including our former business TruGreen LandCare, as to commercial landscaping) or strategic contracts, that restrict us from entering into lines of business or operating in certain geographic areas into which we may desire to expand our business. We also are subject to various non-solicitation and no-hire covenants that may restrict our ability to solicit

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potential customers or associates. If we do not comply with such restrictive covenants, or if a dispute arises regarding the scope and interpretation thereof, litigation could ensue, which could have an adverse impact on our business, financial position, results of operations and cash flows. Further, to the extent that such restrictive covenants prevent us from taking advantage of business opportunities, our business, financial position, results of operations and cash flows may be adversely impacted.

Our future success depends on our ability to attract, retain and maintain positive relations with trained workers and third-party contractors.

Our future success and financial performance depend substantially on our ability to attract, train and retain workers, attract and retain third-party contractors and ensure third-party contractor compliance with our policies and standards. Our ability to conduct our operations is in part impacted by our ability to increase our labor force, including on a seasonal basis, which may be adversely impacted by a number of factors. In the event of a labor shortage, we could experience difficulty in delivering our services in a high-quality or timely manner and could be forced to increase wages in order to attract and retain associates, which would result in higher operating costs and reduced profitability. New election rules by the National Labor Relations Board, including expedited elections and restrictions on appeals, could lead to increased organizing activities at our subsidiaries or franchisees. If these labor organizing activities were successful, it could further increase labor costs, decrease operating efficiency and productivity in the future, or otherwise disrupt or negatively impact our operations. In addition, potential competition from key associates who leave ServiceMaster could impact our ability to maintain our market segment share in certain geographic areas.

We may be required to recognize additional impairment charges.

We have significant amounts of goodwill and intangible assets, such as trade names, and have incurred impairment charges in 2012 and earlier periods with respect to goodwill and intangible assets. We have also incurred impairment charges in the past in connection with our disposition activities. In accordance with applicable accounting standards, goodwill and intangible assets that are not amortized are subject to assessment for impairment by applying a fair-value based test annually, or more frequently if there are indicators of impairment, including:

- significant adverse changes in the business climate, including economic or financial conditions;
- significant adverse changes in expected operating results;
- adverse actions or assessments by regulators;
- unanticipated competition;
- loss of key personnel; and

- a current expectation that more-likely-than-not (e.g., a likelihood that is more than 50%) a reporting unit or intangible asset will be sold or otherwise disposed of.

In 2012, based on lower projected revenue and operating results for TruGreen, we recorded pre-tax non-cash impairment charges of $790.2 million and $118.7 million to reduce the carrying value of TruGreen s goodwill and the TruGreen trade name, respectively, as a result of our interim impairment testing of indefinite-lived intangible assets as of September 30, 2012 and June 30, 2012. In 2011, we also recorded pre-tax non-cash impairment charges of $36.7 million to reduce the carrying value of the TruGreen trade name as a result of our annual impairment testing of goodwill and intangible assets. Additionally, as a result of the decision to sell TruGreen LandCare, we recorded a $34.2 million impairment charge in the first quarter of 2011 to reduce the carrying value of TruGreen LandCare s assets to their estimated fair value less cost to sell in accordance with applicable accounting standards. Upon completion of the sale, a $6.2 million loss on sale was recorded in loss from discontinued operations, net of tax. In the second quarter of 2010, we recorded a pre-tax non-cash impairment charge of $46.9 million, of which $43.0 million was related to the remaining goodwill at TruGreen LandCare and

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$3.9 million related to TruGreen LandCare s trade name. All impairments related to TruGreen LandCare are recorded in loss from discontinued operations, net of income taxes.

Based upon future economic and financial market conditions, the operating performance of our reporting units and other factors, including those listed above, future impairment charges could be incurred. In particular, any further decline in the estimated fair value of the TruGreen trade name will result in additional trade name impairment. It is possible that such impairment, if required, could be material. Any future impairment charges that we are required to record could have a material adverse impact on our results of operations.

Our franchisees and third-party distributors and vendors could take actions that could harm our business.

Our franchisees, third-party distributors and vendors are contractually obligated to operate their businesses in accordance with the standards set forth in our agreements with them. Each franchising brand also provides training and support to franchisees. However, franchisees, third-party distributors and vendors are independent third parties that we do not control, and the franchisees, third party distributors and vendors own, operate and oversee the daily operations of their businesses. As a result, the ultimate success of any franchise operation rests with the franchisee. If franchisees do not successfully operate their businesses in a manner consistent with required standards, royalty payments to us will be adversely affected and a brand s image and reputation could be harmed, which in turn could adversely impact our business, financial position, results of operations and cash flows. Similarly, if third-party distributors and vendors do not successfully operate their businesses in a manner consistent with required laws, standards and regulations, we could be subject to claims from regulators or legal claims for the actions or omissions of such third-party distributors and vendors. In addition, our relationship with our franchisees, third-party distributors and vendors could become strained (including resulting in litigation) as we impose new standards or assert more rigorous enforcement practices of the existing required standards. It is also possible that creditors, or other claimants, of a franchisee, third party-distributor or vendor could attempt to make claims against us under various legal theories, such as in the event such creditors and claimants cannot collect from our franchisee. These strains in our relationships or claims could have a material adverse impact on our reputation, business, financial position, results of operations and cash flows.

Changes in accounting, securities and other rules or interpretations could adversely impact our financial position and results of operations.

Changes in accounting, securities and other rules applicable to our business, including proposed revisions to the rules related to accounting for leases and reserves for, and disclosures relating to, legal contingencies, could affect our reported results of operations and financial position, potentially decrease the comparability of our financial statements to others within our industry and increase our liability exposure.

Risk Factors Related to the Notes

We have substantial indebtedness and may incur substantial additional indebtedness, which could adversely affect our financial health and our ability to obtain financing in the future, react to changes in our business and satisfy our obligations.

As of December 31, 2012, we had $3.961 billion of total long-term debt outstanding. We have available borrowing capacity under the Revolving Credit Facility of $447.7 million through July 24, 2013, $324.2 million from July 25, 2013 through July 24, 2014 and $265.2 million from July 25, 2014 through January 31, 2017. Our substantial debt could have important consequences to holders of our debt and other stakeholders in the Company. Because of our substantial indebtedness:

- our ability to engage in acquisitions without raising additional equity or obtaining additional debt financing is limited;

- our ability to obtain additional financing for working capital, capital expenditures, acquisitions, debt service requirements or general corporate purposes and our ability to satisfy our obligations with respect to our indebtedness may be impaired in the future;

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- a large portion of our cash flow from operations must be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes;

- we are exposed to the risk of increased interest rates because a portion of our borrowings, including under the Credit Facilities, and certain floating rate operating and capital leases are at variable rates of interest;

- it may be more difficult for us to satisfy our obligations to our creditors, resulting in possible defaults on, and acceleration of, such indebtedness;

- we may be more vulnerable to general adverse economic and industry conditions;

- we may be at a competitive disadvantage compared to our competitors with proportionately less indebtedness or with comparable indebtedness on more favorable terms and, as a result, they may be better positioned to withstand economic downturns;

- our ability to refinance indebtedness may be limited or the associated costs may increase;

- our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited; and

- we may be prevented from carrying out capital spending and restructurings that are necessary or important to our growth strategy and efforts to improve operating margins of our businesses.

Despite our indebtedness levels, we and our subsidiaries may be able to incur substantially more indebtedness. This could further exacerbate the risks associated with our substantial indebtedness.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of the instruments governing our indebtedness do not prohibit us or fully prohibit our subsidiaries from doing so. We have available borrowing capacity under the Revolving Credit Facility of $447.7 million through July 24, 2013, $324.2 million from July 25, 2013 through July 24, 2014 and $265.2 million from July 25, 2014 through January 31, 2017. The Credit Facilities permit additional borrowings beyond those commitments under certain circumstances. If new indebtedness is added to our current indebtedness levels, the related risks we face would increase, and we may not be able to meet all of our debt obligations.

Our ability to generate the significant amount of cash needed to pay interest and principal on our indebtedness, including the Notes, and our ability to refinance all or a portion of our indebtedness or obtain additional financing depends on many factors beyond our control.

As a holding company, we have no independent operations or material assets other than our ownership of equity interests in our subsidiaries, and we depend on our subsidiaries to distribute funds to us so that we may pay our obligations and expenses, including satisfying our obligations under our indebtedness, including the Notes. Our ability to make scheduled payments on, or to refinance our obligations under, our indebtedness, including the Notes, depends on the financial and operating performance of our subsidiaries and their ability to make distributions and dividends to us, which, in turn, depends on their results of operations, cash flows, cash requirements, financial position and general business conditions and any legal and regulatory restrictions on the payment of dividends to which they may be subject, many of which may be beyond our control, and as described under Risks Related to Our Business and Our Industry above.

The payment of ordinary and extraordinary dividends by our subsidiaries that are regulated as insurance, home warranty, or similar companies is subject to applicable state law limitations. If we cannot receive sufficient distributions from our subsidiaries, we may not be able to meet our obligations to fund general corporate expenses or service our debt obligations. Our insurance subsidiaries and home warranty and similar subsidiaries (through which we conduct our American Home Shield business) are subject to significant regulatory restrictions under the laws and regulations of the states in which they operate. Among other things, such laws and regulations require certain such

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subsidiaries to maintain minimum capital and net worth requirements and may limit the amount of ordinary and extraordinary dividends and other payments that these subsidiaries can pay to us. For example, certain states prohibit payment by these subsidiaries to the Company of dividends in excess of 10 percent of their capital as of the most recent year end, as determined in accordance with prescribed insurance accounting practices in those states. Of the $243.7 million as of December 31, 2012, which we identify as being potentially unavailable to be paid to the Company by its subsidiaries, approximately $188.7 million is held by our home warranty and insurance subsidiaries and is subject to these regulatory limitations on the payment of funds to us. We expect that such limitations will be in effect through the end of 2013, at which time new limitations will be calculated based on regulatory capital levels as of December 31, 2013. The remainder of the $243.7 million, or $55.0 million, is related to amounts that our management does not consider readily available to be used to service our indebtedness due, among other reasons, to our cash management practices and working capital needs at various subsidiaries.

