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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

VECTOR GROUP LTD.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

100 S. E. SECOND STREET
MIAMI, FLORIDA 33131
(305) 579-8000
(ADDRESS, INCLUDING ZIP CODE, AND
TELEPHONE NUMBER, INCLUDING AREA CODE,
OF REGISTRANT'S PRINCIPAL EXECUTIVE
OFFICES)

65-0949535
(I.R.S. EMPLOYER
IDENTIFICATION NUMBER)

STOCK OPTIONS
(FULL TITLE OF THE PLAN)

RICHARD J. LAMPEN
EXECUTIVE VICE PRESIDENT
VECTOR GROUP LTD.
100 S.E. SECOND STREET
MIAMI, FLORIDA 33131
(305) 579-8000

(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,
OF AGENT FOR SERVICE)

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SECURITY	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
COMMON STOCK, PAR VALUE \$.10 PER SHARE	33,075 SHARES	\$15.19 (1)	\$502,409 (1)	\$126

- (1) The registration fee for the Common Stock to be issued pursuant to outstanding options was calculated in accordance with Rule 457(h) of the Securities Act based upon the price per share at which the options may be exercised.
- (2) This Registration Statement also relates to such indeterminate number of additional shares of Common Stock of the Registrant as may be issuable as a result of stock splits, stock dividends, recapitalizations, mergers, reorganizations, combinations or exchange of shares or other similar events.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Item 1. Plan Information.

Not required to be filed with the Securities and Exchange Commission (the "SEC").

Item 2. Registrant Information and Employee Plan Annual Information.

Not required to be filed with the SEC.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents filed or to be filed by Vector Group Ltd. (the "Registrant") with the SEC (File No. 1-5759) are incorporated herein by reference:

1. The Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.
2. The Registrant's Quarterly Reports on Form 10-Q for the quarter ended March 31, 2001 and for the quarter ended June 30, 2001.
3. The Registrant's Current Reports on Form 8-K, filed with the SEC on May 17, 2001, June 25, 2001, July 2, 2001, July 16, 2001, July 25, 2001 and August 22, 2001.
4. All other reports filed by the Registrant pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") since the end of the fiscal year covered by the document referred to in (1) above.
5. The description of the Registrant's Common Stock contained in its Current Report on Form 8-K, filed with the SEC on April 3, 2000, including all amendments and reports filed for the purpose of updating such descriptions.

All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities remaining unsold, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents.

Any statements contained in this Registration Statement, or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document which is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

Not Applicable.

Item 5. Interests of Named Experts and Counsel.

Richard J. Lampen, Executive Vice President and Special Counsel of the Registrant, holds options to purchase 249,490 shares of Common Stock of the Registrant at \$4.32 per share and options to purchase 110,250 shares of such Common Stock at \$14.00 per share.

Item 6. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law and Article VI of the Registrant's By-Laws provide for indemnification of the Registrant's directors and officers in a variety of circumstances, which may include liabilities under the Securities Act of 1933.

Section 102 of the Delaware General Corporation Law allows a corporation to eliminate the personal liability of a director of a corporation to the corporation or to any of its stockholders for monetary damage for a breach of his fiduciary duty as a director, except in the case where the director (i) breaches his duty of loyalty, (ii) fails to act in good faith, engages in intentional misconduct or knowingly violates a law, (iii) authorized the payment of a dividend or approves a stock repurchase in violation of the Delaware General Corporate Law or (iv) obtains an improper personal benefit. Article Eighth of the Registrant's Amended and Restated Certificate of Incorporation includes a provision which eliminates directors' personal liability to the full extent permitted under the Delaware General Corporation Law, as the same exists or may hereafter be amended.

Item 7. Exemption from Registration Claimed.

Not Applicable.

Item 8. Exhibits.

(a)	EXHIBIT NO. -----	DESCRIPTION -----
	4.1	Stock Option Agreement, dated December 10, 1999, between the Registrant and Robert J. Eide.
	4.2	Stock Option Agreement, dated December 10, 1999, between the Registrant and Jeffrey S. Podell.
	4.3	Stock Option Agreement, dated December 10, 1999, between the Registrant and Jean E. Sharpe.
	5	Opinion of Richard J. Lampen, Esq.
	23.1	Consent of PricewaterhouseCoopers LLP.
	23.2	Consent of Richard J. Lampen, Esq. (included in Exhibit 5).
	24	Power of Attorney (included in the signature page hereof).

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of the securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in the volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; provided, however, that paragraphs (i) and (ii) do not apply if the information required to be included in a post-effective amendment is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to any provision or arrangement whereby the Registrant may indemnify any such directors, officers or controlling persons against such liabilities, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the undersigned registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Miami, and State of Florida, on the 15th day of October, 2001.

VECTOR GROUP LTD.

