

Barish Michael S
Form SC 13D/A
June 02, 2010

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 1)*

AeroGrow International, Inc.
(Name of Issuer)

Common Stock, \$0.001 par value per share
(Title of Class of Securities)

00768M103

(CUSIP Number)

Michael S. Barish
2401 E. Second Ave. Ste 400
Denver, Colorado 80206
303-302-9000

(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications)

May 6, 2010

(Date of Event which Requires Filing of this
Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box ..

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D
CUSIP No. 00768M103

1 NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (Entities Only)

Michael S. Barish

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)x (b) o
(See Instructions)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

OO, PF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) "

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES	7	SOLE VOTING POWER 8,700,456
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BENEFICIALLY	8	SHARED VOTING POWER 443,929
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OWNED BY EACH REPORTING	9	SOLE DISPOSITIVE POWER 8,700,456
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PERSON WITH	10	SHARED DISPOSITIVE POWER 443,929
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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
9,144,385

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES "
(See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
42.75%

14 TYPE OF REPORTING PERSON (See Instructions)

IN

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

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SCHEDULE 13D

CUSIP No. 00768M103

1 NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (Entities Only)

Joyce F. Barish

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) x (b) " (See Instructions)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) "

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES	7	SOLE VOTING POWER
		0

BENEFICIALLY	8	SHARED VOTING POWER
		434,429

OWNED BY EACH REPORTING	9	SOLE DISPOSITIVE POWER
		0

PERSON WITH	10	SHARED DISPOSITIVE POWER
		434,429

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

434,429

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES " (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

3.39%

14 TYPE OF REPORTING PERSON (See Instructions)

IN

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
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SCHEDULE 13D

CUSIP No. 00768M103

1 NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (Entities Only)

Joyce F. Barish Irrevocable Children's Trust

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) x (b) (See Instructions)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES

7

SOLE VOTING POWER
0

BENEFICIALLY

8

SHARED VOTING POWER
5,000

OWNED BY EACH REPORTING

9

SOLE DISPOSITIVE POWER
0

PERSON WITH

10

SHARED DISPOSITIVE POWER
5,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.04%

14 TYPE OF REPORTING PERSON (See Instructions)

OO

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
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SCHEDULE 13D

CUSIP No. 00768M103

1 NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (Entities Only)

Michael S. Barish Irrevocable Spousal Trust

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) x (b) " (See Instructions)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) "

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF	7	SOLE VOTING POWER
SHARES		0
	8	SHARED VOTING POWER
BENEFICIALLY		5,000
OWNED BY EACH	9	SOLE DISPOSITIVE POWER
REPORTING		0
PERSON WITH	10	SHARED DISPOSITIVE POWER
		5,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES " (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.04%

14 TYPE OF REPORTING PERSON (See Instructions)

OO

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
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SCHEDULE 13D

CUSIP No. 00768M103

1 NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (Entities Only)

Barish Family Foundation

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) x (b) (See Instructions)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES

7

SOLE VOTING POWER

0

BENEFICIALLY

8

SHARED VOTING POWER

4,500

OWNED BY EACH REPORTING

9

SOLE DISPOSITIVE POWER

0

PERSON WITH

10

SHARED DISPOSITIVE POWER

4,500

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,500

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.04%

14 TYPE OF REPORTING PERSON (See Instructions)

OO

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Explanatory Note: This Amendment No. 2 amends the information provided in the prior Schedule 13Ds (the “Prior Schedule 13Ds”) filed by Michael S. Barish with the Securities and Exchange Commission (“SEC”) on July 14, 2009 and September 10, 2009. This Amendment No. 2 is being filed in order to reflect an increase in Mr. Barish’s beneficial ownership resulting from: (1) the conversion of a \$188,910.96 bridge loan beneficially held by Mr. Barish into: (i) a note that is convertible into additional shares of the Issuer’s common stock and (ii) warrants to purchase additional shares of the Issuer’s common stock; (2) the investment of an additional \$100,000 of personal funds, for which Mr. Barish received (i) a convertible note and (ii) warrants to purchase additional shares of the Issuer’s common stock; and (3) the vesting of stock options. As a result, this Amendment No. 2 amends the information provided in Items 2-7 below. There were no material changes to the information provided in Item 1 of Mr. Barish’s Prior Schedule 13Ds.

