
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): November 8, 2006 (November 2, 2006)

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 Principal Officers; Election of Directors; Appointment of Principal Officers.

On November 2, 2006, John Walker, Ph.D., a member of Class I of the Board of Directors of The Scotts Miracle-Gro Company (the “Registrant”) announced his intent to retire from the Registrant’s Board of Directors. Dr. Walker intends to retire for personal reasons and not because of any disagreement with the Registrant on any matter relating to the Registrant’s operations, policies or practices. Dr. Walker will continue to serve as a Class I director until the Registrant’s 2007 Annual Meeting of Shareholders. The Registrant anticipates that, by the time of the 2007 Annual Meeting of Shareholders, an individual will be identified for consideration and recommendation by the Governance and Nominating Committee, and appointment by the Registrant’s Board of Directors, to fill the vacancy created by Dr. Walker’s retirement in accordance with the Registrant’s code of regulations and other governing documents.

Also on November 2, 2006, the Board of Directors of the Registrant appointed James Hagedorn, who was then serving as the Chief Executive Officer and Chairman of the Board of the Registrant, to the additional position as President of the Registrant, effective November 2, 2006. Mr. Hagedorn, who is 51, was originally named Chairman of the Board of The Scotts Company (the public company predecessor to the Registrant) in January 2003 and became Chairman of the Board of the Registrant in March 2005. He was named President and Chief Executive Officer of The Scotts Company in May 2001, which was merged into The Scotts Company LLC, a wholly-owned subsidiary of the Registrant (“Scotts LLC”), in March 2005. He served as President and Chief Executive Officer of the Registrant from March 2005 until December 2005, when he was named Chief Executive Officer and Chairman of the Board. Mr. Hagedorn has served as an officer of the Registrant (and its predecessors) for 19 years and as a director of the Registrant (and its predecessors) since 1995. Mr. Hagedorn is the brother of Katherine Hagedorn Littlefield, a director of the Registrant.

As previously disclosed on page 24 of the Registrant’s Proxy Statement for the 2006 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on December 20, 2005, Mr. Hagedorn is party to an employment agreement (the “Hagedorn Agreement”) with Scotts LLC, which was automatically renewed on May 19, 2006 for a one-year term and automatically renews for an additional year on May 19 of each year, unless either party notifies the other of its/his intent not to renew. The Hagedorn Agreement provides for a minimum annual base salary of \$200,000 for Mr. Hagedorn (his annual base salary was \$600,000 for the fiscal year ended September 30, 2006 (the “2006 fiscal year”)) and participation in the various benefit plans available to senior executive officers of Scotts LLC. Upon certain types of termination of employment (e.g., a termination by Scotts LLC for any reason other than “cause” (as defined in the Hagedorn Agreement) or a termination by Mr. Hagedorn constituting “good reason” (also as defined)), he will become entitled to receive certain severance benefits including a payment equal to three times the sum of his base salary then in effect plus his highest annual bonus in any of the three preceding years. Upon termination of employment for any other reason, Mr. Hagedorn or his beneficiary will be entitled to receive all unpaid amounts of base salary and benefits under the executive benefit plans in which he participated. The Hagedorn Agreement also contains confidentiality and noncompetition provisions which prevent Mr. Hagedorn from disclosing confidential information about Scotts LLC and the Registrant and

from competing with them during his employment with Scotts LLC and for an additional three years thereafter.

Mr. Hagedorn is a general partner of Hagedorn Partnership, L.P., a Delaware limited partnership (the "Hagedorn Partnership"), together with his siblings – Katherine Hagedorn Littlefield, Paul Hagedorn, Peter Hagedorn, Robert Hagedorn and Susan Hagedorn. Scotts LLC subleases a portion of a building to the Hagedorn Partnership at a rental of \$1,437 per month plus payment of communication services. The Hagedorn Partnership provides personnel, equipment and supplies to support Scotts LLC's activities at the office. Under these arrangements, during the 2006 fiscal year, Scotts LLC paid \$60,000 to the Hagedorn Partnership and was paid \$45,725.

