100 Maple LLC
Form 424B5
January 23, 2017
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CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE[(1)]
Common Stock, par value $0.10 per share	2,000,000	$22.885	$45,770,000	$5,304.74

(1) Estimated solely for purposes of calculating the registration fee in accordance with Rules 457(c) and 457(r) of the Securities Act of 1933, as amended (the Securities Act), and based upon the average of the high and low sales price of a share of Vector Group Ltd. s common stock, as reported by the New York Stock Exchange on January 18, 2017.

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Filed Pursuant to Rule 424(b)(5)
Registration Statement No. 333-208815

PROSPECTUS SUPPLEMENT

(To prospectus dated December 31, 2015)

2,000,000 Shares

Common Stock

We are offering 2,000,000 shares of our common stock (common stock) of Vector Group Ltd. (the Company).

Our common stock is traded on the New York Stock Exchange (the NYSE) under the symbol VGR. On January 18, 2017, the last reported sale price of our common stock was $23.21 per share on the NYSE.

We will receive all of the net proceeds of the offering. We intend to use the proceeds of the offering, together with the proceeds of an offering of senior secured notes due 2025, to fund the redemption of our $835 million 7.750% Senior Secured Notes due 2021, with the remaining net cash proceeds to be used for general corporate purposes. The closing of this offering is conditioned on the closing of such notes offering.

The underwriter has agreed to purchase the shares of common stock from us at a price of $21.615 per share, which will result in $43,230,000 of proceeds to us before expenses. The underwriter may offer the shares of our common stock for sale from time to time in one or more transactions on the NYSE, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices, subject to its right to reject any order in whole or in part. See Underwriting (Conflicts of Interest).

Investing in our securities involves risk. See Risk Factors on page S-3 of this prospectus supplement and in the documents incorporated by reference into this prospectus.

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

The underwriter expects to deliver the shares against payment in New York, New York on January 27, 2017.

Jefferies

Prospectus Supplement dated January 19, 2017.

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ABOUT THIS PROSPECTUS SUPPLEMENT

We provide information to you about this offering in two separate documents. The accompanying prospectus provides general information about us and the securities we may offer from time to time, some of which may not apply to this offering. This prospectus supplement provides additional information about us and describes the specific details regarding this offering and the securities offered hereby. Generally, when we refer to this prospectus, we are referring to both this prospectus supplement and the accompanying prospectus combined. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or in any document incorporated by reference that was filed with the Securities and Exchange Commission, or SEC, before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement.

As permitted under the rules of the SEC, this prospectus incorporates important business information about Vector Group Ltd. that is contained in documents that we file with the SEC, but that are not included in or delivered with this prospectus. You may obtain copies of these documents, without charge, from the web site maintained by the SEC at www.sec.gov, as well as other sources. See Where You Can Find More Information. Before purchasing any securities, you should carefully read this prospectus together with the additional information described under the headings Where You Can Find More Information and Information We Incorporate by Reference.

You should rely only on the information contained or incorporated by reference in this prospectus and any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we nor the underwriter have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should assume that the information contained in this prospectus or any free writing prospectus is accurate as of the date on its respective cover, and that any information incorporated by reference is accurate only as of the date of the document incorporated by reference, unless we indicate otherwise. Our business, financial condition, results of operations and prospects may have changed since those dates.

Neither we nor the underwriter is making offers to sell the securities described in this prospectus in any jurisdiction in which an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation.

References in this prospectus to the terms we, us, our, the Company or other similar terms mean Vector Group Ltd. and its consolidated subsidiaries and the term Vector refers only to Vector Group Ltd., unless we state otherwise or the context indicates otherwise.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document that we file with the SEC, including the registration statement of which the accompanying prospectus is a part and the exhibits to such registration statement, at the SEC s Public Reference Room located at 100 F Street, N.E., Washington D.C. 20549. You may obtain further information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available to the public at the SEC s web site at www.sec.gov. These documents may also be accessed on our web site at www.vectorgroupltd.com. Information contained on our web site is not incorporated by reference into this prospectus and you should not consider information contained on our web site to be part of this prospectus.