We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal and interest on our indebtedness. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek to obtain additional equity capital or restructure our indebtedness. In the future, our cash flow and capital resources may not be sufficient for payments of interest on and principal of our indebtedness, and such alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations.

The maturity date for the approximately $2.220 billion of borrowings outstanding under the Term Facilities is January 31, 2017. The Revolving Credit Facility is also scheduled to mature on January 31, 2017. The 8% Notes will mature on February 15, 2020, and the 7.000% Notes will mature on August 15, 2020. We may be unable to refinance any of our indebtedness or obtain additional financing, particularly because of our high levels of indebtedness. Market disruptions, such as those experienced in 2008 and 2009, as well as our significant indebtedness levels, may increase our cost of borrowing or adversely affect our ability to refinance our obligations as they become due. If we are unable to refinance our indebtedness or access additional credit, or if short-term or long-term borrowing costs dramatically increase, our ability to finance current operations and meet our short-term and long-term obligations could be adversely affected.

If we cannot make scheduled payments on our indebtedness, we will be in default and holders of the 8% Notes and the 7.000% Notes could declare all outstanding principal and interest to be due and payable, the lenders under the Credit Facilities could terminate their commitments to loan money, our secured lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. All of these events could result in the loss of your investment in the Notes.

We may from time to time take steps to reduce or refinance outstanding debt, including the Notes, or otherwise to reduce interest expense and other debt service obligations. These steps may include open market repurchases, debt repricings, maturity extensions, and other retirements, purchases or refinancings of outstanding debt, including the Notes, in whole or in part, in addition to making any required scheduled installment payments. The timing of any such step and the amount of debt that would be repurchased, refinanced or otherwise retired will depend on market conditions, our cash requirements and other considerations. The implementation of any such steps or other capital structure changes could adversely affect our debtholders, including by reducing the size of or yield on an applicable debt issue held by them.

Increases in interest rates would increase the cost of servicing our indebtedness and could reduce our profitability.

A significant portion of our outstanding indebtedness, including indebtedness under the Credit Facilities, bears interest at variable rates. As a result, increases in interest rates would increase the cost of servicing our indebtedness and could materially reduce our profitability and cash flows. As of December 31, 2012, each one percentage point change in interest rates would result in an approximate $12.4 million change in the annual interest expense on our Term Loan Facility after considering the impact of the interest rate swaps into which we have entered. Assuming all revolving loans were fully drawn as of December 31, 2012, each one percentage point change in interest rates would result in an approximate $4.5 million change in annual interest expense on our Revolving Credit Facility.

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We are also exposed to increases in interest rates with respect to our arrangement enabling us to transfer an interest in certain receivables to unrelated third parties. Assuming all available amounts were transferred under this arrangement, each one percentage point change in interest rates would result in an approximate $0.5 million change in annual interest expense with respect to this arrangement. We are also exposed to increases in interest rates with respect to our floating rate operating and capital leases, and a one percentage point change in interest rates would result in an approximate $0.7 million change in annual expenses with respect to such leases. The impact of increases in interest rates could be more significant for us than it would be for some other companies because of our substantial indebtedness and floating rate leases.

The agreements and instruments governing our indebtedness contain restrictions and limitations that could significantly impact our ability to operate our business and adversely affect the holders of the Notes.

The Credit Facilities contain covenants that, among other things, restrict our ability to:

- incur additional indebtedness (including guarantees of other indebtedness);
- pay dividends or make other restricted payments, including investments;
- prepay or amend the terms of certain outstanding indebtedness;
- enter into certain types of transactions with affiliates;
- sell certain assets, or, in the case of any borrower under the Credit Facilities, consolidate, merge, sell or otherwise dispose of all or substantially all of its assets;
- create liens;
- in the case of term loans under the Term Loan Facility, enter into agreements restricting dividends or other distributions by subsidiaries to ServiceMaster; and
- in the case of the Revolving Credit Facility, make acquisitions, enter into agreements restricting our ability to incur liens securing the Revolving Credit Facility and change our business.

The Indenture also contains restrictive covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

- incur additional indebtedness;
- repurchase certain indebtedness;
- pay dividends, redeem stock or make other distributions;
- make investments;
- create certain liens;
- transfer or sell assets;
- merge, consolidate or sell all or substantially all of our assets;
- create restrictions on the ability of our restricted subsidiaries to make payments to us;
- designate our subsidiaries as unrestricted subsidiaries; and

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- enter into certain transactions with our affiliates.

The restrictions in the Indenture, the Credit Facilities and the instruments governing our other indebtedness may prevent us from taking actions that we believe would be in the best interest of our business and may make it difficult for us to execute our business strategy successfully or effectively compete with companies that are not similarly restricted. We may also incur future debt obligations that might subject us to additional restrictive covenants that could affect our financial and operational flexibility. We may be unable to refinance our indebtedness, at maturity or otherwise, on terms acceptable to us, or at all.

Our ability to comply with the covenants and restrictions contained in the Credit Facilities, the Indenture, and the instruments governing our other indebtedness may be affected by economic, financial and industry conditions beyond our control including credit or capital market disruptions. The breach of any of these covenants or restrictions could result in a default that would permit the applicable lenders or noteholders, as the case may be, to declare all amounts outstanding thereunder to be due and payable, together with accrued and unpaid interest. If we are unable to repay indebtedness, lenders having secured obligations, such as the lenders under the Credit Facilities, could proceed against the collateral securing the indebtedness. In any such case, we may be unable to borrow under the Credit Facilities and may not be able to repay the amounts due under the Credit Facilities or our other outstanding indebtedness, including the Notes. This could have serious consequences to our financial position and results of operations and could cause us to become bankrupt or insolvent.

The Notes are unsecured and effectively subordinated to the rights of our and the guarantors existing and future secured creditors to the extent of the value of our and our guarantors assets.

The Indenture permits us to incur a significant amount of secured indebtedness, including indebtedness under the Credit Facilities. Indebtedness under the Credit Facilities is secured by substantially all of the tangible and intangible assets of ServiceMaster and the guarantors under the Credit Facilities, subject to certain exceptions. The Notes are unsecured and therefore do not have the benefit of such collateral. Accordingly, the Notes are effectively subordinated to all such secured indebtedness. If an event of default occurs under the Credit Facilities, the senior secured lenders will have a prior right to our assets securing the Credit Facilities, to the exclusion of the holders of the Notes, even if we are in default under the Notes. In that event, our assets would first be used to repay indebtedness and other obligations secured by them (including amounts outstanding under the Credit Facilities), resulting in all or a portion of our assets being unavailable to satisfy the claims of the holders of the Notes and other unsecured indebtedness, including, without limitation, the 8% Notes. Therefore, in the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy proceeding, holders of Notes will participate in our remaining assets ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as such Notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor. Further, if the lenders foreclose and sell the pledged interests in any subsidiary guarantor under the Notes, then that guarantor will be released from its guarantee of the Notes automatically and immediately upon the sale. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the Notes. As a result, holders of Notes may receive less, ratably, than holders of secured indebtedness.

As of December 31, 2012, approximately $2.220 billion of our indebtedness was secured. We also have commitments for additional borrowings under the Revolving Credit Facility of $447.7 million through July 24, 2013, $324.2 million from July 25, 2013 through July 24, 2014 and $265.2 million from July 25, 2014 through January 31, 2017, all of which would be secured if borrowed.

The Notes are structurally subordinated to the debt of our non-guarantor subsidiaries.

The Notes are not guaranteed by any of our non-U.S. subsidiaries, any subsidiary subject to regulation as an insurance, home warranty, service contract or similar company, or certain other subsidiaries. Payments on the Notes are required to be made only by us and the subsidiary guarantors. Accordingly, claims of holders of the Notes will be structurally subordinated to the claims of creditors of these non-guarantor subsidiaries, including trade creditors. All obligations of our non-guarantor subsidiaries, including trade payables, will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon liquidation or otherwise, to us or a guarantor of the Notes. Our subsidiaries that do not guarantee the Notes, including our non-U.S. subsidiaries and our subsidiaries subject to regulation as insurance, home warranty and service contract companies (including the

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American Home Shield companies), represent a significant portion of our operations and assets. As of December 31, 2012, our non-guarantor subsidiaries had approximately $169.2 million of total debt and capital leases, excluding trade payables and other obligations, all of which would have been structurally senior to the Notes.

If the lenders under the Credit Facilities release the guarantors under the credit agreement, those guarantors will be released from their guarantees of the Notes.

The lenders under the Credit Facilities have the discretion to release the guarantees under the credit agreements. If a subsidiary guarantor is released from all of its obligations under the Credit Facilities or any other successor credit facility that may be then outstanding, then such subsidiary guarantor will automatically and unconditionally be released from its obligation under its guarantee of the Notes. See Description of Notes Subsidiary Guarantees. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the Notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of noteholders.

If we or our subsidiaries default on our and their obligations to pay our and their indebtedness, we may not be able to make payments on the Notes.

Any default under the agreements governing our or our subsidiaries indebtedness, including a default under the Credit Facilities that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness could make us unable to pay principal, premium, if any, and interest on the Notes when due and substantially decrease the market value of the Notes.

If we or our subsidiaries are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we or they otherwise fail to comply with the various covenants in the instruments governing our or their indebtedness (including covenants in the Credit Facilities and the Indenture), we or they could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the Credit Facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets, which could further result in a cross default or cross acceleration of our debt issued under other instruments, and we could be forced into bankruptcy or liquidation. If amounts outstanding under the Credit Facilities, the 8% Notes, our other outstanding debt securities or other debt of our subsidiaries are accelerated, all our subsidiaries debt and liabilities would be payable from our subsidiaries assets, prior to any distributions of our subsidiaries assets to pay interest and principal on the Notes, and we might not be able to repay or make any payments on the Notes.

We may be unable to raise funds necessary to finance the change of control repurchase offers required by the Indenture.