Item 5.05. Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

On November 2, 2006, the Registrant's Board of Directors approved an amendment to the Registrant's Code of Business Conduct and Ethics to provide that the acceptance of gifts, gratuities, or entertainment of more than a nominal value must be approved in writing by an associate's manager, the Registrant's General Counsel or the Registrant's Chief Ethics & Compliance Officer. The Registrant's Code of Business Conduct and Ethics applies to directors, officers and associates of the Registrant and its subsidiaries. A copy of the Code of Business Conduct and Ethics of the Registrant, as amended on November 2, 2006, is filed with this Current Report on Form 8-K as Exhibit 14.

Section 9 — Financial Statements and Exhibits

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>
14	The Scotts Miracle-Gro Company Code of Business Conduct and Ethics, as amended on November 2, 2006

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: November 8, 2006

By: /s/ David M. Aronowitz
Printed Name: David M. Aronowitz
Title: Executive Vice President, General Counsel and
Corporate Secretary

INDEX TO EXHIBITS

Current Report on Form 8-K
Dated November 8, 2006

The Scotts Miracle-Gro Company

<u>Exhibit No.</u>	<u>Description</u>
14	The Scotts Miracle-Gro Company Code of Business Conduct and Ethics, as amended on November 2, 2006

**CORPORATE POLICY W-AA-1****Code of Business Conduct and Ethics**

Date: Issued: November 19, 2003; As Amended Through: November 2, 2006

To: All ScottsMiracle-Gro Directors, Officers and Associates (collectively "Associates")

From: James Hagedorn, President, Chief Executive Officer and Chairman of the Board

CODE OF BUSINESS CONDUCT AND ETHICS**Preamble:**

An ethical and honest approach to business is the most important core value of The Scotts Miracle-Gro Company and its subsidiaries ("ScottsMiracle-Gro" and/or the "Company"). Winning is important. Winning at any cost, if it means violating our core values, is not acceptable at ScottsMiracle-Gro. All Associates at the Company are expected to exercise good judgment, honesty and integrity as they go about doing their jobs. The Company expects that each Associate will perform his or her job with maximum possible effectiveness, thus allowing us to create value for the Company's shareholders and a more secure, profitable and productive environment for the Company's Associates. This emphasis on performance, from time to time, may put stress on individuals. While a necessary by-product of operating in a high performance environment, this stress can never justify departure from the ethical standards that represent the core of what we are as a Company.

General Policy:

The Scotts Miracle-Gro Company Code of Business Conduct and Ethics is based upon three general principles:

- **Compliance with the Law:** ScottsMiracle-Gro and its Associates must abide by the letter and the spirit of all laws, rules and regulations that apply in all countries and communities where ScottsMiracle-Gro does business.
- **Adherence to High Ethical Standards:** ScottsMiracle-Gro and its Associates must adhere to the highest ethical standards of conduct in all business activities and act in a manner that exemplifies such standards and that enhances ScottsMiracle-Gro's standing as an ethical competitor within the business community.
- **Responsible Business Citizenship:** Beyond compliance with legal requirements, ScottsMiracle-Gro and its Associates must act as responsible citizens in the countries and communities where ScottsMiracle-Gro does business.

All Associates must apply these principles and seek advice when necessary or desirable to avoid potential problems (see section 5 below).

1. Act With Honesty and Integrity.

- a. **Ownership or Financial Interest/Employment in Other Businesses.** Associates must avoid situations that present an actual or potential conflict between their personal interests and the interests of ScottsMiracle-Gro. Examples of such a conflict can include:
- (1) An unapproved business relationship between an Associate, or an Associate's family member, and ScottsMiracle-Gro;
 - (2) An unapproved, material financial interest in, or business relationship with, a customer, supplier, vendor or competitor by an Associate or an Associate's family member;
 - (3) An Associate accepting unapproved personal fees, compensation or commissions, or gifts or entertainment in violation of Section 1(b) below, from a customer, supplier, vendor or competitor of ScottsMiracle-Gro; and
 - (4) An Associate accepting unapproved loans or loan guarantees from a customer, supplier, vendor or competitor of ScottsMiracle-Gro unless the loan or guarantee is made in the ordinary course of business and on standard and customary terms.