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INFORMATION WE INCORPORATE BY REFERENCE

The SEC allows us to incorporate by reference in this prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and later information filed with the SEC will automatically update and supersede the information included or incorporated by reference in this prospectus. We incorporate by reference in this prospectus the following information (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

- our annual Report on Form 10-K for the fiscal year ended December 31, 2015;
- our Quarterly Reports on Form 10-Q for the quarterly periods ending March 31, 2016, June 30, 2016 and September 30, 2016; and
- our Current Reports on Form 8-K filed on March 4, 2016, April 28, 2016 (only Item 5.07), May 9, 2016 (only Item 1.01), December 8, 2016 and December 9, 2016.

We also incorporate by reference each of the documents that we file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), on or after the date of this prospectus and prior to the termination of the offering under this prospectus. We will not, however, incorporate by reference in this prospectus any documents or portions thereof that are not deemed filed with the SEC, including any information furnished pursuant to Item 2.02 or Item 7.01 of our Current Reports on Form 8-K after the date of this prospectus unless, and except to the extent, specified in such Current Reports.

We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any of these filings (other than an exhibit to these filings, unless the exhibit is specifically incorporated by reference into the filing requested) at no cost, upon a request to us by writing or telephoning us at the following address and telephone number:

Vector Group Ltd.

4400 Biscayne Boulevard

Miami, Florida 33137

Telephone Number: (305) 579-8000

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SPECIAL NOTE REGARDING 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, 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;

the impact of business combinations, including acquisitions and divestitures, both internally for us and externally in the tobacco industry;

the impact of legislation on our competitors payment obligations, results of operations and product costs, e.g., 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);

the 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 offering memorandum 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

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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.

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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. (Management Science Associates), an independent third-party database management organization that collects wholesale and retail 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.

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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 investing, 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 and all of the documents that are incorporated herein by reference carefully, including the Risk Factors sections and the financial statements and the notes to those statements. As used in this prospectus, the terms Vector, Vector Group, we, our and us and similar terms refer to Vector Group Ltd. and all of our 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).

Vector Group Ltd.

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; 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 nine months ended September 30, 2016 and the year ended December 31, 2015, Liggett was the fourth-largest manufacturer of cigarettes in the United States in terms of unit sales. Liggett s manufacturing facilities are located in Mebane, North Carolina where it manufactures most of Vector Tobacco s cigarettes pursuant to a contract manufacturing agreement. At the present time, Liggett and Vector Tobacco have no foreign operations.

Concurrent Transaction

On January 19, 2017, the Company priced an offer to issue and sell $850 million aggregate principal amount of senior secured notes due 2025 (the notes) to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933, as amended (the Securities Act) and to persons outside the United States in compliance with Regulation S under the Securities Act. There can be no guarantee that such an offering will be completed. The offering of the notes was made by a separate offering memorandum and is not part of the offering to which this prospectus relates. Accordingly, this prospectus is not an offer to sell or a solicitation of an offer to buy any such notes.

Corporate Information

Our principal executive offices are located at 4400 Biscayne Boulevard, Miami, Florida 33137, our telephone number is (305) 579-8000 and our web site is *http://www.vectorgroupltd.com.* 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.

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THE OFFERING

The following summary of the offering contains basic information about the offering and the common stock and is not intended to be complete. It does not contain all the information that may be important to you. For a more complete understanding of the common stock, please refer to the section of the accompanying prospectus entitled Description of Capital Stock.

