

Liggett Group LLC
Form 424B3
June 29, 2016

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Registration Statement No. 333-211755

PROSPECTUS

Exchange Offer for
Up to \$235,000,000 Principal Amount Outstanding
of 7.750% Senior Secured Notes due 2021
for a Like Principal Amount of
Registered 7.750% Senior Secured Notes due 2021

We hereby offer, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal (which together constitute the “Exchange Offer”), to exchange up to \$235,000,000 principal amount of our registered 7.750% Senior Secured Notes due 2021 (the “New Notes”) and the guarantees thereof for a like principal amount of our outstanding unregistered 7.750% Senior Secured Notes due 2021 and the guarantees thereof, each of which were issued on May 9, 2016 (the “Original Notes”). The Original Notes were issued as additional notes under the indenture pursuant to which we issued \$450,000,000 and \$150,000,000 in February 2013 and April 2014, respectively, of aggregate principal amount of 7.750% Senior Secured Notes due 2021 that were subsequently exchanged in June 2013 and August 2014, respectively, for notes registered under the Securities Act (the “Existing Notes” and, together with the New Notes and the Original Notes, the “notes”). Subject to specified conditions, the New Notes will be free of the transfer restrictions that apply to our outstanding unregistered Original Notes that you currently hold, but will otherwise be identical in all material respects to the Original Notes. Subject to release as described in the indenture governing the notes, the notes will be fully and unconditionally guaranteed on a joint and several basis by all of our wholly owned domestic subsidiaries that are engaged in the conduct of our tobacco businesses. The notes will not be guaranteed by any of our subsidiaries engaged in our real estate businesses conducted through our subsidiary New Valley LLC.

Interest on the New Notes will accrue at the rate of 7.750% per annum from the date of original issuance of the Original Notes or from the most recent date on which interest on the Original Notes has been paid, whichever is later, and will be payable semi-annually in arrears on February 15 and August 15, commencing on August 15, 2016. We will deem the right to receive any interest accrued but unpaid on the Original Notes waived by you if we accept your Original Notes for exchange.

We will exchange any and all Original Notes that are validly tendered and not validly withdrawn prior to 5:00 p.m., New York City time, on July 28, 2016, unless we extend it.

We have not applied, and do not intend to apply, for listing of the New Notes on any national securities exchange or automated quotation system.

Each broker-dealer that receives New Notes for its own account pursuant to this Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. The letter of transmittal accompanying this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act of 1933, as amended (the “Securities Act”). This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for outstanding Original Notes where such outstanding Original Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. See “Plan of Distribution.”

See “Risk Factors” beginning on [page 14](#) to read about important factors you should consider in connection with this Exchange Offer.

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

Prospectus dated June 29, 2016.

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to give you any information or to make any representations about us or the transactions we discuss in this prospectus other than those contained in this prospectus. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date of this document, or that any information we have incorporated by reference in this prospectus is accurate as of any date other than the date of the document incorporated by reference regardless of the time of delivery of this prospectus. Our business, financial condition, results of operations and prospects may have changed since those dates.

MARKET DATA

We use market and industry data throughout this prospectus and the documents incorporated by reference herein that we have obtained from market research, publicly available information and industry publications, including industry data obtained from Management Science Associates, Inc., an independent third-party database management organization that collects wholesale shipment data from various cigarette manufacturers and distributors and provides analysis of market share, unit sales volume and premium versus discount mix for individual companies and the industry as a whole. These sources generally state that the information that they provide has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. The market and industry data is often based on industry surveys and the preparers' experience in the industry. Management Science Associates' information relating to unit sales volume and market share of certain of the smaller, primarily deep discount, cigarette manufacturers is based on estimates developed by Management Science Associates. Although we believe that the surveys and market research that others have performed are reliable, we have not independently verified this information.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and file reports, proxy statements and other information with the SEC. You can inspect and copy all of this information at the Public Reference Room maintained by the SEC at its principal office at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a web site that contains reports, proxy statements and other information regarding issuers, like us, that file such materials electronically with the SEC. The address of this web site is: <http://www.sec.gov>.

In addition, we make available on our web site at <http://www.vectorgrouppltd.com> our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K (and any amendments to those reports) filed pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as practicable after they have been electronically filed with the SEC. Unless otherwise specified, information contained on our web site, available by hyperlink from our web site or on the SEC's web site, is not incorporated into the registration statement of which this prospectus forms a part. Information incorporated by reference is available without charge to security holders upon written request to Vector Group Ltd., 4400 Biscayne Boulevard, 10th Floor, Miami, Florida 33137, Attn: Investor Relations or upon oral request by calling (305) 579-8000. To obtain timely delivery, security holders must request the information no later than five business days before the date they must make their investment decision, or July 28, 2016, the expiration of the Exchange Offer.