Item 2 - Identity and Background

Item 2 is hereby amended and restated in its entirety as follows:

(a)-(f) This statement on Schedule 13D is filed by Michael S. Barish, a United States citizen, Joyce F. Barish, his spouse and a United States citizen, the Joyce F. Barish Irrevocable Children’s Trust (the “Children’s Trust”), the Michael S. Barish Irrevocable Spousal Trust (the “Spousal Trust”, and together with the Children’s Trust, the “Trusts”), and the Barish Family Foundation (the “Foundation”), which are all three organized under the laws of Colorado. The address of Mr. Barish and his spouse is 2401 East 2nd Avenue, Ste. 400, Denver, CO 80206. Mr. Barish retired from his position as Chief Investment Officer of Lazarus Investment Partners, LLLP (“Lazarus”) as of June 30, 2009. Lazarus is located at 2401 East 2nd Avenue, Ste. 600, Denver, CO 80206.

1) Mr. Barish serves as the President of the Foundation and the Trustee of the Children’s Trust. Mrs. Barish serves as the Trustee of the Spousal Trust. The address for the Foundation and the Trusts is 5761 East Nassau Place, Englewood, Colorado 80111.

During the last five years, none of Mr. Barish or his spouse, the Foundation or the Trusts, nor any of their respective directors, trustees, executive officers or controlling persons, as applicable, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) nor has such person been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3 - Source and Amount of Funds or Other Consideration

Item 3 is hereby amended and restated in its entirety as follows:

On June 30, 2009, Mr. Barish used a combination of sources to purchase 145 shares of the Issuer’s Series A Preferred Stock (the “Series A Stock”) and a warrant to purchase 72 shares of Series A Stock (the “Warrant”) on June 30, 2009. Mr. Barish exchanged securities of the Issuer he held that were valued by the Issuer at \$45,000 and made a cash payment out of personal funds in the amount of \$100,000. Upon retirement from Lazarus on June 30, 2009, Mr. Barish received his proportionate interest of the Issuer’s shares and warrants held by Lazarus. Mr. Barish received 204 shares of the Series A Preferred Stock and a Warrant to purchase 102 shares of Series A Preferred Stock. Mrs. Barish received 53 shares of the Series A Preferred Stock and a Warrant to purchase 27 shares of Series A Preferred Stock as her distribution from Lazarus. The shares of common stock held by the Foundation and the Trusts were acquired by cash payments from their operating funds. Mr. Barish also holds previously purchased shares of the Issuer’s common stock that were acquired by personal funds.

On July 7, 2009, Mr. Barish was appointed to the Board of Directors of the Issuer. For his service, Mr. Barish was granted five (5) year Stock Options (“Options”) to purchase 23,000 shares of common stock at an exercise price of \$0.07 per share, the market closing price on the date of grant. The Options vest pro rata on a monthly basis, on the last day of each month, over a period of twelve months.

On September 1, 2009, Mr. Barish entered into a Bridge Loan with the Issuer. In consideration for the loan, Mr. Barish was issued a five (5) year Warrant to purchase 75,000 shares of common stock (“Common Stock Warrant”) at an exercise price of \$0.25 per share.

On May 6, 2010, Mr. Barish: (1) converted a \$188,910.96 Bridge Loan into: (i) a \$188,910.96 note (the "Note") that is convertible into the Issuer's common stock; and (ii) warrants to purchase 1,889,110 additional shares of the Issuer's common stock (the "2010 Warrants"); and (2) invested \$100,000 of his personal funds in (i) a \$100,000 Note and (ii) additional 2010 Warrants to purchase 1,000,000 shares of the Issuer's common stock. The Note bears interest at 8% per year, payable quarterly in cash, additional Notes, or in registered common stock of the Issuer, at the option of the Issuer, and matures on May 6, 2013. The Note can be converted into shares of the Issuer's common stock at any time, initially at a conversion price of \$0.10 per share. The Note will automatically convert into shares of the Issuer's common stock in the event (i) there is an effective registration statement registering the resale under the Securities Act of 1933 of the underlying stock ("Conversion Shares") or the Conversion Shares are eligible to be resold without restriction or limitation under Rule 144 under the Securities Act, and (ii) the closing bid price of the Issuer's common stock as quoted on the OTC Bulletin Board or other principal trading market is at least \$0.25 per share for 20 out of 30 consecutive trading days with an average daily trading volume of at least one million shares. The Note is secured by a subordinated lien on all assets of the Issuer. The 2010 Warrants entitle Mr. Barish to purchase one share of the Issuer's common stock at a price of \$0.20 per share, and contain customary anti-dilution rights (for stock splits, stock dividends and sales of substantially all the Issuer's assets) and piggyback registration rights. The 2010 Warrants expire May 6, 2015. As of May 6, 2010, Mr. Barish also holds stock options to purchase 23,000 shares of the Issuer's common stock that are currently exercisable or exercisable within 60 days of May 6, 2010, an increase of 15,334 shares over that reported in Amendment No. 1 to Schedule 13D, as filed with the SEC on September 10, 2009.

