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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 18, 2007 (~~July 16, 2007~~).

The Scotts Miracle-Gro Company

(Exact name of registrant as specified in its charter)

Ohio

(State or other jurisdiction of incorporation)

1-13292

(Commission File Number)

31-1414921

(IRS Employer Identification No.)

14111 Scottslawn Road, Marysville, Ohio 43041

(Address of principal executive offices) (Zip Code)

(937) 644-0011

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 — Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On July 18, 2007, The Scotts Miracle-Gro Company (“Registrant”) announced that Christopher L. Nagel has resigned from the organization effective immediately. Mr. Nagel served as Registrant’s Executive Vice President — North America Consumer Business. James Hagedorn, Registrant’s Chairman, Chief Executive Officer and President will assume day-to-day responsibility of the North American consumer business on an interim basis until a permanent replacement for Mr. Nagel is named.

Separation Agreement

Registrant entered into an employment agreement with Mr. Nagel on November 13, 2006, which contained provisions relating to compensation, employee benefits and certain rights to be provided to Mr. Nagel in the event of termination of his employment. Further information concerning Mr. Nagel’s employment agreement is incorporated herein by reference to pages 31-32 of Registrant’s Proxy Statement for the 2007 Annual Meeting of Shareholders filed with the SEC on December 20, 2006.

On July 18, 2007, Registrant entered into a Separation Agreement and General Release (the “Separation Agreement”) with Mr. Nagel. Pursuant to the Separation Agreement, the employment agreement between Registrant and Mr. Nagel was terminated effective as of July 18, 2007 by reason of Mr. Nagel’s resignation, which constitutes a “Voluntary Termination” for purposes of such agreement. The Separation Agreement addresses the payments and benefits to which Mr. Nagel will be entitled, in lieu of any payment or benefits pursuant to his employment agreement, in connection with his resignation.

Under the Separation Agreement, Registrant will pay or make the following amounts and benefits available to Mr. Nagel on or after July 18, 2007 (except as noted below): (a) for up to 18 months after his termination, Registrant will pay Mr. Nagel a monthly amount equal to Mr. Nagel’s cost of health care coverage, if, after receiving a notification from Registrant under the Consolidated Omnibus Budget Reconciliation Act (“COBRA”), Mr. Nagel elects to participate in Registrant’s group health continuation coverage under COBRA; (b) a lump sum cash payment within 30 days of \$1,400,000, which represents the negotiated value of Mr. Nagel’s unvested options, as offset by certain other amounts; and (c) any accrued but unpaid base salary, vacation and automobile allowance as of July 18, 2007 plus reimbursement of any incurred but unpaid business expenses as of such date in accordance with Registrant’s expense reimbursement policy. To the extent required, all amounts paid to Mr. Nagel will be net of all applicable withholdings and deductions required by federal, state and local taxing authorities.

Mr. Nagel will not be entitled to any severance or other payments under any severance, separation, bonus or other benefit plan maintained by Registrant or its subsidiaries. All unvested options, restricted stock, stock appreciation rights or other rights held by Mr. Nagel as of July 18, 2007 under any equity-based compensation plan of Registrant will be forfeited, while all vested options held by Mr. Nagel will remain exercisable in accordance with the terms of the relevant plan and award agreement. Mr. Nagel will also be entitled to any vested benefits he has as of July 18, 2007 under other benefit plans or programs of Registrant or its subsidiaries, including The Scotts Company LLC Retirement Savings Plan and The Scotts Company LLC Executive Retirement Plan.