If we experience specified changes of control, we are required to make an offer to purchase all of the outstanding Notes (unless otherwise redeemed) at a price equal to 101 percent of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase. The occurrence of specified events that would constitute a change of control will constitute a default under the Credit Facilities and would trigger an obligation to repay the 8% Notes. In addition, agreements governing our other indebtedness may limit or prohibit the purchase of the Notes by us in the event of a change of control, unless and until such time as the indebtedness under such agreements is repaid in full or we have made an offer to repay all such indebtedness and repaid in full all lenders who accept such an offer. As a result, following a change of control event, we may not be able to repurchase Notes unless we first repay all indebtedness outstanding under such agreements (or make an offer to do so and repay all lenders who accept such an offer), or obtain a waiver from the holders of such indebtedness to permit us to repurchase the Notes. We may be unable to repay all of that indebtedness or obtain a waiver of that type. Any requirement to offer to repurchase outstanding Notes may therefore require us to refinance our other outstanding debt, which we may not be able to do on commercially reasonable terms, if at all. In addition, our failure to purchase the Notes after a change of control in accordance with the terms of the Indenture would constitute an event of default under the Indenture, which in turn would result in a default under the Credit Facilities.

Our inability to repay the indebtedness under the Credit Facilities would also constitute an event of default under the Indenture, which could have materially adverse consequences to us and to the holders of the Notes. In the event of a change of control, we cannot assure you that we would have sufficient assets to satisfy all of our obligations under the Credit Facilities and our other outstanding indebtedness. Our future indebtedness may also require such indebtedness to be repurchased upon a change of control.

Certain corporate events may not trigger a change of control event, in which case we will not be required to redeem the Notes.

The Indenture permits us to engage in certain important corporate events, such as leveraged recapitalizations, that would increase indebtedness but would not constitute a change of control. If we effected a leveraged recapitalization or other such non-change of control transaction that resulted in an increase in indebtedness, our ability to make payments on the Notes would be adversely affected. However, we would not be required to redeem the Notes, and you might be required to continue to hold your Notes, despite our decreased ability to meet our obligations under the Notes.

The definition of change of control contained in the Indenture includes a disposition of all or substantially all of our assets. Although there is a limited body of case law interpreting the phrase all or substantially all , there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of all or substantially all of our assets. As a result, it may be unclear as to whether a change of control has occurred and whether we are required to make an offer to repurchase the Notes.

Federal and state fraudulent transfer laws may permit a court to void the Notes and/or the guarantees, and if that occurs, you may not receive any payments on the Notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the Notes and the incurrence of the guarantees of the Notes. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the Notes or the guarantees thereof could be voided as a fraudulent transfer or conveyance if the Company or any of the guarantors, as applicable, (a) issued the Notes or incurred the guarantee with the intent of hindering, delaying or defrauding creditors or (b) received less than reasonably equivalent value or fair consideration in return for either issuing the Notes or incurring the guarantee and, in the case of (b) only, one of the following is also true at the time thereof:

- the Company or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the Notes or the incurrence of the guarantee;

- the issuance of the Notes or the incurrence of the guarantee left the Company or any of the guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on its business; or

- the Company or any of the guarantors intended to, or believed that the Company or such guarantor would, incur debts beyond the Company s or such guarantor s ability to pay as they mature.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is satisfied. A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its guarantee to the extent such guarantor did not obtain a reasonably equivalent benefit from the issuance of the Notes.

We cannot be certain as to the standards a court would use to determine whether or not the Company or any of the guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the Notes or the guarantees would be subordinated to the Company s or any of the guarantors other debt. In general, however, a court would deem an entity insolvent if:

- the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;

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- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

- it could not pay its debts as they became due.

If a court were to find that the issuance of the Notes or the incurrence of a guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the Notes or that guarantee, could subordinate the Notes or that guarantee to presently existing and future indebtedness of the Company or of the related guarantor or could require the holders of the Notes to repay any amounts received with respect to that guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the Notes.

The Indenture contains a savings clause intended to limit each subsidiary guarantor s liability under its guarantee to the maximum amount that it could incur without causing the guarantee to be a fraudulent transfer under applicable law. There can be no assurance that this provision will be upheld as intended.

Certain restrictive covenants in the Indenture will not apply during any time that such Notes achieve investment grade ratings.

Most of the restrictive covenants in the Indenture will not apply during any time that the Notes achieve investment grade ratings from Moody s and S&P and no default or event of default has occurred. If these restrictive covenants cease to apply, we may take actions, such as incur additional debt or make certain dividends or distributions, which would otherwise be prohibited under the Indenture. Ratings are given by these rating agencies based upon analyses that include many subjective factors. The Notes may not achieve investment grade ratings, and the investment grade ratings, if granted, may not reflect all of the factors that would be important to holders of the Notes.

We cannot assure you that an active trading market will develop for the Notes.

We cannot give you any assurance as to the development or liquidity of any market for the Notes. We do not intend to apply for listing of the Notes on any securities exchange or for quotation of the Notes through any national securities association. Even if an active trading market for the Notes does develop, you may not be able to sell your Notes at a particular time, if at all, or you may not be able to obtain the price you desire for your Notes. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial fluctuations in the price of securities. The trading price of the Notes will depend on many factors, including prevailing interest rates, the market for similar securities, our credit rating, the interest of securities dealers in making a market for the Notes, the price of any other securities we issue, and our performance, prospects, results of operations and financial position, as well as the performance of other companies in our industry. The liquidity of, and trading market for, the Notes may also be adversely affected by general declines in the market or by declines in the market for similar securities. Such declines may adversely affect such liquidity and trading markets independent of our financial performance and prospects.

A lowering or withdrawal of the ratings, outlook or watch assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital.

Our indebtedness currently has a non-investment grade rating, and any rating, outlook or watch assigned could be lowered or withdrawn entirely by a rating agency if, in that rating agency s judgment, current or future circumstances relating to the basis of the rating, outlook or watch, such as adverse changes to our business, so warrant. Based on the financial performance of our businesses, including the 2012 revenue and operating results of TruGreen, and the outlook for future years, our credit ratings, outlook or watch could be negatively impacted. Any future lowering of our ratings, outlook or watch likely would make it more difficult or more expensive for us to obtain additional debt financing.

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Risks Related to Not Participating in the Exchange Offer

You may have difficulty selling the Old Notes that you do not exchange.

If you do not exchange your Old Notes for the New Notes offered in the exchange offer, your Old Notes will continue to be subject to significant restrictions on transfer. Those transfer restrictions are described in the Indenture and arose because the Old Notes were originally issued under exemptions from the registration requirements of the Securities Act.

The Old Notes may not be offered, sold or otherwise transferred, except in compliance with the registration requirements of the Securities Act, pursuant to an exemption from registration under the Securities Act or in a transaction not subject to the registration requirements of the Securities Act, and in compliance with applicable state securities laws. The Company did not register the Old Notes under the Securities Act, and it does not intend to do so. If you do not exchange your Old Notes, your ability to sell those Notes will be significantly limited.

If a large number of outstanding Old Notes are exchanged for New Notes issued in the exchange offer, it may be more difficult for you to sell your unexchanged Old Notes due to the limited amounts of Old Notes that would remain outstanding following the exchange offer.

Risks Related to Our Relationship with the Equity Owners

We are indirectly owned and controlled by the equity owners, and their interests as equity holders may conflict with the interests of holders of our debt.

We are indirectly owned and controlled by the equity owners, who have the ability to control our policies and operations. The directors appointed by the equity owners are able to make decisions affecting our capital structure, including decisions to issue or repurchase capital stock, pay dividends and incur or repurchase debt, including the Notes. The interests of the equity owners may not in all cases be aligned with the interests of our other stakeholders, including the holders of the Notes. For example, if we encounter financial difficulties or are unable to pay our debts as they mature, the interests of our equity owners might conflict with the interests of holders of our debt, including the Notes. In addition, our equity owners may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such transactions might involve risks to our business or the holders of our debt, including the Notes. Furthermore, the equity owners may in the future own businesses that directly or indirectly compete with us. One or more of the equity owners also may pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us.

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FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements and cautionary statements. Some of the forward-looking statements can be identified by the use of forward-looking terms such as believes, expects, may, will, shall, should, would, could, seeks, aims, projects, is o estimates, anticipates or other comparable terms. Forward-looking statements include, without limitation, all matters that are not historical facts. They appear in a number of places throughout this prospectus and include, without limitation, statements regarding our intentions, beliefs, assumptions or current expectations concerning, among other things, financial position; results of operations; cash flows; prospects; commodities trends; growth strategies or expectations; expanding our commercial services; expectations for American Home Shield s and Merry Maids new operating systems, which are currently under development, and TruGreen s new operating system, which is in the process of being deployed; capital expenditures and requirements, including for American Home Shield s, TruGreen s and Merry Maids new operating systems; estimates for phasing out certain IT services from IBM and projections for expenditures to IBM in 2013; plans for equipping TruGreen s sales associates with handheld technology to make the sales process more efficient and effective; human resources, finance and other outsourcing and insourcing arrangements; customer retention; the continuation of acquisitions; fuel prices; impairment charges related to goodwill and intangible assets and assumptions and estimates used in performing impairment analyses, including discount rates and revenue and cash flow projections; estimates of future amortization expense for intangible assets; attraction and retention of key personnel; the impact of interest rate hedges and fuel swaps; the cost savings from restructurings and reorganizations and expected charges related to such restructurings and reorganizations; the impact on the amount of unrecognized tax benefits resulting from pending tax settlements and expiration of statutes of limitations; the valuation of marketable securities; estimates of accruals for self-insured claims related to workers compensation, auto and general liability risks; estimates of accruals for home warranty claims; estimates of future payments under operating and capital leases; the outcome (by judgment or settlement) and costs of legal or administrative proceedings, including, without limitation, collective, representative or class action litigation; continuation of tuck-in acquisitions; potential indemnification claims associated with the TruGreen LandCare disposition; and the impact of prevailing economic conditions.

Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control. We caution you that forward-looking statements are not guarantees of future performance or outcomes and that actual performance and outcomes, including, without limitation, our actual results of operations, financial condition and liquidity, and the development of the market segments in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this prospectus. In addition, even if our results of operations, financial condition and cash flows, and the development of the market segments in which we operate, are consistent with the forward-looking statements contained in this prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of important factors, including, without limitation, the risks and uncertainties discussed in Risk Factors in this prospectus and the company s annual and quarterly reports filed with the SEC, could cause actual results and outcomes to differ materially from those reflected in the forward-looking statements. Additional factors that could cause actual results and outcomes to differ from those reflected in forward-looking statements include, without limitation:

- the effects of our substantial indebtedness and the limitations contained in the agreements governing such indebtedness;

- our ability to generate the significant amount of cash needed to fund our operations and service our debt obligations, among other things;

- changes in interest rates, because a significant portion of our indebtedness bears interest at variable rates;

- changes in the discount rates, revenue growth, cash flow growth rates or other assumptions used by the Company in its assessment for impairment of goodwill and intangible assets and adverse economic conditions or other factors that would result in significant impairment charges to our goodwill and/or intangible assets;

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- our ability to secure sources of financing or other funding to allow for leasing of commercial vehicles, primarily for Terminix and TruGreen;

- our ability to successfully implement our strategy for TruGreen, including the redesign of TruGreen s product mix and the re-balancing of its sales mix and marketing program and the deployment of TruGreen s new mobility technology;

- changes in the source and intensity of competition in our market segments;

- our ability to attract and retain key personnel;

- weather conditions, including, without limitation, potential impacts, if any, from climate change, known and unknown, and seasonality factors that affect the demand for, or our ability to provide, our services and the cost and quantity of our claims and services;

- higher commodity prices and lack of availability thereof, including, without limitation, fuel and chemicals (primarily at Terminix and TruGreen), which could impact our ability to provide our services and the profitability of our brands;

- increases in operating costs, such as higher insurance premiums, self-insurance costs, labor expense and compensation and benefits costs, including, without limitation, costs related to the comprehensive health care reform law enacted in the first quarter of 2010;

- associate retention and labor shortages, changes in employment and wage and hour laws and regulations, such as equal pay initiatives, additional anti-discrimination rules or tests and different interpretations of exemptions from overtime laws;

- epidemics, pandemics or other public health concerns or crises that could affect the demand for, or our ability to provide, our services, resulting in a reduction in operating revenue;

- a continuation or change in general economic, financial and credit conditions in the United States and elsewhere (for example, any adverse developments in the global credit and financial markets due to the ongoing European financial and economic crisis and the United States debt ceiling, deficit and budget issues), especially as such may affect home sales, consumer or business liquidity, bank failures, consumer or commercial confidence or spending levels including as a result of inflation or deflation, unemployment, interest rate fluctuations, changes in discount rates, mortgage foreclosures and subprime credit dislocations;

- a failure of any insurance company that provides insurance or reinsurance to us or of third-party contract partners, including counterparties to our fuel and interest rate swaps;

- changes in our services or products;

- existing and future governmental regulation and the enforcement thereof, including, without limitation, regulation relating to the environment, including the Federal Trade Commission rules on green marketing; restricting or banning of telemarketing; door-to-door solicitation; direct mail or other marketing activities; Terminix s termite inspection and protection plan; chemicals used in our businesses; regulations impacting contractual provisions requiring arbitration or automatic renewals of contracts; or other legislation, regulation or interpretations impacting our business;

- laws and regulations relating to financial reform and the use of derivative instruments and any new regulations or changes in existing regulations promulgated by the U.S. Consumer Financial Protection Bureau;

- the success of, and costs associated with, restructuring initiatives;

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- the number, type, outcomes (by judgment or settlement) and costs of legal, regulatory (for example, relating to the Real Estate Settlement Procedures Act) or administrative proceedings, including, without limitation, collective, representative or class action litigation, and changes in the law regarding arbitration and conduct of collective, representative and class action litigation;

- labor organizing activities at our subsidiaries or our franchisees and new regulations or changes in existing regulations and procedures by the National Labor Relations Board, including those that may affect our associates, such as our arbitration and other policies;

- risk of liabilities being passed through from our franchisees and licensees;

- risks associated with acquisitions or other strategic transactions, including, without limitation, acquired liabilities, retaining customers from businesses acquired, achieving expected synergies from acquired businesses and difficulties in integrating acquired businesses or implementing strategic transactions generally, in addition to risks associated with international acquisition transactions or joint ventures;

- risks associated with dispositions, for example, post-closing claims being made against us, post-closing purchase price adjustments (including, without limitation, items related to working capital), disruption to our other businesses during the disposition process or thereafter; credit risks associated with any buyer of such disposed businesses and our ability to collect funds due from any such buyer related to seller financings, licensing arrangements, transition services arrangements or surety bond guarantees;

- constraints associated with non-compete agreements or other restrictive covenants entered into by the Company, including, without limitation, in connection with business dispositions or strategic contracts, some or all of which may restrict our ability to conduct business in particular market segments or compete in particular geographic regions;

- risks associated with budget deficits at federal, state and local levels resulting from economic conditions, which could result in federal, state and local governments decreasing their purchasing of our products or services and/or increasing taxes or other fees on businesses, including ServiceMaster, to generate more tax revenues, which could negatively impact spending by commercial customers and municipalities on our services;

- regulations imposed by several states related to our home warranty and insurance subsidiaries, including those limiting the amount of funds that can be paid to the Company by its subsidiaries;

- changes in claims trends in our medical plan and our automobile, general liability and workers compensation program;

- significant disruptions, terminations or substandard performance of our outsourced services, including possible breaches by third-party vendors of their agreements with us;

- the cost, timing, structuring or results of our business process outsourcing (and insourcing), including, without limitation, any current or future outsourcing (or insourcing) or restructuring of all or portions of our information technology, call center, certain human resource functions and other corporate functions, and risks associated with such outsourcing (or insourcing) or restructuring or transitioning from outsourcing providers to insourcing;

- costs and timing of implementation of upgrades to our information technology systems, including the completion of American Home Shield s, TruGreen s and Merry Maids new operating systems (certain aspects of which are related to customer relationship management and mobility technology) and the information technology initiatives for our human resources and other corporate functions, which are intended to: enhance customer service; protect against theft of customer and corporate sensitive information; comply with industry standards; and minimize disruptions in the Company s operations and centers of excellence; and

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- other factors described in this prospectus and from time to time in documents that we file with the SEC.

Other risks, uncertainties and factors, including those discussed under Risk Factors, could cause our actual results to differ materially from those projected in any forward-looking statements we make. You should read carefully the factors described in the Risk Factors section of this prospectus to better understand the risks and uncertainties inherent in our business and underlying any forward-looking statements.

We assume no obligation to update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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THE EXCHANGE OFFER

Pursuant to the Registration Rights Agreement, we agreed to prepare and file with the SEC a registration statement on an appropriate form under the Securities Act with respect to a proposed offer to the holders of the Old Notes to issue and deliver to such holders of Old Notes, in exchange for their Old Notes, a like aggregate principal amount of New Notes that are identical in all material respects to the Old Notes, except for provisions relating to registration rights and the transfer restrictions relating to the Old Notes, and except for certain related differences described below. See Exchange Offer; Registration Rights.

Terms of the Exchange Offer; Period for Tendering Old Notes

This prospectus and the accompanying letter of transmittal contain the terms and conditions of the exchange offer. Upon the terms and subject to the conditions included in this prospectus and in the accompanying letter of transmittal, which together constitute the exchange offer, we will accept for exchange Old Notes which are properly tendered on or prior to the Expiration Date, unless you have previously withdrawn them.

When you tender Old Notes as provided below, our acceptance of the Old Notes will constitute a binding agreement between you and us upon the terms and subject to the conditions in this prospectus and in the accompanying letter of transmittal. In tendering Old Notes, you should also note the following important information:

- You may only tender Old Notes in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof.

- We will keep the exchange offer open for not less than 20 business days, or longer if required by applicable law, after the date on which notice of the exchange offer is mailed to holders of the Old Notes. We are sending this prospectus, together with the letter of transmittal, on or about the date of this prospectus, to all of the registered holders of Old Notes at their addresses listed in the Trustee s security register with respect to the Old Notes.

- The exchange offer expires at 5:00 p.m., New York City time, on , 2013; provided, however, that we, in our sole discretion, may extend the period of time for which the exchange offer is open.

- As of the date of this prospectus, $750.0 million aggregate principal amount of Old Notes was outstanding. The exchange offer is not conditioned upon any minimum principal amount of Old Notes being tendered.

- Our obligation to accept Old Notes for exchange in the exchange offer is subject to the conditions described under Conditions to the Exchange Offer.

- We expressly reserve the right, at any time, to extend the period of time during which the exchange offer is open, and thereby delay acceptance of any Old Notes, by giving oral or written notice of an extension to the Exchange Agent and notice of that extension to the holders of Notes as described below. During any extension, all Old Notes previously tendered will remain subject to the exchange offer unless withdrawal rights are exercised as described under Withdrawal Rights. Any Old Notes not accepted for exchange for any reason will be returned without expense to the tendering holder of Notes promptly after the expiration or termination of the exchange offer.

- We expressly reserve the right to amend or terminate the exchange offer, and not to accept for exchange any Old Notes that we have not yet accepted for exchange, at any time prior to the Expiration Date. If we make a material change to the terms of the exchange offer, including the waiver of a material condition, we will, to the extent required by law, disseminate additional offer materials and extend the period of time for which the exchange offer is open so that at least five business days remain in the exchange offer following notice of a material change.

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- We will give oral or written notice of any extension, amendment, termination or non-acceptance described above to holders of the Old Notes as promptly as practicable. If we extend the Expiration Date, we will give notice by means of a press release or other public announcement no later than 9:00 a.m., New York City time, on the business day after the previously scheduled Expiration Date. Without limiting the manner in which we may choose to make any public announcement and subject to applicable law, we will have no obligation to publish, advertise or otherwise communicate any public announcement other than by issuing a release to an appropriate news agency. Such announcement may state that we are extending the exchange offer for a specified period of time.

- Holders of Old Notes do not have any appraisal or dissenters rights in connection with the exchange offer.

- Old Notes which are not tendered for exchange, or are tendered but not accepted, in connection with the exchange offer will remain outstanding and be entitled to the benefits of the Indenture, but will not be entitled to any further registration rights under the Registration Rights Agreement.

- We intend to conduct the exchange offer in accordance with the applicable requirements of the Exchange Act and the rules and regulations of the SEC thereunder.