Issuer	Vector Group Ltd., a Delaware corporation
Common stock offered by us	2,000,000 shares
Common stock outstanding prior to the offering	127,739,481 shares
Common stock outstanding upon completion of the offering	129,739,481 shares
Use of proceeds	We intend to use the proceeds of the offering, together with the proceeds of a concurrent offering of senior secured notes due 2025, to fund the redemption of our $835 million 7.750% Senior Secured Notes due 2021, with the remaining net cash proceeds to be used for general corporate purposes. See Use of Proceeds.
Risk factors	You should carefully read and consider the information set forth under Risk Factors beginning on page S-3 in this prospectus supplement, beginning on page 6 in the accompanying prospectus and in the documents incorporated by reference herein, including our Annual Report on Form 10-K for the year ended December 31, 2015, before investing in our common stock.
Underwriter conflicts of interest	See Underwriting (Conflicts of Interest).
NYSE symbol	VGR

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RISK FACTORS

Before you decide to invest in our common stock, you should be aware that an investment in our common stock involves various risks and uncertainties, including those described below, that could have a material adverse effect on our business, financial position, results of operations, cash flows or prospects. We urge you to consider carefully the risk factors described below, together with all of the other information included in, and incorporated by reference into, this prospectus before you decide to invest in the borrowed shares. The risks and uncertainties described below and incorporated by reference into this prospectus are not the only ones related to our business, our common stock or the offering. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also materially and adversely affect our business, financial position, results of operations, cash flows or prospects. The trading price of our common stock could decline due to the materialization of any of these risks and uncertainties and you may lose all or part of your investment.

The price of our common stock may fluctuate significantly, and you could lose all or part of your investment.

The trading price of our common stock has ranged between $20.02 and $23.79 per share over the past 52 weeks. We expect that the market price of our common stock will continue to fluctuate.

The market price of our common stock may fluctuate in response to numerous factors, many of which are beyond our control. These factors include the following:

- actual or anticipated fluctuations in our operating results;
- changes in expectations as to our future financial performance, including financial estimates by securities analysts and investors;
- the operating and stock performance of our competitors;
- announcements by us or our competitors of new products or services or significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- the initiation or outcome of litigation;
- FDA regulation of our products including, determinations that certain of our new tobacco products are not substantially equivalent to a predicate tobacco product;
- the failure or significant disruption of our operations from various causes related to our critical information technologies and systems including cybersecurity threats to our data and customer data as well as reputational or financial risks associated with a loss of any such data;

- changes in interest rates;
- general economic, market and political conditions;
- additions or departures of key personnel; and
- future sales of our equity or convertible securities.

We cannot predict the extent, if any, to which future sales of shares of common stock or the availability of shares of common stock for future sale, may depress the trading price of our common stock.

In addition, the stock market in recent years has experienced extreme price and trading volume fluctuations that often have been unrelated or disproportionate to the operating performance of individual companies. These broad market fluctuations may adversely affect the price of our common stock, regardless of our operating performance. Furthermore, stockholders may initiate securities class action lawsuits if the market price of our stock drops significantly, which may cause us to incur substantial costs and could divert the time and attention of our management. These factors, among others, could significantly depress the price of our common stock.

We have many potentially dilutive securities outstanding.

As of December 31, 2015, we had outstanding options granted to employees, including restricted shares, to purchase approximately 5,940,244 shares of our common stock, with a weighted-average exercise price of $8.71 per share, of which options 2,035,345 shares were exercisable as of December 31, 2015. We also have outstanding convertible notes and debentures maturing in January 2019 and April 2020, which are currently convertible into 24,894,522 shares of our common stock. The issuance of these shares will cause dilution which may adversely

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affect the market price of our common stock. The availability for sale of significant quantities of our common stock could adversely affect the prevailing market price of the stock.

We are a holding company and depend on cash payments from our subsidiaries, which are subject to contractual and other restrictions, in order to service our debt and to pay dividends on our common stock.

