

# SHAREHOLDER ALERT: Kaskela Law LLC Announces Investigation of The Scotts Miracle-Gro Company (NYSE: SMG)

PHILADELPHIA, PA, USA, August 12, 2024

[/EINPresswire.com/](https://www.einpresswire.com/) -- Kaskela Law LLC announces that it is investigating [The Scotts Miracle-Gro Company](#) (NYSE: SMG) ("Scotts") on behalf of the company's long-term investors.

Recently a securities fraud complaint was filed against Scotts in the Southern District of Ohio on behalf of investors who purchased shares of the company's stock between November 3, 2021, and August 1, 2023 (Case No.: 24-cv-03132). According to the complaint, during that time period Scotts and certain of the company's senior executive officers made a series of materially false and misleading statements concerning the company's inventory and debt compliance, and engaged in a "channel stuffing scheme" by pushing "product into its sales channels at a pace that outstripped demand while it repeatedly assured investors that its inventory levels were appropriate."



As detailed in the complaint, on June 8, 2022, Scotts admitted that replenishment orders from its U.S. retailers were more than \$300 million below target in the month of May alone. The company further reported to its investors that its 2022 full-year earnings would be roughly half of its prior guidance, and that it planned "to take on additional debt to cover restructuring charges as it attempted to cut costs." Following this news, shares of Scott's common stock fell \$9.05 per share, or nearly 9% in value, to close at \$93.13 per share on June 8, 2022, on unusually heavy trading volume.

Then, on August 2, 2023, Scotts revealed that quarterly sales for its fiscal third quarter had declined by 6%, and that gross margins fell by 420 basis points. Further, the company slashed its fiscal year EBITDA guidance by 25% and announced a \$20 million write down of "pandemic driven excess inventories." Following this news, shares of Scott's common stock fell an additional \$13.58 per share, or 19% in value, to close at \$57.86 per share on August 2, 2023, again on unusually heavy trading volume.

The investigation seeks to determine whether the members of Scott's board of directors violated the securities laws and/or breached their fiduciary duties in connection with the above alleged misconduct.

Scott's shareholders who purchased or acquired their shares prior to June 8, 2022 are encouraged to contact Kaskela Law LLC (D. Seamus Kaskela, Esq. or Adrienne Bell, Esq.) at (484) 229 - 0750 for additional information about this investigation and their legal rights and options, or by clicking on the following link (or if necessary, by copying and pasting the link into your browser):

<https://kaskelalaw.com/case/scotts-miracle-gro/>

Kaskela Law LLC exclusively represents investors in securities fraud, corporate governance, and merger & acquisition litigation on a contingent basis. For additional information about Kaskela Law LLC please visit [www.kaskelalaw.com](http://www.kaskelalaw.com). This notice may constitute attorney advertising in certain jurisdictions.

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