In exchange for the payments and benefits just described, (a) Mr. Nagel has agreed that the employee confidentiality, noncompetition and nonsolicitation agreement previously executed by Mr. Nagel on August 7, 2006 will remain in full force and effect; (b) Mr. Nagel has agreed to release all existing or prior claims, debts, suits or causes of action, known or unknown, against Registrant and all related entities, as well as their respective past, present and future directors, officers, employees, agents, shareholders and representatives (collectively, “Releasees”), including any such claims or actions related to his employment with Registrant and the termination thereof (including any claim under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Employee Retirement Income Security Act, the Ohio Civil Rights Act, and any other federal, state or local laws or regulations, and any common law claims, as well as claims for counsel fees and costs); (c) Mr. Nagel has agreed to cooperate with Registrant in the defense or prosecution of any existing or future court action, governmental investigation, arbitration, mediation or other legal or equitable proceeding which involves Registrant or any of its affiliates and subsidiaries and their respective employees, officers or directors (subject to payment by Registrant of

\$300 for each hour devoted to these matters but no more than \$1,500 per day plus reimbursement for actual costs and expenses incurred by Mr. Nagel in connection with such cooperation); (d) Mr. Nagel has agreed not to disparage or otherwise comment negatively about any Releasee except as required by applicable law to testify (and Registrant has agreed to a specified response to inquiries from prospective employers); and (e) Mr. Nagel has agreed that he is solely responsible for the tax consequences of the Separation Agreement, including the application of Section 409A of the Internal Revenue Code of 1986, as amended.

If Mr. Nagel materially breaches any provision of the Separation Agreement or facts are subsequently discovered that show that he engaged during the term of his employment with Registrant in activities that would constitute "Cause" as defined in his employment agreement, then the \$1,400,000 lump sum payment, net of applicable withholdings, payable to Mr. Nagel pursuant to the Separation Agreement is subject to forfeiture within two years after the activity or breach or discovery of the activity or breach by Registrant.

The foregoing is a brief description of the terms of the Separation Agreement and is qualified in its entirety by reference to the Separation Agreement. The Separation Agreement is filed with this Current Report on Form 8-K as Exhibit 10.1 and should be reviewed for additional information.

Item 8.01. Other Events.

On July 18, 2007, Registrant issued a news release announcing the departure of Christopher L. Nagel as Registrant's Executive Vice President — North America Consumer Business.

A copy of the news release is included with this Current Report on Form 8-K as Exhibit 99.1 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired:

Not applicable.

(b) Pro forma financial information:

Not applicable.

(c) Shell company transactions:

Not applicable.

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
10.1	Separation Agreement and General Release, entered into and effective as of July 18, 2007, by and between The Scotts Miracle-Gro Company and Christopher L. Nagel
99.1	News Release issued by The Scotts Miracle-Gro Company on July 18, 2007

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE SCOTTS MIRACLE-GRO COMPANY

Dated: July 18, 2007

By: /s/ David C. Evans

Printed Name: David C. Evans

Title: Executive Vice President and Chief Financial Officer

INDEX TO EXHIBITS

Current Report on Form 8-K
Dated July 18, 2007

The Scotts Miracle-Gro Company

<u>Exhibit No.</u>	<u>Description</u>
10.1	Separation Agreement and General Release, entered into and effective as of July 18, 2007, by and between The Scotts Miracle-Gro Company and Christopher L. Nagel
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SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release ("Agreement") is entered into by and between The Scotts Miracle-Gro Company ("Company") and Christopher L. Nagel ("Executive").

WHEREAS, the Executive has served as Executive Vice President-North America Consumer Business and in other roles for the Company.

WHEREAS, the Executive's employment has been governed by an Employment Agreement signed by the Executive on November 10, 2006, and by the Company on November 13, 2006 ("Employment Agreement").