- By executing, or otherwise becoming bound by, the letter of transmittal, you will be making to us the representations described under Resale of the New Notes.

Important rules concerning the exchange offer

You should note the following important rules concerning the exchange offer:

- All questions as to the validity, form, eligibility, time of receipt and acceptance of Old Notes tendered for exchange will be determined by us in our sole discretion, which determination shall be final and binding.

- We reserve the absolute right to reject any and all tenders of any particular Old Notes not properly tendered or to not accept any particular Old Notes if such acceptance might, in our judgment or the judgment of our counsel, be unlawful.

- We also reserve the absolute right to waive any defects or irregularities or conditions of the exchange offer as to any particular Old Notes either before or after the Expiration Date, including the right to waive the ineligibility of any holder who seeks to tender Old Notes in the exchange offer. Unless we agree to waive any defect or irregularity in connection with the tender of Old Notes for exchange, you must cure any defect or irregularity within any reasonable period of time as we shall determine.

- Our interpretation of the terms and conditions of the exchange offer as to any particular Old Notes either before or after the Expiration Date shall be final and binding on all parties. Neither we, the Exchange Agent nor any other person shall be under any duty to notify you of any defect or irregularity with respect to any tender of Old Notes for exchange, nor shall any of them incur any liability for failing to so notify you.

Procedures for Tendering Old Notes

What to submit and how

If you, as a holder of any Old Notes, wish to tender your Old Notes for exchange in the exchange offer, you must, except as described under Guaranteed Delivery Procedures, transmit the following on or prior to the Expiration Date to the Exchange Agent:

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(1) if Old Notes are tendered in accordance with the book-entry procedures described under Book-Entry Transfer, an Agent s Message, as defined below, transmitted through DTC s ATOP, or (2) a properly completed and duly executed letter of transmittal, or a facsimile copy thereof, to the Exchange Agent at the address set forth below under Exchange Agent, including all other documents required by the letter of transmittal.

In addition,

(1) a timely confirmation of a book-entry transfer of Old Notes into the Exchange Agent s account at DTC using the procedure for book-entry transfer described under Book-Entry Transfer (a Book- Entry Confirmation), along with an Agent s Message, must be actually received by the Exchange Agent prior to the Expiration Date, or

(2) certificates for Old Notes must be actually received by the Exchange Agent along with the letter of transmittal on or prior to the Expiration Date, or

(3) you must comply with the guaranteed delivery procedures described below.

The term Agent s Message means a message, transmitted through ATOP by DTC to, and received by, the Exchange Agent and forming a part of a Book-Entry Confirmation, that states that DTC has received an express acknowledgement that the tendering holder has received and agrees to be bound by the letter of transmittal or, in the case of an Agent s Message relating to guaranteed delivery, that such holder has received and further agrees to be bound by the notice of guaranteed delivery, and that we may enforce the letter of transmittal, and the notice of guaranteed delivery, as the case may be, against such holder.

The method of delivery of Old Notes, letters of transmittal, notices of guaranteed delivery and all other required documentation, including delivery of Old Notes through DTC and transmission of Agent s Messages through DTC s ATOP, is at your election and risk. Delivery will be deemed made only when all required documentation is actually received by the Exchange Agent. Delivery of documents or instructions to DTC does not constitute delivery to the Exchange Agent. If delivery is by mail, we recommend that registered mail, properly insured, with return receipt requested, be used. In all cases, sufficient time should be allowed to assure timely delivery to the Exchange Agent. Holders tendering Old Notes or transmitting Agent s Messages through DTC s ATOP must allow sufficient time for completion of ATOP procedures during DTC s normal business hours. No Old Notes, Agent s Messages, letters of transmittal, notices of guaranteed delivery or any other required documentation should be sent to us.

How to sign your letter of transmittal and other documents

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed unless the Old Notes being surrendered for exchange are tendered:

(1) by a registered holder of the Old Notes who has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal, or

(2) for the account of an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Exchange Act, or a commercial bank or trust company having an office or correspondent in the United States that is a member in good standing of a medallion program recognized by the Securities Transfer Association Inc., including the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchanges Medallion Program (SEMP) and the New York Stock Exchange Medallion Signature Program (MSP) (each, an Eligible Institution).

If signatures on a letter of transmittal or a notice of withdrawal, as the case may be, are required to be guaranteed, the guarantees must be by an Eligible Institution.

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If the letter of transmittal is signed by a person or persons other than the registered holder or holders of Old Notes, the Old Notes must be endorsed or accompanied by appropriate powers of attorney, in either case signed exactly as the name or names of the registered holder or holders appear on the Old Notes and with the signatures guaranteed.

If the letter of transmittal or any Old Notes or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers or corporations or others acting in a fiduciary or representative capacity, the person should so indicate when signing and, unless waived by us, proper evidence satisfactory to us of such person s authority to so act must be submitted.

Acceptance of Old Notes for Exchange; Delivery of New Notes

Once all of the conditions to the exchange offer are satisfied or waived, we will accept all Old Notes properly tendered and not properly withdrawn, and will issue the New Notes promptly after The Expiration Date. See Conditions to the Exchange Offer below. For purposes of the exchange offer, our giving of oral or written notice of acceptance to the Exchange Agent will be considered our acceptance of the tendered Old Notes.

In all cases, we will issue New Notes in exchange for Old Notes that are accepted for exchange only after timely receipt by the Exchange Agent of:

- a Book-Entry Confirmation or Old Notes in proper form for transfer,
- a properly transmitted Agent s Message or a properly completed and duly executed letter of transmittal, and
- all other required documentation.

If we do not accept any tendered Old Notes for any reason included in the terms and conditions of the exchange offer, if you submit certificates representing Old Notes in a greater principal amount than you wish to exchange or if you properly withdraw tendered Old Notes in accordance with the procedures described under Withdrawal Rights, we will return any unaccepted, non-exchanged or properly withdrawn Old Notes, as the case may be, without expense to the tendering holder. In the case of Old Notes tendered by book-entry transfer into the Exchange Agent s account at DTC using the book-entry transfer procedures described below, unaccepted, non-exchanged or properly withdrawn Old Notes will be credited to an account maintained with DTC. We will return the Old Notes or have them credited to the DTC account, as applicable, promptly after the expiration or termination of the exchange offer.

Book-Entry Transfer

The Exchange Agent will make a request to establish an account with respect to the Old Notes at DTC for purposes of the exchange offer promptly after the date of this prospectus. Any financial institution that is a participant in DTC s systems, including Euroclear Bank, S.A./N.V., as operator of the Euroclear System (Euroclear), or Clearstream Banking, société anonyme (Clearstream) may make book-entry delivery of Old Notes by causing DTC to transfer Old Notes into the Exchange Agent s account at DTC in accordance with DTC s ATOP procedures for transfer. However, the exchange for the Old Notes so tendered will only be made after timely confirmation of book-entry transfer of Old Notes into the Exchange Agent s account, and timely receipt by the Exchange Agent of an Agent s Message and all other documents required by the letter of transmittal. Only participants in DTC may deliver Old Notes by book-entry transfer.

Although delivery of Old Notes may be effected through book-entry transfer into the Exchange Agent s account at DTC, the letter of transmittal, or a facsimile copy thereof, properly completed and duly executed, with any required signature guarantees, or an Agent s Message, with all other required documentation, must in any case be transmitted to and received by the Exchange Agent at its address listed under Exchange Agent on or prior to the Expiration Date, or you must comply with the guaranteed delivery procedures described below under Guaranteed Delivery Procedures.

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If your Old Notes are held through DTC, you must complete the accompanying form called Instructions to Registered Holder and/or Book-Entry Participant, which will instruct the DTC participant through whom you hold your Old Notes of your intention to tender your Old Notes or not tender your Old Notes. Please note that delivery of documents or instructions to DTC does not constitute delivery to the Exchange Agent and we will not be able to accept your tender of Old Notes until the Exchange Agent actually receives from DTC the information and documentation described under Acceptance of Old Notes for Exchange; Delivery of New Notes.

Guaranteed Delivery Procedures

If you are a registered holder of Old Notes and you want to tender your Old Notes but the procedure for book-entry transfer cannot be completed prior to the Expiration Date, your Old Notes are not immediately available or time will not permit your Old Notes to reach the Exchange Agent before the Expiration Date, a tender may be effected if:

- the tender is made through an Eligible Institution, as defined above,

- prior to the Expiration Date, the Exchange Agent receives from such Eligible Institution, by facsimile transmission, mail or hand delivery, a properly completed and duly executed notice of guaranteed delivery, substantially in the form provided by us, or an Agent s Message with respect to guaranteed delivery in lieu thereof, in either case stating:

- the name and address of the holder of Old Notes,

- the amount of Old Notes tendered,

- that the tender is being made by delivering such notice and guaranteeing that, within three New York Stock Exchange trading days after the Expiration Date, a Book-Entry Confirmation or the certificates for all physically tendered Old Notes, in proper form for transfer, together with either an appropriate Agent s Message or a properly completed and duly executed letter of transmittal in lieu thereof, and all other required documentation, will be deposited by that Eligible Institution with the Exchange Agent, and

- a Book-Entry Confirmation or the certificates for all physically tendered Old Notes, in proper form for transfer, together with either an appropriate Agent s Message or a properly completed and duly executed letter of transmittal in lieu thereof, and all other required documentation, are received by the Exchange Agent within three New York Stock Exchange trading days after the Expiration Date.

Withdrawal Rights

You can withdraw your tender of Old Notes at any time on or prior to 5:00 p.m., New York City time, on the Expiration Date.