Each of these situations raises the possibility of conflicts of interest or may represent a departure from the standards of integrity expected of ScottsMiracle-Gro's Associates. In the event that an Associate believes that an activity which may present a conflict of interest is unavoidable or is desirable from the Company's standpoint, Associates must obtain clearance from one of the following prior to engaging in such activity: the Audit Committee of ScottsMiracle-Gro's Board of Directors, the General Counsel or ScottsMiracle-Gro's Chief Ethics & Compliance Officer.

- b. **Gifts or Entertainment.** Associates must maintain an objective posture in the performance of their job. Therefore, since accepting or giving gratuities might improperly affect, subconsciously or intentionally, decisions that should be made on a strictly impartial basis, Associates and their families are not to accept gifts or gratuities of more than a nominal value without the written approval of their manager, the General Counsel or ScottsMiracle-Gro's Chief Ethics & Compliance Officer. Likewise, Associates are not to provide or accept business entertainment of more than a reasonable value without the written approval of their manager, the General Counsel or ScottsMiracle-Gro's Chief Ethics & Compliance Officer. Reasonable business entertainment that is considered to be acceptable (and does not require written approval) includes an occasional meal, social or sporting event, entertainment at company facilities, transportation in company vehicles, or attendance at company-sponsored promotional events, provided that the activities are not intended to improperly influence behavior.
- c. **Fair Dealing.** All ScottsMiracle-Gro Associates must deal fairly with customers, suppliers, vendors and other Associates. Associates must:
- (1) Maintain the confidentiality of the confidential information of ScottsMiracle-Gro's customers, suppliers and vendors;
 - (2) Not take unfair advantage of anyone in the conduct of ScottsMiracle-Gro's business through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice; and
 - (3) Not provide gifts or entertainment to an employee of a customer, supplier or vendor of ScottsMiracle-Gro of more than a nominal value.

d. **Protect ScottsMiracle-Gro's Assets and Preserve ScottsMiracle-Gro's Business Opportunities.** Associates have a duty to protect ScottsMiracle-Gro's physical and intellectual property. The failure to do so can create unnecessary expenses, damage ScottsMiracle-Gro's business or its reputation, and create unsafe working conditions. Associates must:

- (1) Use ScottsMiracle-Gro's property only for the furtherance of ScottsMiracle-Gro's business. (Minimal personal use of ScottsMiracle-Gro's copiers, office supplies, telephones, computers, and printers are not considered a violation of this policy.);
- (2) Use reasonable care to protect, ensure the efficient use of and prevent the waste of ScottsMiracle-Gro's assets;
- (3) Not take personal advantage of an opportunity that belongs to ScottsMiracle-Gro, was discovered through the use of ScottsMiracle-Gro's property or information, or was discovered as a result of being an Associate of ScottsMiracle-Gro;
- (4) Maintain the confidentiality of ScottsMiracle-Gro's and ScottsMiracle-Gro's customers' confidential information (except where disclosure is required by law or government process) and only use such information in the furtherance of ScottsMiracle-Gro's interests;
- (5) Not compete with ScottsMiracle-Gro; and
- (6) Advance ScottsMiracle-Gro's legitimate interests when the opportunity to do so arises.

2. SEC Disclosures and Other Public Communications. It is ScottsMiracle-Gro's policy to provide full, fair, accurate, timely and understandable disclosure in reports and other documents that ScottsMiracle-Gro files with, or submits to, the Securities and Exchange Commission (the "SEC") and in other public communications made by ScottsMiracle-Gro.