We are a holding company and have no operations of our own. We hold our interests in our various businesses through our wholly-owned subsidiaries, VGR Holding and New Valley. In addition to our own cash resources, our ability to pay interest on our debt and to pay dividends on our common stock depends on the ability of VGR Holding and New Valley to make cash available to us. VGR Holding s ability to pay dividends to us depends primarily on the ability of Liggett, its wholly-owned subsidiary, to generate cash and make it available to VGR Holding. Liggett s revolving credit agreement with Wells Fargo Bank, N.A. contains a restricted payments test that limits the ability of Liggett to pay cash dividends to VGR Holding. The ability of Liggett to meet the restricted payments test may be affected by factors beyond its control, including Wells Fargo s unilateral discretion, if acting in good faith, to modify elements of such test.

Our receipt of cash payments, as dividends or otherwise, from our subsidiaries is an important source of our liquidity and capital resources. If we do not have sufficient cash resources of our own and do not receive payments from our subsidiaries in an amount sufficient to repay our debts and to pay dividends on our common stock, we must obtain additional funds from other sources. There is a risk that we will not be able to obtain additional funds at all or on terms acceptable to us. Our inability to service these obligations and to continue to pay dividends on our common stock would significantly harm us and the value of our common stock.

Changes in tax law may have an adverse effect on our business, financial condition and results of operations and affect the federal tax considerations of the purchase, ownership and disposition of the common stock.

Potential tax reforms in the United States may result in significant changes in the rules governing United States federal income taxation. Such changes may have an adverse effect on our business, financial condition and results of operations. Such changes may also affect the federal tax considerations of the purchase, ownership and disposition of the common stock, as discussed below in Material United States Tax Considerations to Non-U.S. Holders of Common Stock.

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USE OF PROCEEDS

We estimate that the proceeds from this offering will be approximately $43,180,000, after deducting estimated fees and expenses payable by us. We intend to use the proceeds of the offering, together with the proceeds of an offering of senior secured notes due 2025, to fund the redemption of our $835 million 7.750% Senior Secured Notes due 2021 (the 2021 Notes), with the remaining net cash proceeds used for general corporate purposes.

$235 million of the 7.750% Senior Secured Notes due 2021 were issued in May 2016 with the net cash proceeds used for general corporate purposes, including, but not limited to, additional investments in real estate through the Company s wholly owned subsidiary, New Valley LLC, and in its existing tobacco business.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and total capitalization as of September 30, 2016 on:

- an actual basis; and

- an as adjusted basis to give effect to (i) this offering of common stock, (ii) the issuance and sale by us of $850 million in aggregate principal amount of notes and (iii) the receipt and application of the net proceeds by us from this offering of common stock and the notes to redeem all of the outstanding 2021 Notes, after deducting fees, underwriting discounts and estimated expenses payable by us.

The information presented in the table below should be read in conjunction with the historical consolidated financial statements and the notes thereto incorporated by reference into this prospectus. For purposes of this table, we have not reflected the impact, which could be material, of the application of ASC 470, ASC 480 and ASC 815 to the agreement to conduct this offering of common stock concurrently with the offering of the notes.

	AS OF SEPTEMBER 30, 2016	
	ACTUAL	AS ADJUSTED
	(dollars in thousands)	
Cash and cash equivalents	$ 445,874	$ 453,748 [1]
Vector:		
7.750% Senior Secured Notes due 2021 [2]	$ 835,000	$
% Senior Secured Notes due 2025 to be issued concurrently		850,000
7.5% Variable Interest Senior Convertible Notes due 2019 [3][4]	230,000	230,000
5.5% Variable Interest Senior Convertible Notes due 2020 [3][5]	258,750	258,750
Liggett:		
Revolving credit facility	13,591 [6]	13,591
Term loan under credit facility	3,073	3,073
Equipment loans.	5,136	5,136
Other	641	641
Total notes payable, long-term debt and other obligations, including current portion	1,346,191	1,361,191
Total stockholders deficiency	(198,597)	(155,367) [1]
Total capitalization	$ 1,147,594	$ 1,205,824 [1]

(1) Reflects net proceeds of this offering of common shares of $43.2 million paid by Jefferies LLC, taking into account the application of a portion of such proceeds towards redemption of the outstanding 2021 Notes.