For a withdrawal to be effective, a written notice of withdrawal must be actually received by the Exchange Agent prior to such time, properly transmitted either through DTC s ATOP or to the Exchange Agent at the address listed below under Exchange Agent. Any notice of withdrawal must:

- specify the name of the person having tendered the Old Notes to be withdrawn;
- identify the Old Notes to be withdrawn;
- specify the principal amount of the Old Notes to be withdrawn;
- contain a statement that the tendering holder is withdrawing its election to have such Notes exchanged for New Notes;

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- except in the case of a notice of withdrawal transmitted through DTC s ATOP system, be signed by the holder in the same manner as the original signature on the letter of transmittal by which the Old Notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer to have the Trustee with respect to the Old Notes register the transfer of the Old Notes in the name of the person withdrawing the tender;

- if certificates for Old Notes have been delivered to the Exchange Agent, specify the name in which the Old Notes are registered, if different from that of the withdrawing holder;

- if certificates for Old Notes have been delivered or otherwise identified to the Exchange Agent, then, prior to the release of those certificates, specify the serial numbers of the particular certificates to be withdrawn, and, except in the case of a notice of withdrawal transmitted through DTC s ATOP system, include a notice of withdrawal signed in the same manner as the letter of transmittal by which the Old Notes were tendered, including any required signature guarantees; and

- if Old Notes have been tendered using the procedure for book-entry transfer described above, specify the name and number of the account at DTC from which the Old Notes were tendered and the name and number of the account at DTC to be credited with the withdrawn Old Notes, and otherwise comply with the procedures of DTC.

Please note that all questions as to the validity, form, eligibility and time of receipt of notices of withdrawal will be determined by us, and our determination shall be final and binding on all parties. Any Old Notes so withdrawn will be considered not to have been validly tendered for exchange for purposes of the exchange offer. New Notes will not be issued in exchange for such withdrawn Old Notes unless the Old Notes so withdrawn are validly re-tendered.

If you have properly withdrawn Old Notes and wish to re-tender them, you may do so by following one of the procedures described under Procedures for Tendering Old Notes above at any time on or prior to the Expiration Date.

Conditions to the Exchange Offer

Notwithstanding any other provisions of the exchange offer, we will not be required to accept for exchange, or to issue New Notes in exchange for, any Old Notes and may terminate or amend the exchange offer, if we determine in our reasonable judgment at any time before the Expiration Date that the exchange offer would violate applicable law or any applicable interpretation of the staff of the SEC.

The foregoing conditions are for our sole benefit and may be waived by us regardless of the circumstances giving rise to that condition. Our failure at any time to exercise the foregoing rights shall not be considered a waiver by us of that right. The rights described in the prior paragraph are ongoing rights which we may assert at any time and from time to time.

In addition, we will not accept for exchange any Old Notes tendered, and no New Notes will be issued in exchange for any such Old Notes, if at any time any stop order is threatened or in effect with respect to the Registration Statement of which this prospectus constitutes a part or the qualification of the Indenture under the Trust Indenture Act.

We reserve the right to terminate or amend the exchange offer at any time prior to the Expiration Date upon the occurrence of any of the foregoing events.

Exchange Agent

Wilmington Trust, National Association has been appointed as the Exchange Agent for the exchange offer. All executed letters of transmittal, notices of guaranteed delivery, notices of withdrawal and any other required documentation should be directed to the Exchange Agent at the address set forth below. Requests for additional copies of this prospectus or of the letter of transmittal and requests for notices of guaranteed delivery should be directed to the Exchange Agent, addressed as follows:

Deliver To:

By mail, hand or overnight courier:	*By facsimile:*	*For information or confirmation by telephone:*
Wilmington Trust, National Association c/o Wilmington Trust Company Corporate Capital Markets Rodney Square North 1100 North Market Street Wilmington, Delaware 19890-1626	(302) 636-4139	Sam Hamed (302) 636-6181

Delivery to an address other than the address of the Exchange Agent as listed above or transmission of instructions via facsimile other than as listed above does not constitute a valid delivery.

Fees and Expenses

The principal solicitation is being made by mail; however, additional solicitation may be made by telephone or in person by our officers, regular employees and affiliates. We will not pay any additional compensation to any of our officers and employees who engage in soliciting tenders. We will not make any payment to brokers, dealers or others soliciting acceptances of the exchange offer. However, we will pay the Exchange Agent reasonable and customary fees (including attorney fees and expenses) for its services and will reimburse it for its reasonable out-of-pocket expenses in connection with the exchange offer.

The estimated cash expenses to be incurred in connection with the exchange offer, including legal, accounting, SEC filing, printing and Exchange Agent expenses, will be paid by us and are estimated in the aggregate to be approximately $500,000.

Transfer Taxes

Holders who tender their Old Notes for exchange will not be obligated to pay any transfer taxes in connection therewith, except that holders who instruct us to register New Notes in the name of, or request that Old Notes not tendered or not accepted in the exchange offer be returned to, a person other than the registered tendering holder will be responsible for the payment of any applicable transfer tax.

Resale of the New Notes

Under existing interpretations of the staff of the SEC contained in several no-action letters to third parties, the New Notes would in general be freely transferable by holders thereof (other than affiliates of us) after the exchange offer without further registration under the Securities Act (subject to certain representations required to be made by each holder of Old Notes participating in the exchange offer, as set forth below). The relevant no-action letters include the Exxon Capital Holdings Corporation letter, which was made available by the SEC on May 13, 1988, the Morgan Stanley & Co. Incorporated letter, which was made available by the SEC on June 5, 1991, the K-111 Communications Corporation letter, which was made available by the SEC on May 14, 1993, and the Shearman & Sterling letter, which was made available by the SEC on July 2, 1993.

However, any purchaser of Old Notes who is an affiliate of ours or who intends to participate in the exchange offer for the purpose of distributing the New Notes:

- will not be able to rely on such SEC interpretation;

- will not be able to tender its Old Notes in the exchange offer; and

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- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of Old Notes unless such sale or transfer is made pursuant to an exemption from those requirements.

By executing, or otherwise becoming bound by, the letter of transmittal, you will represent to us that:

- any New Notes to be received by you will be acquired in the ordinary course of business;

- you have no arrangements or understandings with any person to participate in the distribution of the Old Notes or New Notes within the meaning of the Securities Act; and

- you are not our affiliate within the meaning of Rule 405 under the Securities Act;

- if you are a broker-dealer, you will receive the New Notes for your own account in exchange for the Old Notes acquired as a result of market-making activities or other trading activities and that you will deliver a prospectus in connection with any resale of New Notes (see Plan of Distribution);

- if you are not a broker-dealer, you are not engaged in and do not intend to engage in the distribution of the New Notes; and

- you are not acting on behalf of any person that could not truthfully make any of the foregoing representations contained in this paragraph.

We have not sought, and do not intend to seek, a no-action letter from the SEC with respect to the effects of the exchange offer, and there can be no assurance that the SEC staff would make a similar determination with respect to the New Notes as it has made in previous no-action letters.

In addition, in connection with any resales of those Old Notes, each participating broker-dealer receiving New Notes for its own account in exchange for Old Notes, where such Old Notes were acquired by such exchanging dealer as a result of market-making activities or other trading activities, must represent that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such New Notes. We have agreed that for a period of up to 90 days after the exchange offer is consummated, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

The SEC has taken the position in the Shearman & Sterling no-action letter, which it made available on July 2, 1993, that broker-dealers may fulfill their prospectus delivery requirements with respect to the New Notes, other than a resale of an unsold allotment from the original sale of the Old Notes, by delivery of the prospectus contained in the exchange offer registration statement.

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USE OF PROCEEDS

The exchange offer is intended to satisfy our obligations under the Registration Rights Agreements we entered into in connection with the private offering of the Old Notes. We will not receive any cash proceeds from the issuance of the New Notes under the exchange offer. In consideration for issuing the New Notes as contemplated by this prospectus, we will receive Old Notes in like principal amounts, the terms of which are identical in all material respects to the New Notes, subject to limited exceptions. Old Notes surrendered in exchange for New Notes will be retired and canceled and cannot be reissued. Accordingly, the issuance of the New Notes will not result in any increase in our indebtedness.

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SELECTED HISTORICAL FINANCIAL DATA

The selected historical financial data as of December 31, 2012 and 2011 and for the years ended December 31, 2012, 2011 and 2010 set forth below are derived from our audited consolidated financial statements and related notes included elsewhere in this prospectus. The selected historical financial data as of December 31, 2010, as of and for the year ended December 31, 2009 and as of December 31, 2008 are derived from our audited consolidated financial statements and related notes not included in this prospectus. The historical financial data are qualified in their entirety by, and should be read in conjunction with, our consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

Operating Results:					
Operating revenue	$ 3,193,281	$ 3,205,872	$ 3,127,394	$ 2,977,885	$ 2,995,126
Operating (loss) income(1)	(532,762)	375,460	306,692	243,834	187,562
Percentage of operating revenue	*(16.7)%*	*11.7%*	*9.8%*	*8.2%*	*6.3%*
Non-operating expense(2)	294,615	263,711	278,308	246,896	357,796
(Benefit) provision for income taxes(1)(3)	(114,260)	43,912	10,945	(9,204)	(50,753)
Equity in losses of joint venture	(226)				
(Loss) Income from continuing operations(1)(2)(3)	(713,343)	67,837	17,439	6,142	(119,481)
(Loss) income from discontinued operations, net of income taxes(4)	(200)	(27,016)	(31,998)	7,353	(6,918)
Net (loss) income(1)(2)(3)(4)	$ (713,543)	$ 40,821	$ (14,559)	$ 13,495	$ (126,399)
Financial Position:					
Total assets	$ 6,410,914	$ 7,146,823	$ 7,098,090	$ 7,146,389	$ 7,493,627
Total liabilities	$ 5,856,264	$ 5,898,904	$ 5,910,563	$ 5,960,058	$ 6,361,268
Total long-term debt outstanding	$ 3,961,253	$ 3,875,870	$ 3,948,487	$ 3,974,944	$ 4,266,092
Total shareholder s equity(1)(2)(3)(4)	$ 554,650	$ 1,247,919	$ 1,187,527	$ 1,186,331	$ 1,132,359

(1) In 2012, the Company recorded pre-tax non-cash impairment charges of $790.2 million and $118.7 million to reduce the carrying value of TruGreen s goodwill and the TruGreen trade name, respectively, as a result of the Company s interim impairment testing of goodwill and indefinite-lived intangible assets. See Note 1 to our consolidated financial statements included elsewhere in this prospectus for further details.

In 2011, 2009 and 2008, the Company recorded pre-tax non-cash impairment charges of $36.7 million, $26.6 million and $58.7 million, respectively, to reduce the carrying value of trade names as a result of the Company s annual impairment testing of goodwill and indefinite-lived intangible assets. These charges are included in the results of continuing operations. There were no similar impairment charges included in continuing operations in 2010. See Note 1 to our consolidated financial statements included elsewhere in this prospectus for further details.