WHEREAS, the Executive intends to resign his employment with the Company, which resignation shall constitute a Voluntary Termination by the Executive within the meaning of Article 7.3 of the Employment Agreement.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements of the parties set forth in this Agreement, and of other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Resignation of Employment. Effective July 18, 2007 ("Effective Date of Termination") the Executive hereby resigns his employment with the Company and resigns all other positions he holds with or for the Company, its subsidiaries and related parties, including, but not limited to, any position as an officer, director, member, trustee or any similar position. The resignation is intended to constitute a Voluntary Termination by the Executive under Article 7.3 of the Employment Agreement. The Company hereby waives the sixty (60) day notice period and the Executive waives any right to payments during such sixty (60) day notice period under Article 7.3 of the Employment Agreement. The Executive will thereafter receive the following:

(a) The Company will pay to the Executive a monthly amount on the first payroll date of each month, in an amount equal to the Executive's cost of health care coverage, if after receiving a COBRA notification from the Company, Executive elects the Company's group health continuation coverage under COBRA pursuant to section 4980B of the Internal Revenue Code of 1986, as amended (the "Code"). These payments will commence on the Company's first payroll date following termination of his active employee coverage and will continue until the first to occur of (1) eighteen (18) months after the Effective Date of Termination, (2) the date upon which the Executive becomes covered under another employer health care plan, or (3) the date on which the Executive ceases to be covered by the Company's group health continuation coverage under COBRA. The Executive will be solely responsible for electing COBRA coverage within the required time period.

(b) The Company shall pay the Executive within thirty (30) days of the Effective Date of Termination the amount of One Million Four Hundred Thousand Dollars (\$1,400,000.00) (prior to withholding of applicable taxes), which represents the negotiated value of the Executive's unvested options as offset by certain other amounts. All unvested options, restricted stock, stock appreciation rights or other rights held by the Executive as of the Effective Date of Termination under the Company's 2006 Long-Term Incentive Plan or under any other equity or long-term incentive plan of the Company (a "Company Incentive Plan") shall be forfeited, and the Executive shall have no further interest therein. Any vested options held by the Executive shall be governed by the relevant Company Incentive Plan and grant instrument. An accurate summary of each of the Executive's vested options under any Company Incentive Plan has been provided.

(c) The Company will pay to the Executive any accrued but unpaid Base Salary, vacation and automobile allowance as of the Effective Date of Termination and the Company will reimburse the Executive for all incurred but unpaid business expenses as of the Effective Date of Termination under the Company's expense reimbursement policy.

(d) The Executive shall not be entitled to any other severance or related payments under any severance, separation or other benefit plan maintained by the Company ("Company Severance Plans"), and shall also not be entitled to a bonus or other payment under the Company's Executive Management Incentive Plan for the current year.

2. Confidentiality, Noncompetition and Nonsolicitation. This Agreement shall not supersede or nullify in any way the Employee Confidentiality, Noncompetition, Nonsolicitation Agreement executed by the Executive on August 7, 2006. The Employee Confidentiality, Noncompetition, Nonsolicitation Agreement shall remain in full force and effect, and any requirements of such agreement shall be incorporated by reference into this Agreement..

3. Release. The Executive voluntarily and knowingly releases and discharges the Company, its past, present and future parents, affiliates and subsidiaries, and its and their past, present and future directors, officers, employees, agents, shareholders and representatives ("Releasees"), from any and all claims, debts, suits or causes of action, known or unknown, based upon any fact, circumstance, or event occurring or existing at or prior to the Executive's execution of this Agreement. This Release specifically includes, but is not limited to, any claims or actions arising out of or during the Executive's employment with the Company or the termination of that employment, including any claim under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Employee Retirement Income Security Act, the Ohio Civil Rights Act, and any and all other federal, state or local laws, and any common law claims now or hereafter recognized, as well as all claims for counsel fees and costs. This Release is not intended to apply to rights or claims under the Age Discrimination in Employment Act, to rights or claims that cannot be waived by private agreement under applicable law, to statutory indemnification provisions and rights set forth in any applicable directors and officers liability insurance policy, or to the Executive's entitlement to any vested benefits he has as of the Effective Date of Termination under the Company's various employee benefits plans or programs, including the Company's Retirement

Savings Plan or Executive Retirement Plan (“Company Benefit Plans”); provided, however, that (a) Executive’s termination of employment and execution of this Agreement shall not be deemed to accelerate vesting of any rights under the Company Benefit Plans; and (b) as set forth in Section 1(d) of this Agreement, the Executive agrees and acknowledges that he has no right to payment or benefits under any Company Severance Plan as a result of his termination of employment or execution of this Agreement.