Item 4 - Purpose of Transaction

Item 4 is hereby amended and restated in its entirety as follows:

(a)-(i) The purpose of the June 30, 2009 transaction was to acquire the Series A Stock and Warrant. Each Warrant has a term of five (5) years with an exercise price of \$1,250 per share. The reporting person may exercise the Warrant at any time. At the election of the reporting person, each share of Series A Stock is convertible into 5,000 shares of the Issuer's common stock, subject to customary anti-dilution adjustments. The holders of the Series A Stock, in aggregate, are entitled to appoint three (3) directors to the board of directors of the Issuer. In connection with the transactions, the Issuer amended its bylaws to render the Nevada control share statute inapplicable to the Issuer. The holders of Series A Stock are entitled to vote alongside the holders of the Issuer's common stock on an as-converted-to common stock basis. The holders of the Series A Stock are entitled to receive preferential dividends in the amount of 8% per annum when and if declared by the board of directors of the Issuer. The holders of the Series A Stock, in aggregate and voting as a separate class, are entitled to vote on certain corporate transactions of the Issuer including, without limitation, any amendments to the Issuer's bylaws or articles of incorporation and the creation of any equity securities senior to the Series A Stock. The description of the terms of the Series A Stock are qualified in their entirety by reference to the Issuer's Certificate of Designations filed with the Nevada Secretary of State on June 29, 2009 (which is included as Exhibit A to this Schedule 13D and is incorporated by reference into this Item 4). The description of the terms of the Warrant are qualified in their entirety by reference to the Issuer's Form of Series A Preferred Stock Warrant (which is included as Exhibit B to this Schedule 13D and is incorporated by reference into this Item 4)

The purpose of the July 8, 2009 transaction was for the Issuer to provide compensation to Mr. Barish for his service on the Issuer's Board of Directors, Audit Committee and Governance, Compensation and Nominating Committee. The Options will vest pro rata on a monthly basis during Mr. Barish's term of service. If Mr. Barish's directorship with the Issuer is terminated during the option period for any reason, Options granted to him which are not exercisable on such date thereupon terminate.

The purpose of the September 1, 2009 transaction was for Mr. Barish to provide a short term loan to the Issuer. The Issuer will repay the principal amount of \$75,000, together with accrued interest from the date of disbursement

hereunder on the unpaid principal balance at the rate of 15% per annum. The principal and interest of this Promissory Note is due in full on November 16, 2009.

The purpose of the May 6, 2010 transaction was for: (i) Mr. Barish to convert an \$188,910.96 Bridge Loan into the Note and the 2010 Warrants; and (ii) invest an additional \$100,000 in the Issuer's Notes and 2010 Warrants, as described in Item 3 above. With regard to the Issuer's capitalization as of May 6, 2010, the Issuer issued an aggregate of \$4,200,000 in Notes and 42,000,000 warrants to purchase common stock. Consideration for the Notes and warrants consisted of \$3,265,000 in cash and \$935,000 from the conversion of existing obligations of the Issuer into the Notes.

Item 5 - Interest in Securities of the Issuer

(a) Item 5 is hereby amended and restated in its entirety as follows:

The aggregate number of shares of common stock of the Issuer that Mr. Barish beneficially owns is 9,144,385, including 109,236 shares of common stock currently held, shares of common stock issuable upon conversion of the 402 shares of Series A Stock, 201 shares of Series A Stock underlying the Series A Warrant, 2,889,110 shares issuable upon conversion of the Note, stock options to purchase 23,000 shares of common stock currently exercisable or exercisable within 60 days of May 6, 2010, and warrants to purchase 3,064,110 shares of common stock. The aggregate number of shares of the Issuer's common stock that Mr. Barish beneficially owns represents 42.75% of the Issuer's outstanding common stock, based on 12,398,249 shares of such common stock outstanding as of December 31, 2010 and assuming: (i) the conversion of Mr. Barish's Series A Stock and Notes; and (ii) exercise of Mr. Barish's Series A Warrant, common stock warrants and stock options that are currently exercisable or exercisable within 60 days of May 6, 2010.

The aggregate number of shares of common stock of the Issuer that Mrs. Barish beneficially owns is 434,429. This includes shares of common stock issuable upon conversion of the 53 shares of Series A Stock and 27 shares of Series A Stock underlying the Warrants held by Mrs. Barish, as well as 5,000 shares of common stock held by Michael S. Barish Irrevocable Spousal Trust, of which Mrs. Barish is Trustee. The aggregate number of shares of common stock of the Issuer that Mrs. Walker beneficially owns represents 3.39% of the Issuer's outstanding common stock.

The aggregate number of shares of common stock of the Spousal