The 2012, 2011 and 2010 results include restructuring charges of $18.2 million, $8.2 million and $11.4 million, respectively, as described in Note 8 to our consolidated financial statements included elsewhere in this prospectus.

The 2009 results include restructuring charges of $26.7 million. These charges included lease termination and severance costs related to a branch optimization project at Terminix; consulting fees, severance, lease termination and other costs related to the reorganization of field leadership and a restructuring of branch operations at TruGreen; transition fees, employee retention and severance costs and consulting and other costs related to the information technology outsourcing initiative; adjustments to lease termination reserves, employee retention and severance costs and consulting and other costs related to prior restructuring initiatives; and severance, retention, legal fees and other costs associated with the Merger.

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The 2008 results include restructuring charges of $12.2 million. These charges included transition fees, employee severance and retention costs, consulting and other costs related to the information technology outsourcing initiative; adjustments to lease termination reserves, employee retention and severance costs, consulting and other costs related to prior restructuring initiatives; and severance, retention, legal fees and other costs associated with the Merger.

(2) The 2012 results include a $55.6 million ($35.4 million, net of tax) loss on extinguishment of debt related to the redemption of the remaining $996 million aggregate principal amount of the Company s 10.75% senior notes maturing in 2015 (the 2015 Notes) and repayment of $276 million of outstanding borrowings under the Term Facilities.

The 2009 results include a $46.1 million ($29.6 million, net of tax) gain on extinguishment of debt related to the completion of open market purchases of $89.0 million in face value of the Company s 2015 Notes.

(3) In 2009, the Company recorded a reduction in income tax expense of $15.2 million related to changes in state tax rates used to measure deferred taxes. In 2008, the Company recorded a reduction in income tax benefit of $8.3 million resulting from the establishment of a valuation allowance related to certain deferred tax assets for which the realization in future years was not more likely than not.

(4) In 2011, in conjunction with the decision to dispose of TruGreen LandCare, a pre-tax non-cash impairment charge of $34.2 million was recorded to reduce the carrying value of TruGreen LandCare s assets to their estimated fair value less cost to sell in accordance with applicable accounting standards. Upon completion of the sale of TruGreen LandCare in 2011, the Company recorded a pre-tax loss on sale of $6.2 million. In 2012, upon finalization of certain post-closing adjustments and disputes, the Company recorded an additional $1.3 million loss. In 2010, 2009 and 2008, the Company recorded pre-tax non-cash impairment charges associated with the goodwill and trade name at its TruGreen LandCare business in the amount of $46.9 million, $1.4 million and $1.4 million, respectively. These charges are classified within the financial statement caption (loss) income from discontinued operations, net of income taxes.

In 2008, the Company recorded pre-tax non-cash impairment charges of $6.3 million related to the long-lived assets (other than goodwill) at its InStar business in connection with the decision to sell the InStar business. These charges are classified within the financial statement caption (loss) income from discontinued operations, net of income taxes.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with Selected Historical Financial Data and our consolidated financial statements and related notes included elsewhere in this prospectus. The following discussion may contain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those factors discussed below and elsewhere in this prospectus, particularly in Risk Factors and Forward-Looking Statements.

Results of Operations

We reported operating revenue of $3.193 billion for the year ended December 31, 2012, $3.206 billion for the year ended December 31, 2011 and $3.127 billion for the year ended December 31, 2010. The operating revenue changes from year to year were driven by the results of our business units as described in Segment Review.

Operating loss was $532.8 million for the year ended December 31, 2012. Operating income was $375.5 million for the year ended December 31, 2011 and $306.7 million for the year ended December 31, 2010. Loss from continuing operations before income taxes was $827.4 million for the year ended December 31, 2012. Income from continuing operations before income taxes was $111.7 million for the year ended December 31, 2011 and $28.4 million for the year ended December 31, 2010. The decrease in income from continuing operations before income taxes for 2012 compared to 2011 of $939.1 million and increase in income from continuing operations before income taxes for 2011 compared to 2010 of $83.4 million primarily reflect the net effect of year over year changes in the following items:

(In thousands)	2012 Compared to 2011	2011 Compared to 2010
Non-cash goodwill and trade name impairment(1)	$ (872,173)	$ (36,700)
Loss on extinguishment of debt(2)	(54,780)	(774)
Segment results(3)	(47,747)	59,423
Restructuring charges(4)	(10,015)	3,286
Interest expense(5)	26,839	13,810
Depreciation and amortization expense(6)	17,194	33,189
Residual value guarantee charges(7)		10,449
Other	1,556	682
	$ (939,126)	$ 83,365

(1) Represents, as a result of the Company s impairment testing of indefinite-lived intangible assets, pre-tax non-cash impairment charges of $908.9 million recorded in the year ended December 31, 2012 to reduce the carrying value of TruGreen s goodwill and the TruGreen trade name and $36.7 million recorded in the year ended December 31, 2011 to reduce the carrying value of the TruGreen trade name. There were no similar impairment charges included in continuing operations in 2010.

(2) Represents the loss on extinguishment of debt recorded in the year ended December 31, 2012 related to the redemption of the remaining $996 million aggregate principal amount of the Company s 2015 Notes and repayment of $276 million of outstanding borrowings under the Term Facilities and the loss on extinguishment of debt recorded in the year ended December 31, 2011 related to the purchase of $65.0 million in face value of the 2015 Notes from Holdings. There were no debt extinguishments by the Company in the year ended December 31, 2010.

(3) Represents the year over year change in (loss) income from continuing operations before income taxes, as adjusted for the specific items included in the table above. Includes key executive transition charges of $4.8 million, $6.6 million and $5.5 million recorded in the years ended December 31, 2012, 2011 and 2010, respectively, as described in Segment Review. For the year ended December 31, 2012, also includes a $3.3 million impairment of licensed intellectual property and a $1.2 million impairment of abandoned real

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estate at Terminix, a $5.4 million increase in tax related reserves at American Home Shield and technology costs of $4.2 million, which related to the abandonment of certain internally developed software, at Merry Maids.

(4) For 2012 compared to 2011, represents the net increase in restructuring charges related primarily to the impact of a branch optimization project at Terminix, a reorganization of field leadership and a restructuring of branch operations at TruGreen, a reorganization of leadership at American Home Shield and ServiceMaster Clean, and an initiative to enhance capabilities and reduce costs in our centers of excellence at Other Operations and Headquarters. See Note 8 to our consolidated financial statements included elsewhere in this prospectus for further details.

For 2011 compared to 2010, represents the net decrease in restructuring charges related to a branch optimization project at Terminix, a reorganization of field leadership and a restructuring of branch operations at TruGreen, an initiative to enhance capabilities and reduce costs in our centers of excellence at Other Operations and Headquarters, Merger related charges and other restructuring costs. See Note 8 to our consolidated financial statements included elsewhere in this prospectus for further details.

(5) For 2012 compared to 2011, represents a decrease in interest expense as a result of decreases in our weighted average interest rate and average long-term debt balance and, for 2011 compared to 2010, represents a decrease in interest expense as a result of decreases in our weighted-average interest rate.

(6) Consists primarily of decreased amortization of intangible assets as a result of certain finite lived intangible assets recorded in connection with the Merger being fully amortized, offset, in part, by increased depreciation of property and equipment as a result of property additions.

(7) Represents non-cash residual value guarantee charges of $10.4 million recorded in the year ended December 31, 2010, related to a synthetic lease for operating properties, which expired in July 2010. There were no similar charges in the years ended December 31, 2012 and 2011.

The Company has historically hedged a significant portion of its annual fuel consumption of approximately 20 million gallons. Fuel costs, after the impacts of the hedges and after adjusting for the impact of year over year changes in the number of gallons used, increased $8.9 million for 2012 compared to 2011 and $11.6 million for 2011 compared to 2010. Based upon current Department of Energy fuel price forecasts, as well as the hedges the Company has executed to date for 2013, the Company projects that fuel prices will not significantly increase our fuel costs for 2013 compared to 2012.

After adjusting for the impact of year over year changes in the number of covered employees, health care and related costs increased $6.6 million for 2012 compared to 2011 and $2.5 million for 2011 compared to 2010. We expect to incur incremental aggregate health care costs in 2013 as compared to 2012 as a result of continued inflation in the cost of health care services and due to certain provisions of the Patient Protection and Affordable Care Act.

The Company has entered into multiple interest rate swap agreements as further discussed in Note 12 to our consolidated financial statements included elsewhere in this prospectus. Changes in interest rates, including the impact of the interest rate swap agreements, improved the Company s non-operating expenses by approximately $5.1 million for 2012 compared to 2011 and $13.7 million for 2011 compared to 2010 by virtue of the effect on floating rate debt, offset, in part, by the negative effect on investment income.

Operating and Non-Operating Expenses

Cost of Services Rendered and Products Sold

The Company reported cost of services rendered and products sold of $1.862 billion for the year ended December 31, 2012 compared to $1.814 billion for the year ended December 31, 2011. As a percentage of revenue, these costs increased to 58.3 percent for the year ended December 31, 2012 from 56.6 percent in 2011. This percentage increase primarily reflects higher fuel and fertilizer prices, a reduction in labor productivity and an increase in fertilizer usage rates at TruGreen, a $3.3 million impairment of licensed intellectual property, a $1.2 impairment of abandoned real estate and an increase in product distribution revenue at Terminix, which has lower

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margins than termite or pest revenue, a $4.2 million impairment of certain internally developed software at Merry Maids and an increase in expenses in our automobile, general liability and workers compensation insurance programs due primarily to the reversal, in 2011, of claims reserves driven by favorable claims experience. The items were offset, in part, by improved labor efficiencies and the favorable impact of acquiring assets in connection with exiting certain fleet leases at Terminix, a reduction in ice melt sales at TruGreen, which has lower margins than core lawn services, a reduction in home warranty claims costs at American Home Shield and other cost reductions realized through ongoing initiatives.