4. Cooperation. The Executive specifically understands that in partial consideration for the benefits received pursuant to this Agreement, which the Executive acknowledges are in excess of any other benefits or compensation the Executive might otherwise be entitled to claim or receive, the Executive may be requested by the Company to cooperate with the Company in the defense or prosecution of one or more existing or future court actions, governmental investigations, arbitrations, mediations or other legal or equitable proceedings which involve the Company, its past and present affiliates and subsidiaries, and any of its and their employees, officers or directors, and the Executive agrees to do so. This cooperation may include, but shall not be limited to, the need for or availability for testimony in deposition, affidavit, trial, mediation or arbitration, as well as preparation for that testimony. The Executive shall be available at the Company’s reasonable request for any meetings or conferences the Company deems necessary in preparation for the defense or prosecution of any such legal proceedings. The Company shall reimburse the Executive for any actual costs and expenses reasonably incurred by the Executive while his services are being utilized by the Company pursuant to this paragraph and will compensate the Executive for any such service at the rate of Three Hundred Dollars (\$300.00) per hour (but no more than One Thousand Five Hundred Dollars (\$1,500.00) per day).

5. Nondisparagement. The Executive agrees not to disparage or otherwise comment negatively about any Releasee, except to the extent that the Executive is required by applicable law to testify. The Company agrees that in the event it receives an inquiry regarding the Executive from a prospective employer of the Executive, it will advise the prospective employer only of the Executive’s last position and dates of employment with the Company, and that the Executive resigned on July 18, 2007.

6. Breach of Agreement In addition to other remedies available to the Company under this Agreement, if at any time the Executive materially breaches any provision of this Agreement or if the Company, after the date of execution of this Agreement, discovers facts (a) that the Company did not know prior to such date, and (b) that show that the Executive engaged during his term of employment with the Company in activities that would constitute Cause as defined in the Employment Agreement, the amount paid to the Executive pursuant to Section 1(b) of this Agreement shall be forfeited, and the Company may recoup the gross amount of such payment, within two (2) years after the Executive engages in such conduct or the conduct is first discovered by the Company. The payment shall be made in such manner and on such terms and conditions as may be required by the Company. The Company and the Executive agree that the monetary value of a material breach of this Agreement by the Executive would be difficult to calculate. As a result, the Company and the Executive agree that in the event of a material breach by the Executive, this section contains a reasonable basis for estimating the damages from such breach. This section shall not foreclose the Company from recovering additional damages from such breach if such additional damages are proven by the Company.

7. Confidentiality of Agreement. Except as required by law, the Executive agrees that the terms, amount and fact of this Agreement shall be confidential and that he will not disclose any information concerning this Agreement to anyone other than his immediate family members, financial advisors and legal counsel.

8. Tax Consequences. The Executive is solely responsible for the tax consequences of this Agreement, including the application of section 409A of the Code. The Executive acknowledges that he has consulted with his tax advisor with respect to the tax consequences of his stock options and all compensation provided under this Agreement and the Company's benefit plans. The Company shall have no liability with respect to the tax consequences of his stock options or any compensation provided under this Agreement or any benefit plans. The Company shall have the right to determine in its sole discretion whether, and to what extent, any payments or benefits under this Agreement are subject to withholding for income or other taxes or reporting to tax authorities. In addition, payments and benefits under this Agreement are not benefit-bearing (i.e., shall not be considered compensation) for purposes of any Company Benefit Plan.

9. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the state of Ohio, to the extent not preempted by federal law.

10. Severability. If any part of this Agreement other than Section 3 is determined to be invalid, illegal or otherwise unenforceable, the remaining provisions of this Agreement shall not be affected and will remain in full force and effect.

