

AeroGrow International, Inc.  
Form SB-2/A  
December 22, 2006

As filed with the United States Securities and Exchange Commission on December 22, 2006.

Registration No. 333-133180

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

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**AMENDMENT NO. 2**  
**to**  
**FORM SB-2**  
**REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

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**AEROGROW INTERNATIONAL, INC.**  
(Name of Registrant in its charter)

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<b>Nevada</b> (State or other jurisdiction of incorporation or organization)	<b>3524</b> (Primary Standard Industrial Classification Code Number)	<b>46-0510685</b> (I.R.S. Employer Identification Number)
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**6075 Longbow Dr. Suite 200**  
**Boulder, Colorado 80301**  
**(303) 444-7755**  
(Address and telephone number of principal executive  
offices)

**6075 Longbow Dr. Suite 200**  
**Boulder, Colorado 80301**  
(Address of principal place of business)

W. Michael Bissonnette  
AeroGrow International, Inc.  
6075 Longbow Dr. Suite 200  
Boulder, Colorado 80301  
(303) 444-7755  
(Name, address and telephone number of agent for service)

Copies to:

Brian Lane, Esq.  
Gibson, Dunn & Crutcher LLP  
1050 Connecticut Avenue, NW  
Washington, D.C. 20036

**Approximate date of commencement of proposed sale to the public:**  
From time to time following the effectiveness of this registration statement.

If any securities being offered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

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.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) 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.

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.

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

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**6,700,900 Shares of Common Stock**

**AEROGROW  
INTERNATIONAL, INC.**

This prospectus covers up to 6,700,900 shares of common stock of AeroGrow International, Inc. (“AeroGrow”) that may be offered for resale, or otherwise disposed for the account of, the selling stockholders set forth under the heading “Selling Security Holders” beginning on page 62. The shares of common stock issued and outstanding may be offered at any time. The shares of common stock underlying the outstanding common stock purchase warrants and issuable on conversion of outstanding debt instruments may only be offered for resale after being issued by AeroGrow to the selling stockholders upon exercise or conversion.

An application has been filed to cause the shares of our common stock to be traded on the Over-the-Counter Bulletin Board (“OTC BB”). No assurance can be made that the common stock will become traded on the OTC BB.

AeroGrow will not receive any proceeds from the sale or other disposition of the shares or interests therein by the selling stockholders. To the extent that any of common stock purchase warrants are exercised, we will receive the exercise price paid for the shares of common stock purchased thereunder. AeroGrow will not receive any proceeds from the conversion of outstanding debt instruments.

Investing in our common stock involves a high degree of risk. **See “Risk Factors” beginning on page 5 of this prospectus.**

Neither the United States Securities and Exchange Commission (“SEC”) nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is December 22, 2006

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### **Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995**

Information included in this Registration Statement may contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). This information may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of AeroGrow International, Inc. (“AeroGrow”), including its predecessor, Wentworth I, Inc. (“Wentworth”), to be materially different from future results, performance, or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe future plans, strategies, and expectations of AeroGrow, are generally identifiable by use of the words “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” or “project,” or the negative of these words or other variations of these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and there can be no assurance that the projections included in these forward-looking statements will come to pass. Actual results of AeroGrow could differ materially from those expressed or implied by the forward-looking statements as a result of various factors. Except as required by applicable laws, AeroGrow has no obligation, and does not intend, to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

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## PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus. You should read this entire prospectus carefully before making an investment decision, including the "Risk Factors" section beginning on page 5 and our financial statements beginning on page F-1. We refer to AeroGrow International, Inc. as "AeroGrow," "Company," "we," "our" and "us."*

### **AeroGrow International**

AeroGrow was formed as a Nevada corporation on March 25, 2002. We are in the business of developing, marketing, distributing, and selling advanced indoor aeroponic garden systems. Since formation and through our development stage, which ended in February 2006, our principal activities consisted of product research and development, market research, business planning, and raising the capital necessary to fund these activities. We have completed development of our initial kitchen garden systems and related "bio-grow" seed pods. We have also contracted with a third-party manufacturer who has commenced production activities and a second manufacturer who will commence production in the first quarter of calendar 2007. As of December 7, 2006, we have manufactured and taken delivery of over 65,000 units. We commenced our initial marketing and distribution of our products during March 2006 and have expanded these marketing efforts to encompass retail, home shopping, catalogue, international, and direct to consumer sales channels.

Our principal products are "kitchen garden" indoor growing systems and proprietary seed kits under the brand name AeroGarden™ allowing consumers, with or without gardening experience, the ability to grow cherry tomatoes, cilantro, chives, basil, dill, oregano, mint, flowers, chili peppers, and lettuce throughout the year. Our kitchen garden systems are designed to be simple, consistently successful, and affordable. We believe that our focus on the design and features of our kitchen garden systems made them the first of their kind on the consumer market. We reached this conclusion on the basis of standard methods of market research that we conducted, including focus groups and potential customer interview techniques, review of potentially competitive products offered at all ranges of functionality and price, and testing of products that may be considered competitive in function although not necessarily competitive in market orientation.