(2) Amount included in the table above includes premium of $14.7 million.

(3) The fair value of the derivatives embedded within the 7.5% Variable Interest Senior Convertible Notes ($57.9 million at September 30, 2016) and the 5.5% Variable Interest Senior Convertible Debentures ($62.9 million at September 30, 2016) are included in the table above, but are separately classified as a derivative liability in the condensed consolidated balance sheets.

(4) Amount included in the table above includes unamortized discount of $115.5 million.

(5) Amount included in the table above includes unamortized discount of $75.2 million.

(6) As at December 31, 2016, the amount outstanding under the Liggett revolving credit facility was approximately $37.2 million.

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MATERIAL UNITED STATES TAX CONSEQUENCES TO

NON-U.S. HOLDERS OF COMMON STOCK

This section summarizes certain U.S. federal income and estate tax consequences of the ownership and disposition of our common stock by a non-U.S. holder. You are a non-U.S. holder if you are, for U.S. federal income tax purposes, a beneficial owner of our common stock and you are:

- a nonresident alien individual,
- a foreign corporation, or
- an estate or trust that in either case is not subject to U.S. federal income tax on a net income basis on income or gain from common stock.

This section does not consider the specific facts and circumstances that may be relevant to a particular non-U.S. holder and does not address the treatment of a non-U.S. holder under the laws of any state, local or non-U.S. taxing jurisdiction. This section is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended (the Code), existing and proposed regulations, and administrative and judicial interpretations, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding our common stock should consult its tax advisor with regard to the U.S. federal income tax treatment of an investment in our common stock.

Potential tax reforms in the United States may result in significant changes in the rules governing United States federal income taxation. Such changes may affect the federal tax considerations of the purchase, ownership and disposition of the common stock discussed herein.

You should consult a tax advisor regarding the U.S. federal tax consequences of acquiring, holding and disposing of our common stock in your particular circumstances, as well as any tax consequences that may arise under the laws of any state, local or non-U.S. taxing jurisdiction.

Dividends

Except as described below, if you are a non-U.S. holder of our common stock, dividends paid to you are subject to withholding of U.S. federal income tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. Subject to the discussion in FATCA Withholding below, even if you are eligible for a lower treaty rate, we and other payors will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments to you, unless you have furnished to us or another payor:

- a valid Internal Revenue Service (IRS) Form W-8 or an acceptable substitute form upon which you certify, under penalties of perjury, your status as a non-United States person and your entitlement to the lower treaty rate with respect to such payments, or

- in the case of payments made outside the United States to an offshore account (generally, an account maintained by you at an office or branch of a bank or other financial institution at any location outside the United States), other documentary evidence establishing your entitlement to the lower treaty rate in accordance with U.S. Treasury regulations.

If you are eligible for a reduced rate of U.S. withholding tax under a tax treaty, you may obtain a refund of any amounts withheld in excess of that rate by filing a refund claim with the IRS.

If dividends paid to you are effectively connected with your conduct of a trade or business within the United States, and, if required by a tax treaty, the dividends are attributable to a permanent establishment that you maintain in the United States, we and other payors generally are not required to withhold tax from the dividends, *provided* that you have furnished to us or another payor a valid IRS Form W-8ECI or an acceptable substitute form upon which you represent, under penalties of perjury, that:

- you are a non-U.S. person, and

- the dividends are effectively connected with your conduct of a trade or business within the United States and are includible in your gross income.

Effectively connected dividends (and, in the event a treaty applies, dividends attributable to a permanent establishment that you maintain in the United States) are taxed at rates applicable to U.S. citizens, resident aliens and domestic U.S. corporations.