We have filed with the SEC a registration statement on Form S-4 under the Securities Act with respect to the New Notes being offered hereby. This prospectus, which forms a part of the registration statement, does not contain all of the information set forth in the registration statement. For further information with respect to us and the New Notes, reference is made to the registration statement. Statements contained in this prospectus as to the contents of any contract or other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, we refer you to the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit.

INCORPORATION BY REFERENCE

We are incorporating by reference in this prospectus certain information that we file with the SEC, which means that we are disclosing important information to you in those documents. The information incorporated by reference in this prospectus is an important part of this prospectus, and information that we subsequently file with the SEC that is incorporated by reference into this prospectus will automatically update and supersede information contained or incorporated in this prospectus. We incorporate by reference the documents listed below, which we have already filed with the SEC, and any future filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act prior to the termination of the Exchange Offer. Unless specifically listed below, we are not incorporating by reference any documents or portions thereof that are not deemed “filed” with the SEC:

- Our Annual Report on Form 10-K for the year ended December 31, 2015, filed on March 8, 2016 (including the portions of our Definitive Proxy Statement on Schedule 14A, filed with the SEC on March 25, 2016, that were incorporated by reference into Part III of such Annual Report on Form 10-K).

• Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, filed on April 29, 2016.

• Our Current Reports on Form 8-K, filed on March 4, 2016, April 28, 2016 and May 9, 2016, as well as March 8, 2016, April 1, 2016, April 28, 2016 and May 3, 2016 and two Current Reports on Form 8-K filed on May 2, 2016 (other than Items 2.02 and 7.01 and the exhibits related thereto).

Revisions to December 31, 2015 Consolidated Balance Sheet. In April 2015, the FASB issued ASU No. 2015-03, “Interest-Imputation of Interest” (“ASU 2015-03”), which requires debt issuance costs to be reported in the balance sheet as a direct deduction from the face amount of the note. The Company adopted the provisions of this ASU retrospectively, effective January 1, 2016, and adjusted all prior periods accordingly.

As a result of the mandatory retroactive application of ASU 2015-03 to the year ended December 31, 2015, the “Total assets” and “Total notes payable, long-term debt and other obligations” each decreased \$30,141 and \$34,212 from the amount reported in our Annual Report on Form 10-K for the year ended December 31, 2015 and 2014, respectively. Unless otherwise specified, information contained on or that can be accessed through any web site referred to in this prospectus or any document incorporated by reference into this prospectus is not incorporated by reference into this prospectus. You should not consider information contained on or accessed through any such web sites to be part of this prospectus.

Any statement contained in a document that is incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus modifies or supersedes the statement. Any such statement or document so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request a copy of these filings, at no cost, by writing or telephoning us at the following address and telephone number:

Vector Group Ltd.
4400 Biscayne Boulevard
10th Floor
Miami, Florida 33137
Attn: Investor Relations
Telephone: (305) 579-8000

FORWARD-LOOKING STATEMENTS

This prospectus, including the documents incorporated by reference, contains “forward-looking statements” within the meaning of the federal securities law. Forward-looking statements include information relating to our intent, belief or current expectations, primarily with respect to, but not limited to:

- economic outlook;
- capital expenditures;
- cost reduction;
- legislation and regulations;
- cash flows;
- operating performance;
- litigation;
- impairment charges and cost saving associated with restructurings of our tobacco operations; and
- related industry developments (including trends affecting our business, financial condition and results of operations).

You can identify forward-looking statements by terminology such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may be,” “objective,” “plan,” “seek,” “predict,” “project” and “will be” and similar words or phrases or their negatives.

The forward-looking information involves important risks and uncertainties that could cause our actual results, performance or achievements to differ materially from our anticipated results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, without limitation, the following:

- general economic and market conditions and any changes therein, due to acts of war and terrorism or otherwise;
- governmental regulations and policies;
- effects of industry competition;
- impact of business combinations, including acquisitions and divestitures, both internally for us and externally in the tobacco industry;
- impact of legislation on our competitors’ payment obligations, results of operations and product costs, i.e. the impact of federal legislation eliminating the federal tobacco quota system and providing for regulation of tobacco products by the Food and Drug Administration (the “FDA”);
- impact of substantial increases in federal, state and local excise taxes;
- uncertainty related to product liability and other tobacco-related litigation, including the Engle progeny cases pending in Florida and other individual and class action cases, where certain plaintiffs have alleged compensatory and punitive damage amounts ranging into the hundreds of million and even billions of dollars; and
- potential additional payment obligations for us under the Master Settlement Agreement (the “MSA”) and other settlement agreements with the states.