11. Acknowledgements. In signing this Agreement, the Executive acknowledges that:

(a) The Company has not provided the Executive with any tax advice, and the Executive is solely responsible for the tax consequences of compensation provided under this Agreement or under any Company benefit plan.

(b) The Executive has signed this Agreement voluntarily and knowingly in exchange for the consideration described herein, which the Executive acknowledges is adequate and satisfactory and beyond that to which the Executive is otherwise entitled.

(c) The Executive is hereby advised to consult with an attorney before signing this Agreement.

(d) The Company has provided the Executive with a reasonable period of time in which to consider the Agreement, and the Executive has signed on the date indicated below after concluding that this Agreement is satisfactory.

(e) Neither the Company nor any of its agents, representatives, employees, or attorneys, have made any representations to the Executive concerning the terms or effects of this Agreement other than those contained herein.

IN WITNESS WHEREOF, and intending to be bound hereby, the parties have executed this Separation Agreement and General Release on the dates set forth below.

THE SCOTTS MIRACLE-GRO COMPANY

July 18, 2007

By: /s/ Denise S. Stump
Name: Denise S. Stump
Title: EVP, Global HR

July 18, 2007

/s/ Christopher L. Nagel
Christopher L. Nagel

**ScottsMiracle-Gro Announces Departure of Christopher Nagel,
Executive Vice President, North America**

MARYSVILLE, Ohio (July 18, 2007) — The Scotts Miracle-Gro Company (NYSE:SMG), the world's leading marketer of branded consumer lawn and garden products, today announced that Christopher L. Nagel, executive vice president of the Company's North American consumer business, has decided to leave the Company effective immediately.

The Company emphasized that Nagel's departure — along with the previously announced departure of former general counsel and corporate secretary David M. Aronowitz — was neither related to the Company's performance nor concerns about its financial controls.

Chairman and Chief Executive Officer Jim Hagedorn will assume day-to-day responsibility of the North American business on an interim basis until a permanent replacement for Nagel is named. Hagedorn led the North American business from 1996 until 2001, when he was named CEO.

"I will miss the important contributions and strong voice that Chris brought to the Company, but I am confident our experienced team in North America will keep us on track for continued growth and success," Hagedorn said. "While the management changes we announced this week mark a sad time for our Company, it is critical that we move ahead and remain focused on growing our business. Not only do I remain confident in the continued strength of ScottsMiracle-Gro, but I am equally confident that our team will remain focused on continuing to drive our business forward during this transition period."

About ScottsMiracle-Gro

With more than \$2.7 billion in worldwide sales and more than 6,000 associates, The Scotts Miracle-Gro Company, through its wholly-owned subsidiary, The Scotts Company LLC, is the world's largest marketer of branded consumer products for lawn and garden care, with products for professional horticulture as well. The Company's brands are the most recognized in the industry. In the U.S., the Company's Scotts®, Miracle-Gro® and Ortho® brands are market-leading in their categories, as is the consumer Roundup® brand, which is marketed in North America and most of Europe exclusively by Scotts and owned by Monsanto. The Company also owns Smith & Hawken®, a leading brand of garden-inspired products that includes pottery, watering equipment, gardening tools, outdoor furniture and live goods, and Morning Song®, a leading brand in the wild bird food market. In Europe, the Company's brands include Weedol®, Pathclear®, Evergreen®, Levington®, Miracle-Gro®, KB®, Fertiligene® and Substral®. For additional information, visit us at www.scotts.com.

Statement under the Private Securities Litigation Act of 1995:

Certain of the statements contained in this press release, including, but not limited to, information regarding the future economic performance and financial condition of the company, the plans and objectives of the company's management, and the company's assumptions regarding such performance and plans are forward looking in nature. Actual results could differ materially from the forward-looking information in this release, due to a variety of factors. Detailed information concerning a number of important factors that could cause actual results to differ materially from the forward-looking information contained in this release is readily available in the company's publicly filed quarterly, annual and other reports.

Contact:

Jim King

Vice President

Investor Relations & Corporate Communications

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