The Company reported cost of services rendered and products sold of $1.814 billion for the year ended December 31, 2011 compared to $1.777 billion for the year ended December 31, 2010. As a percentage of revenue, these costs decreased to 56.6 percent for the year ended December 31, 2011 from 56.8 percent in 2010. Residual value guarantee charges of $9.2 million related to synthetic leases were recorded in 2010 at TruGreen for which there was no similar charge in 2011. The remaining percentage increase primarily reflects an increase in fuel and fertilizer prices and an increase in home warranty claims costs at American Home Shield, offset, in part, by the favorable impact of acquiring assets in connection with exiting certain fleet leases, a reduction in termite damage claims expense at Terminix and other cost reductions realized through ongoing initiatives.

Selling and Administrative Expenses

The Company reported selling and administrative expenses of $872.0 million for the year ended December 31, 2012 compared to $880.5 million for the year ended December 31, 2011. As a percentage of revenue, these costs decreased to 27.3 percent for the year ended December 31, 2012 from 27.5 percent in 2011. This percentage decrease primarily reflects a reduction in sales and marketing expense and a $1.9 million reduction in key executive transition charges, offset, in part, by increased investments in ongoing productivity and standardization initiatives and an increase in technology costs related to a new operating system at TruGreen, which is in the process of being deployed, a $5.4 million increase in tax related reserves, an increase in provisions for certain legal matters and increased investments to drive improvements in service delivery at American Home Shield, and an increase in technology costs related to PCI standards compliance purposes at Other Operations and Headquarters.

The Company reported selling and administrative expenses of $880.5 million for the year ended December 31, 2011 compared to $896.0 million for the year ended December 31, 2010. As a percentage of revenue, these costs decreased to 27.5 percent for the year ended December 31, 2011 from 28.6 percent in 2010. This percentage decrease primarily reflects a reduction in sales and marketing expense, a reduction in spending in the Company s centers of excellence, a reduction in provisions for certain legal matters and other cost reductions realized through ongoing initiatives, offset, in part, by an increase in technology costs related to a new operating system at American Home Shield, an increase in technology costs related to PCI standards compliance purposes at Other Operations and Headquarters and a $1.1 million increase in key executive transition charges.

Amortization Expense

Amortization expense was $65.3 million, $91.4 million and $136.0 million for the years ended December 31, 2012, 2011 and 2010, respectively. The decrease for 2012 compared to 2011 and 2011 compared to 2010 is a result of certain finite lived intangible assets recorded in connection with the Merger being fully amortized.

Goodwill and Trade Name Impairments

The Company recorded a non-cash goodwill impairment charge of $790.2 million for the year ended December 31, 2012 to reduce the carrying value of TruGreen s goodwill to its estimated fair value as of December 31, 2012. The Company also recorded a non-cash trade name impairment charge of $118.7 million for the year ended December 31, 2012 and $36.7 million for the year ended December 31, 2011 to reduce the carrying value of the TruGreen trade name to its fair value as a result of the Company s impairment testing in each year. There were no similar goodwill or trade name impairment charges included in continuing operations for the year ended December 31, 2010.

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Goodwill Impairment

Based on the revenue and operating results of TruGreen in 2012 and the outlook for future years, the Company concluded there was an impairment indicator requiring a goodwill impairment assessment for TruGreen as of September 30, 2012. The Company estimated that the implied fair value of goodwill as of such date was less than the carrying value for TruGreen by $790.2 million, which was recorded as a goodwill impairment charge in 2012. As of December 31, 2012, there was a $417.1 million balance of goodwill remaining at TruGreen.

The goodwill impairment charge recorded in 2012 was primarily attributable to a decline in forecasted 2012 cash flows and a decrease in projected future growth in cash flows at TruGreen over a defined projection period as of September 30, 2012 compared to the projections used in the previous annual impairment assessment performed on October 1, 2011. The changes in projected cash flows at TruGreen were in part a consequence of the shift in strategy for TruGreen described in Segment Review TruGreen Segment below. Although the Company projected future growth in cash flows at TruGreen as a part of its September 30, 2012 impairment analysis, total cash flows and projected growth in those cash flows were lower than that projected at the time TruGreen was tested for impairment in 2011. The long-term growth rates used in the impairment tests at September 30, 2012 and October 1, 2011 were the same and in line with historical U.S. gross domestic product growth rates. The discount rate used in the September 30, 2012 impairment test was 50 bps lower than the discount rate used in the October 1, 2011 impairment test for TruGreen. The decrease in the discount rate is primarily attributable to changes in market conditions which indicated an improved outlook for the U.S. financial markets since the 2011 analysis.

Trade Name Impairment

Based on the revenue results at TruGreen in the first six months of 2012 and a then lower revenue outlook for the remainder of 2012 and future years, the Company concluded that there was an impairment indicator requiring the performance of an interim indefinite-lived intangible asset impairment test for the TruGreen trade name as of June 30, 2012. That impairment analysis resulted in a $67.7 million impairment charge recorded in the second quarter of 2012. Based on the revenue results of TruGreen in the third quarter of 2012 and the revised outlook for the remainder of the year and future years, the Company performed another impairment analysis on its TruGreen trade name to determine its fair value as of September 30, 2012. Based on the revised projected revenue for TruGreen as compared to the projections used in the second quarter 2012 impairment test, the Company determined the fair value attributable to the TruGreen trade name was less than its carrying value by $51.0 million, which was recorded as a trade name impairment in the third quarter of 2012. Total non-cash trade name impairments recorded in 2012 related to the TruGreen trade name were $118.7 million.

The impairment charge recorded in the second quarter of 2012 was primarily attributable to a decrease in projected future growth in revenue at TruGreen over a defined projection period as of June 30, 2012 compared to the projections used in the previous annual impairment assessment performed on October 1, 2011. The third quarter impairment charge was primarily attributable to a further reduction in projected revenue growth as compared to expectations in the second quarter of 2012. The changes in projected future revenue growth at TruGreen were in part a consequence of the shift in strategy for TruGreen described in Segment Review TruGreen Segment below. Although the Company projected future growth in revenue at TruGreen over a defined projection period as a part of its September 30, 2012 impairment analysis, such growth was lower than the revenue growth projected at the time the trade name was tested for impairment in the second quarter of 2012. The long-term revenue growth rates used for periods after the defined projection period in the impairment tests at September 30, 2012, June 30, 2012 and October 1, 2011 were the same and in line with historical U.S. gross domestic product growth rates. The discount rates used in the September 30, 2012 and June 30, 2012 impairment tests were the same, but were 50 bps lower than the discount rate used in the October 1, 2011 impairment test for the TruGreen trade name. The decrease in the discount rate from 2011 is primarily attributable to changes in market conditions which indicated an improved outlook for the U.S. financial markets since the last analysis.

The impairment charge in 2011 was primarily attributable to the use of higher discount rates in the discounted cash flow (DCF) valuation analyses as compared to the discount rates used in the 2010 impairment analyses. Although the projected future growth in cash flows in 2011 were slightly higher than in the 2010 valuation, the increase in the discount rates more than offset the improved cash flows. The increase in the discount

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rates is primarily attributable to changes in market conditions which indicated a lower risk tolerance in 2011 as compared to 2010. This lower risk tolerance is exhibited through the marketplace s desire for higher returns in order to accept market risk.

See Critical Accounting Policies and Estimates below and Note 1 to our consolidated financial statements included elsewhere in this prospectus for further discussion of the Company s goodwill and indefinite-lived intangible asset impairment testing.

Restructuring Charges

The Company incurred restructuring charges of $18.2 million, $8.2 million and $11.4 million for the years ended December 31, 2012, 2011 and 2010, respectively. Restructuring charges were comprised of the following:

	Year Ended December 31,		
(In thousands)	**2012**	**2011**	**2010**
Terminix branch optimization(1)	$ 3,652	$ 3,560	$ 2,352
TruGreen reorganization and restructuring(2)	3,241	1,115	6,922
American Home Shield reorganization(3)	647		
ServiceMaster Clean reorganization(3)	1,370		
Centers of excellence initiative(4)	9,267	3,416	
Other(5)		71	2,174
Total restructuring charges	$ 18,177	$ 8,162	$ 11,448

(1) For the years ended December 31, 2012 and 2011, these charges included severance costs of $0.4 million and $0.1 million, respectively. For the years ended December 31, 2012, 2011 and 2010, these charges included lease termination costs of $3.3 million, $3.5 million and $2.4 million, respectively.

(2) For the years ended December 31, 2012, 2011 and 2010, these charges included severance costs of $2.7 million, $0.8 million and $1.8 million, respectively, and lease termination costs of $0.5 million, $0.3 million and $0.2 million, respectively. For the year ended December 31, 2010, these charges also included consulting fees and other costs of $4.7 million and $0.2 million, respectively.

(3) For the year ended December 31, 2012, these charges included severance costs.

(4) Represents restructuring charges related to an initiative to enhance capabilities and reduce costs in the Company s headquarters functions that provide company-wide administrative services for our operations that we refer to as centers of excellence. For the years ended December 31, 2012 and 2011, these charges included severance and other costs of $4.6 million and $1.9 million, respectively. For the years ended December 31, 2012 and 2011, these charges included consulting fees of $4.7 million and $1.5 million, respectively.

(5) For the year ended December 31, 2011, these charges included reserve adjustments associated with previous restructuring initiatives. For the year ended December 31, 2010, these charges included reserve adjustments, severance and retention associated with previous restructuring initiatives of $1.0 million and severance, retention, legal fees and other costs associated with the Merger of $1.2 million.

Non-Operating Expense

Non-operating expense totaled $294.6 million, $263.7 million and $278.3 million for the years ended December 31, 2012, 2011 and 2010, respectively. The increase in 2012 compared to 2011 is primarily due to a $55.6 million loss on extinguishment of debt recorded in 2012 related to the redemption of $996 million aggregate principal amount of the 2015 Notes and repayment of $276 million of outstanding borrowings under the Term Facilities, offset, in part, by a $26.8 million decrease in interest expense as a result of a decrease in our weighted-average interest rate and average long-term debt balance. The decrease in 2011 compared to 2010 is primarily due to a $13.8 million decrease in interest expense as a result of a decrease in our weighted-average interest rate. Interest and net investment income was comprised of the following for the years ended December 31, 2012, 2011 and 2010:

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Year Ended December 31,