We have filed 14 patent applications in the United States to potentially protect our core inventions. To date, no patents have been granted, and there is no assurance such applications will be granted. Although aeroponic technology cannot in and of itself be patented, the patent applications include aeroponic technological advances described below as well as product, nutrient and seed pod inventions designed to enhance plant growth. Many of the patent-pending companion technologies are based on our innovations in the fields of biology, plant physiology, chemistry, and adaptive learning computer science. In addition, we have developed certain trade secrets that simplify, combine and integrate our core technologies into our indoor kitchen garden systems.

In addition, AeroGrow has applied for and has been issued a trademark for AeroGarden™ and six other trademarks and is currently processing 12 other trademark applications for trademarks for its products and product slogans. AeroGrow has also submitted applications to expand its AeroGarden™ trademark in 33 countries, all of which are pending. AeroGrow has also obtained the domain names for AeroGrow.com, AeroGarden.com, AeroGarden.net, AeroGarden.tv, AeroGarden.biz, and Getthegarden.com, among others.

We believe that our inventions and combined technologies will allow almost anyone, from consumers who have no gardening experience to professional gardeners, to produce year-round harvests of herbs, flowers, and vegetables provided in our seed kits regardless of season, weather, or lack of natural light. We believe that our kitchen garden systems' unique and attractive designs make them appropriate for use in almost any location, including kitchens, bathrooms, living areas, and offices.

Our kitchen garden system retails at approximately \$149 with some variations based on the channel of distribution in which they are sold and the accessory components included with the unit.

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Until March 2006, we were a development stage, start-up company, and we did not generate any revenues. Through March 1, 2006, we funded our operations primarily through the private sale of equity securities. Since commencing sales of our products, we have begun to increase our reliance on revenues generated from such sales for funding our operations. We had an accumulated deficit of (\$24,937,367) through September 30, 2006. We expect to incur substantial additional expenses and losses in the further implementation of our business plan. Because we are in the early stages of implementing our business plan, we cannot predict now if we will ever be profitable. Prior to March 2006 when we commenced sales of our aeroponic garden systems, we were considered a Development Stage Enterprise in accordance with Statement of Financial Accounting Standards (“SFAS”) SFAS No. 7, Accounting and Reporting by Development Stage Enterprises.

Our principal office is located at 6075 Longbow Drive, Boulder, Colorado 80301. Our telephone number is (303) 444-7755 and our fax number is (303) 444-0406. We maintain a website at [www.aerogrow.com](http://www.aerogrow.com). Information on our website is not part of this prospectus.

**SUMMARY FINANCIAL DATA**

The following table presents summary financial data for the fiscal years ended December 31, 2005 and 2004, the three month transitional period ended March 31, 2006 and the six months ended September 30, 2006 and 2005. We derived the summary statement of operations data for the years ended December 31, 2004 and 2005 and the three month transitional period ended March 31, 2006 and the summary consolidated balance sheet data as of December 31, 2005 and 2004 and March 31, 2006 from our audited financial statements. The summary consolidated balance sheet data as of September 30, 2006 and the summary statements of operations data for the six months ended September 30, 2006 and 2005 are unaudited. We have prepared this unaudited information on the same basis as the audited financial statements and have included all adjustments, consisting only of normal recurring adjustments that we consider necessary for a fair presentation of our financial position and operating results for such periods. The results of operations for the six months ended September 30, 2006 are not necessarily indicative of the results that may be expected for the full year ending March 31, 2007 or any future period.

You should read the following information together with the more detailed information contained in “Management’s Discussion and Analysis and Plan of Operation,” and our financial statements and accompanying notes included elsewhere in this prospectus.

Statement of Operations Data	Six months ended September 30		Three months ended March 31,	Year Ended December 31,	
	2006	2005	2006	2005	2004
	(Unaudited)				
Revenue					
Product sales	\$ 1,852,254	\$ -	\$ 35,245	\$ -	\$ -
Operating expenses					
Cost of revenue	1,502,860	-	134,622	-	-
Research and development	844,684	688,565	978,538	1,578,833	333,038
Sales and marketing	2,320,271	351,800	2,548,583	583,897	79,811
General and administrative	1,629,402	1,432,585	2,010,908	2,923,792	1,983,759
Total operating expenses	6,297,217	2,472,950	5,672,651	5,086,522	2,396,608
Loss from operations	(4,444,963)	(2,472,950)	(5,637,406)	(5,086,522)	(2,396,608)
Total other (income) expense, net	1,086,992	1,865,871	1,905,937	2,631,055	(7,564)
Net loss	\$ (5,531,955)	\$ (4,338,821)	\$ (7,543,343)	\$ (7,717,577)	\$ (2,389,044)
Net loss per share, basic and diluted	\$ (0.60)	\$ (0.88)	\$ (0.84)	\$ (1.55)	\$ (0.56)
Weighted average number of common shares outstanding, basic and diluted	9,202,219	4,945,826	8,956,353	4,971,857	4,252,626



<b>Balance Sheet Data</b>	<b>September 30 2006</b> (Unaudited)	<b>March 31, 2006</b>	<b>December 31, 2005</b>	<b>December 31, 2004</b>
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