Any forward-looking statement you read in this prospectus reflects our current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our operations, operating results, growth strategy and liquidity. We urge you to carefully review the disclosures we make concerning risks and other factors that may affect our business and operating results, including those made under the heading “Risk Factors” in this prospectus and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the SEC in the future, including subsequent Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. We caution you that any forward-looking statements made in this prospectus and the documents incorporated herein by reference are not guarantees of future performance and you should not place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus or any other document incorporated by reference into this prospectus. We do not intend, and we undertake no obligation, to update any forward-looking information to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events, unless required by law to do so.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. Because it is a summary, it does not contain all of the information that you should consider before determining whether to participate in the exchange offered hereby, and it is qualified in its entirety by the more detailed information and historical financial statements (including the notes to those financial statements) that are included elsewhere herein or that are incorporated by reference in this prospectus. You should read the entire prospectus carefully, including the “Risk Factors,” the financial statements and the notes to those financial statements and the documents we have incorporated by reference. As used in this prospectus, the terms “Vector,” “Vector Group,” “we,” “our” and “us” and similar terms refer to Vector Group Ltd. and of its consolidated subsidiaries, including VGR Holding LLC (“VGR Holding”), Liggett Group LLC (“Liggett Group” or “Liggett”), Vector Tobacco Inc. (“Vector Tobacco”) and New Valley LLC (“New Valley”), except with respect to the sections entitled “— Summary of the Terms of the Exchange Offer,” “— Summary of the Terms of the New Notes,” and “Description of New Notes” and where it is clear that these terms mean only Vector Group Ltd.

Business

Our Company

We are a holding company and are principally engaged in:

- the manufacture and sale of cigarettes in the United States through our Liggett Group and Vector Tobacco subsidiaries;
- the sale of electronic cigarettes (“e-cigarettes”) in the United States through our Zoom E-Cigs LLC (“Zoom”) subsidiary, and
- the real estate business through our New Valley subsidiary, which is seeking to acquire or invest in additional real estate properties or projects. New Valley owns 70.59% of Douglas Elliman Realty, LLC, (“Douglas Elliman Realty”) which operates the largest residential brokerage company in the New York metropolitan area.

For the year ended December 31, 2015, Liggett was the fourth-largest manufacturer of cigarettes in the United States in terms of unit sales. At present time Liggett and Vector Tobacco Inc. have no foreign operations. Our tobacco subsidiaries manufacture and sell cigarettes in the United States and all of our tobacco operations’ unit sales volume in 2015 was in the discount segment, which management believes has been the primary growth segment in the industry for more than a decade. Our tobacco subsidiaries produce cigarettes in approximately 117 different brand styles including private labels for other companies, typically retail or wholesale distributors who supply supermarkets and convenience stores. Liggett’s current brand portfolio includes Eagle 20’s, Pyramid, Grand Prix, Liggett Select, Eve, USA and various partner brands and private label brands. Liggett’s manufacturing facilities are located in Mebane, North Carolina where it manufactures most of Vector Tobacco Inc.’s cigarettes pursuant to a contract manufacturing agreement. Liggett’s products are distributed from a central distribution center in Mebane, North Carolina to 17 public warehouses located throughout the United States. These warehouses serve as local distribution centers for Liggett’s customers. Liggett’s customers are primarily candy and tobacco distributors, the military and large grocery, drug and convenience store chains.

In addition to New Valley’s investment in Douglas Elliman, New Valley owns real estate properties and holds investment interests in various real estate projects.

At December 31, 2015, we had approximately 1,367 employees, of which approximately 874 were employed by Douglas Elliman Realty primarily in the New York area, approximately 250 were employed at Liggett’s Mebane, North Carolina facility and approximately 220 were employed in sales and administrative functions at our subsidiary Liggett Vector Brands LLC, which coordinates our tobacco subsidiaries’ sales and marketing efforts, along with certain support functions.

Our principal executive offices are located at 4400 Biscayne Boulevard, 10th Floor, Miami, Florida 33137, our telephone number is (305) 579-8000, and our web site is <http://www.vectorgroupltd.com>. Information contained on our web site or that can be accessed through our web site is not incorporated by reference in this prospectus. You

should not consider information contained on our web site or that can be accessed through our web site to be part of this prospectus. Our common stock is listed on the New York Stock Exchange under the symbol "VGR."