If you are a corporate non-U.S. holder, effectively connected dividends that you receive may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Gain on Disposition of Common Stock

If you are a non-U.S. holder, you generally will not be subject to U.S. federal income tax on gain that you recognize on a disposition of our common stock unless:

- the gain is effectively connected with your conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment that you maintain in the United States, if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis,

- you are an individual, you hold our common stock as a capital asset, you are present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions exist, or

- we are or have been a U.S. real property holding corporation for U.S. federal income tax purposes and you held, directly or indirectly, at any time during the five-year period ending on the date of disposition, more than 5% of our common stock (assuming our common stock remains regularly traded) and you are not eligible for any treaty exemption.

If you are a corporate non-U.S. holder, effectively connected gains that you recognize may also, under certain circumstances, be subject to an additional branch profits tax at a 30% rate, or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

We have not been, are not and do not anticipate becoming, a U.S. real property holding corporation for U.S. federal income tax purposes.

FATCA Withholding

Pursuant to sections 1471 through 1474 of the Code, commonly known as the Foreign Account Tax Compliance Act (FATCA), a 30% withholding tax (FATCA withholding) may be imposed on certain payments to you or to certain foreign financial institutions, investment funds and other non-U.S. persons receiving payments on your behalf if you or such persons fail to comply with certain information reporting requirements or otherwise fail to qualify for an exemption. Such payments will include U.S.-source dividends and the gross proceeds from the sale or other disposition of stock that can produce U.S.-source dividends. Payments of dividends that you receive in respect of our common stock could be affected by this withholding if you are subject to the FATCA information reporting requirements and fail to comply with them or if you hold common stock through a non-U.S. person (*e.g.*, a foreign bank or broker) that fails to comply with these requirements (even if payments to you would not otherwise have been subject to FATCA withholding). Payments of gross proceeds from a sale or other disposition of common stock could also be subject to FATCA withholding unless such disposition occurs before January 1, 2019. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. You should consult your own tax advisors regarding the relevant U.S. law and other official guidance on FATCA withholding.

Federal Estate Taxes

Common stock held by a non-U.S. holder at the time of death will be included in the holder s gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Backup Withholding and Information Reporting

If you are a non-U.S. holder, we and other payors are required to report payments of dividends on IRS Form 1042-S even if the payments are exempt from withholding. You are otherwise generally exempt from backup withholding and information reporting requirements with respect to dividend payments and the payment of the proceeds from the sale of common stock effected at a U.S. office of a broker, provided that either (i) the payor or broker does not have actual knowledge or reason to know that you are a U.S. person and you have furnished a valid IRS Form W-8 or other documentation upon which the payor or broker may rely to treat the payments as made to a non-U.S. person or (ii) you otherwise establish an exemption.

Payment of the proceeds from the sale of common stock effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds are paid or confirmation is sent to the United States or (iii) the sale has certain other specified connections with the United States. In addition, certain foreign brokers may be required to report the amount of gross proceeds from the sale or other disposition of common stock under FATCA if you are presumed to be a U.S. person.

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UNDERWRITING (CONFLICTS OF INTEREST)

Subject to the terms and conditions set forth in the underwriting agreement, dated January 19, 2017, we have agreed to sell to Jefferies LLC, as underwriter, and Jefferies LLC has agreed to purchase from us, all of the shares of common stock offered by this prospectus.

The underwriting agreement provides that the obligations of the underwriter are subject to certain conditions precedent such as receipt by the underwriter of officers certificates and legal opinions and approval of certain legal matters by its counsel. The underwriting agreement provides that the underwriter will purchase all of the shares of common stock if any of them are purchased. We have agreed to indemnify the underwriter and certain of its controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriter may be required to make in respect of those liabilities.

The underwriter has advised us that, following the completion of this offering, it currently intends to make a market in the common stock as permitted by applicable laws and regulations. However, the underwriter is not obligated to do so, and the underwriter may discontinue any market-making activities at any time without notice in its sole discretion. Accordingly, no assurance can be given as to the liquidity of the trading market for the common stock, that you will be able to sell any of the common stock held by you at a particular time or that the prices that you receive when you sell will be favorable.