- a. **Accounting Policies/Practices.** An important part of ScottsMiracle-Gro's disclosures to the SEC and to the public is information derived from ScottsMiracle-Gro's financial reports. To ensure that such disclosures are accurate, Associates must comply with ScottsMiracle-Gro's accounting policies and practices when making or approving accounting entries or financial reports.
- b. **Internal Controls.** Associates must comply with ScottsMiracle-Gro's corporate policies regarding internal controls.
- c. **Disclosure Committee.** Associates must cooperate with the requests of ScottsMiracle-Gro's SEC Disclosure Committee and promptly inform the Disclosure Committee of any nonpublic information about ScottsMiracle-Gro that comes to their attention and may be material.

3. Compliance with the Law. Associates must not knowingly take any action that violates any applicable governmental law, rule or regulation.

4. Insider Trading. Associates shall not buy or sell securities of any company, including ScottsMiracle-Gro, on the basis of material nonpublic information.

5. Where to go with Questions. The best answers to ethical questions evolve in an environment of open and frank discussion. Resources available to Associates to resolve ethics-related questions or issues include your supervisor, the Company's policies and procedures located on the ScottsMiracle-Gro Intranet; your human resources representatives, the designated ScottsMiracle-Gro's Chief Ethics & Compliance Officer and any lawyer in the ScottsMiracle-Gro's legal

department. Associates are encouraged to begin with their immediate supervisors except where there is a good reason not to do so.

6. Violations, Concerns, Waivers and Retaliation.

- a. **Reporting Potential Violations or Concerns.** Associates must report any known or reasonably suspected violation of law or of any ScottsMiracle-Gro policy or procedure, or any concerns regarding questionable accounting, financial or auditing matters, to any of the following: (1) their immediate supervisors, (2) ScottsMiracle-Gro's Chief Ethics & Compliance Officer, (3) a human resources representative, (4) ScottsMiracle-Gro's General Counsel, (5) an executive officer, (6) the Ethics & Compliance HelpLine at (800) 736-0379 (available 24 hours a day, 7 days a week, 365 days a year) or (7) the Audit Committee. Reports to the Audit Committee and the Ethics & Compliance HelpLine may be made confidentially and anonymously. Reports to the Audit Committee may be made by delivering a written report in a sealed envelope marked "Confidential" to either of the following addresses:

The Scotts Miracle-Gro Company
REPORT TO AUDIT COMMITTEE
c/o General Counsel
14111 Scottslawn Road
Marysville, Ohio 43041

-or-

The Scotts Miracle-Gro Company
REPORT TO AUDIT COMMITTEE
c/o Chief Ethics & Compliance Officer
14111 Scottslawn Road
Marysville, Ohio 43041

The General Counsel and Chief Ethics & Compliance Officer will take care to ensure that any sealed confidential report to the Audit Committee received pursuant to the preceding procedures is delivered to the Chairperson of the Audit Committee without being unsealed.

- b. **Associate Violations.** ScottsMiracle-Gro's General Counsel, human resources department and Chief Ethics & Compliance Officer shall coordinate the investigation of each report of a violation of this policy by Associates. Management, in consultation with ScottsMiracle-Gro's human resources department, may take any disciplinary action that it deems appropriate, up to and including termination of employment, in connection with such a violation of this policy. In some cases, ScottsMiracle-Gro may have a legal or ethical obligation to call violations to the attention of appropriate enforcement authorities.
- c. **No Retaliation.** ScottsMiracle-Gro shall neither take nor permit any retaliation against an Associate who appropriately reports a matter that he or she believes, in good faith, to be a violation of this policy to appropriate ScottsMiracle-Gro's personnel.
- d. **Waivers.** Any waiver of this policy for executive officers or directors may be made only by ScottsMiracle-Gro's Board of Directors or a Board committee and will be promptly disclosed to stockholders and others, as required by applicable law and New York Stock Exchange Rules. Any waiver for other officers, employees or representatives may be made only by

the Chief Executive Officer, or if the CEO is not available, the General Counsel together with the Executive Vice President, Global Human Resources.
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