Summary of the Terms of the Exchange Offer

Background

On May 9, 2016, we completed a private placement of \$235,000,000 aggregate principal amount of the Original Notes. In connection with that private placement, we entered into a registration rights agreement in which we agreed to, among other things, complete an exchange offer of the New Notes for the Original Notes.

The Exchange Offer

We are offering to exchange the New Notes, which have been registered under the Securities Act, for a like principal amount of our outstanding, unregistered Original Notes. Original Notes may only be tendered in an amount equal to \$2,000 in principal amount and integral multiples of \$1,000 in excess thereof. See “The Exchange Offer — Terms of the Exchange.” You may tender your outstanding Original Notes for New Notes by following the procedures described under the heading “The Exchange Offer — Procedures for Tendering.”

Resale of New Notes

Based upon the position of the staff of the SEC as described in previous no-action letters, we believe that New Notes issued pursuant to the Exchange Offer in exchange for Original Notes may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

- you are acquiring the New Notes in the ordinary course of your business;
- you have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in a distribution of the New Notes; and
- you are not our “affiliate” as defined under Rule 405 of the Securities Act.

Each broker-dealer that receives New Notes for its own account in exchange for Original Notes, where such Original Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of New Notes during the 180 days after the expiration of this Exchange Offer. See “Plan of Distribution.”

Any holder of Original Notes, including any broker-dealer, who:

- is our affiliate,

- does not acquire the New Notes in the ordinary course of its business, or
- tenders in the Exchange Offer with the intention to participate, or for the purpose of participating, in a distribution of New Notes,

cannot rely on the position of the staff of the SEC expressed in Exxon Capital Holdings Corporation, Morgan Stanley & Co., Incorporated or similar no-action letters and, in the absence of an applicable exemption, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale of the New Notes or it may incur liability under the Securities Act. We will not be responsible for, or indemnify against, any such liability.

Consequences If You Do Not Exchange Your Original Notes

Original Notes that are not tendered in the Exchange Offer or are not accepted for exchange will continue to bear legends restricting their transfer. You will not be able to offer or sell such Original Notes unless:

- you are able to rely on an exemption from the requirements of the Securities Act; or
- the Original Notes are registered under the Securities Act.

After the Exchange Offer is closed, we will no longer have an obligation to register the Original Notes, except under certain limited circumstances. See “Risk Factors — If you fail to exchange your Original Notes, they will continue to be restricted securities and may become less liquid.”

Expiration Date

The Exchange Offer will expire at 5:00 p.m., New York City time, on July 28, 2016, unless we extend the Exchange Offer. See “The Exchange Offer — Expiration Date; Extensions; Amendments.”

Issuance of New Notes

We will issue New Notes in exchange for Original Notes tendered and accepted in the Exchange Offer promptly following the Expiration Date. See “The Exchange Offer — Terms of the Exchange.”

Certain Conditions to the Exchange Offer

The Exchange Offer is subject to certain customary conditions, which we may amend or waive without your consent to the extent permitted by law. See “The Exchange Offer — Conditions to the Exchange Offer.”

Special Procedures for Beneficial Holders

If you beneficially own Original Notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender in the Exchange Offer, you should contact such registered holder promptly and instruct such person to tender on your behalf. If you wish to tender in the Exchange Offer on your own behalf, you must, prior to completing and executing the accompanying letter of transmittal and delivering your Original Notes, either arrange to have the Original Notes registered in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take a considerable time. See “The Exchange Offer — Procedures for Tendering.”

Withdrawal Rights

You may withdraw your tender of Original Notes at any time before the Exchange Offer expires. See “The Exchange Offer — Withdrawal of Tenders.”

Accounting Treatment

We will not recognize any gain or loss for accounting purposes upon the completion of the Exchange Offer. See “The Exchange Offer — Accounting Treatment.”

Federal Income Tax Consequences

The exchange pursuant to the Exchange Offer generally will not be a taxable event for U.S. federal income tax purposes. See “Material United States Federal Income Tax Considerations.”

Use of Proceeds

We will not receive any proceeds from the issuance of New Notes pursuant to the Exchange Offer.

Exchange Agent

U.S. Bank National Association is serving as exchange agent in connection with the Exchange Offer.

Summary of the Terms of the New Notes

The summary below describes the principal terms of the New Notes. Certain descriptions below are subject to important exceptions and/or limitations. The terms of the New Notes are identical to the terms of the Original Notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the Original Notes do not apply to the New Notes. The “Description of New Notes” section of this prospectus contains a more detailed description of the terms and conditions of the New Notes.

Issuer

Vector Group Ltd., a Delaware corporation.

Notes Offered

\$235,000,000 aggregate principal amount of 7.750% Senior Secured Notes due 2021.