The underwriter is offering the shares of common stock subject to its acceptance of the shares of common stock from us and subject to prior sale. The underwriter reserves the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. In addition, the underwriter has advised us that it does not intend to confirm sales to any account over which it exercises discretionary authority.

The expected settlement date under the underwriting agreement is January 27, 2017, which is the 6th business day following the date of this prospectus, subject to certain conditions precedent, including the settlement of our concurrent secured notes offering as described under Concurrent Notes Offering . The underwriter may, at its election, borrow shares of our common stock from third parties and offer such shares of our common stock pursuant to this prospectus from time to time in one or more transactions, which may include block sales, on the New York Stock Exchange, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices (the borrowed shares). If the underwriter effects any such sales of borrowed shares, the underwriter may close out the related open borrowings of shares of our common stock by delivering to such third-party stock lenders shares of our common stock received by the underwriter from us upon settlement under the underwriting agreement and/or shares of our common stock purchased by the underwriter (or its affiliate) in secondary market transactions over a period that it determines (and, in particular, the underwriter would be expected to effect such purchases of shares of our common stock in secondary market transactions to close out any such open borrowings of shares of our common stock if our concurrent secured notes offering is not consummated or the conditions precedent under the underwriting agreement otherwise fail to be satisfied). Any such purchases of shares of our common stock could cause an increase (or reduce the size of a decrease) in the market price of shares of our common stock at such time. We will not receive any proceeds from any such sales of borrowed shares pursuant to this prospectus.

Commission and Expenses

The underwriter is purchasing the shares of common stock from the Company at $21.615 per share (representing $43,230,000 aggregate proceeds to the Company, before deducting expenses). In connection with the sale of the shares of common stock offered hereby, the underwriter may be deemed to have received compensation in the form of underwriting discounts.

The underwriter may offer the shares of common stock from time to time for sale in one or more transactions on the New York Stock Exchange, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. The underwriter may effect such transactions by selling shares of common stock to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriter and/or purchasers of shares of common stock for whom they may act as agents or to whom they may sell as principal.

The estimated offering expenses payable by us are approximately $50,000.

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Listing

Our common stock is listed on the New York Stock Exchange under the trading symbol VGR.

Stabilization

The underwriter has advised us that, pursuant to Regulation M under the Securities Exchange Act of 1934, as amended, certain persons participating in the offering may engage in short sale transactions, stabilizing transactions, syndicate covering transactions or the imposition of penalty bids in connection with this offering. These activities may have the effect of stabilizing or maintaining the market price of the common stock at a level above that which might otherwise prevail in the open market. Establishing short sales positions may involve either covered short sales or naked short sales.

Covered short sales are sales made in an amount not greater than the underwriters option to purchase additional shares of our common stock in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares of our common stock or purchasing shares of our common stock in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option to purchase additional shares.

Naked short sales are sales in excess of the option to purchase additional shares of our common stock. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering.

A stabilizing bid is a bid for the purchase of shares of common stock on behalf of the underwriter for the purpose of fixing or maintaining the price of the common stock. A syndicate covering transaction is the bid for or the purchase of shares of common stock on behalf of the underwriters to reduce a short position incurred by the underwriters in connection with the offering. Similar to other purchase transactions, the underwriter s purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. A penalty bid is an arrangement permitting the underwriters to reclaim the selling concession otherwise accruing to a syndicate member in connection with the offering if the common stock originally sold by such syndicate member are purchased in a syndicate covering transaction and therefore have not been effectively placed by such syndicate member.

Neither we nor the underwriter makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. The underwriter is not obligated to engage in these activities and, if commenced, any of the activities may be discontinued at any time.

Electronic Distribution

A prospectus in electronic format may be made available by e-mail or on the web sites or through online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares of common stock for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations. Other than the prospectus in electronic format, the information on the underwriters w