By: /s/ Joselynn D. Van Siclen

Joselynn D. Van Siclen
Vice President, Treasurer and
Chief Financial Officer

Each person whose signature appears below hereby authorizes Richard J. Lampen, Marc N. Bell and Joselynn D. Van Siclen, and each of them individually (the "Agent"), with full power of substitution and resubstitution, to file one or more amendments (including post-effective amendments) to the Registration Statement which amendments may make such changes in the Registration Statement as such Agent deems appropriate and each such person hereby appoints each such Agent as attorney-in-fact to execute in the name and on behalf of each such person, individually and in each capacity stated below, any such amendments to the Registration Statement.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated on October 15, 2001.

/s/ Bennett S. LeBow ----- Bennett S. LeBow	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)
/s/ Joselynn D. Van Siclen ----- Joselynn D. Van Siclen	Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ Robert J. Eide ----- Robert J. Eide	Director
/s/ Howard M. Lorber ----- Howard M. Lorber	Director
/s/ Jeffrey S. Podell ----- Jeffrey S. Podell	Director
/s/ Jean E. Sharpe ----- Jean E. Sharpe	Director

BROOKE GROUP LTD.
100 S.E. SECOND STREET, 32ND FLOOR
MIAMI, FLORIDA 33131

December 10, 1999

Mr. Robert J. Eide
c/o Aegis Capital Corp.
70 East Sunrise Highway
Valley Stream, NY 11581

RE: NON-EMPLOYEE DIRECTOR STOCK OPTION

Dear Mr. Eide:

We are pleased to inform you that Brooke Group Ltd. (the "Company") has granted you a nonqualified option (the "Option") to purchase 10,000 shares of the Company's common stock, par value \$.10 per share (the "Common Stock"), at a price of \$16.75 per share (any of the underlying shares of Common Stock to be issued upon exercise of the Option are referred to hereinafter as the "Shares"). The Option has been granted to you in your capacity as a non-employee member of the Board of Directors (the "Board") of the Company, subject to the following terms and conditions:

1. The Option may be exercised on or prior to the tenth anniversary of the date of grant (at which date the Option will, to the extent not previously exercised, expire), as follows: (a) as to 3,333 of the Shares, on and after January 1, 2001; (b) as to an additional 3,333 of the Shares, on and after January 1, 2002; and (c) as to the final 3,334 of the Shares, on and after January 1, 2003. Each such installment shall be cumulative and your right of purchase thereunder shall continue, unless exercised or terminated as herein provided, through the expiration date of the Option.

2. Any installment of the Option, from and after the date it becomes exercisable pursuant to Section 1 hereof, may be exercised in whole or in part by delivering to the Company a written notice of exercise in the form attached hereto as Exhibit A, specifying the number of the Shares to be purchased, together with payment of the purchase price of the Shares to be purchased. The purchase price is to be paid in cash or by delivering shares of Common Stock already owned by you for at least six months and having a fair market value on the date of exercise equal to the exercise price of the Option being exercised, or a combination of such shares and cash.

3. Except to the extent provided in Section 4 hereof, in the event your service as a member of the Board is terminated for any reason, the Option shall forthwith terminate, provided that you may exercise any then unexercised installments of the Option then exercisable at any time prior to the earlier of three months after the termination of your service as a member of the Board or the expiration of the Option.

4. In the event of the occurrence of any Change of Control of the Company (as the term "Change of Control" is defined in Section 5 of the Restricted Share Agreement, dated as of April 28, 1998, between the Company and you), all installments of the Option (to the extent not previously exercised) shall become immediately exercisable at any time prior to the earlier of three months after the termination of your service as a member of the Board or the expiration of the Option.

5. The Option is not transferable otherwise than by will or by the applicable laws of descent and distribution and may be exercised during your lifetime only by you (or in the event of your disability, by your personal representative or representatives).

6. In the event of your death, the Option may be exercised by your personal representative or representatives or by the person or persons to whom your rights under the Option shall pass by will or by the applicable laws of descent or distribution.

7. In the event of any change in capitalization affecting the Common Stock of the Company, including, without limitation, a stock dividend or other distribution, stock split, reverse stock split, recapitalization, consolidation, subdivision, split-up, spin-off, split-off, combination or exchange of shares or other form of reorganization or recapitalization, or any other change affecting the Common Stock, the aggregate number of shares of Common Stock covered by the Option and the exercise price per share of Common Stock subject to the Option shall be proportionately adjusted by the Company.

8. You shall not be entitled to receive a cash payment in respect of the Shares underlying any unexercised installments of the Option on any dividend payment date for the Common Stock.

9. The grant of the Option does not confer on you any right to continue to serve as a member of the Board of the Company or any of its subsidiaries or affiliates for any period of time or at any particular rate of remuneration.

10. Unless at the time of the exercise of the Option a registration statement under the Securities Act of 1933, as amended (the "Act"), is in effect as to the Shares, the Shares shall be acquired for investment and not for sale or distribution, and if the Company so requests, upon

any exercise of the Option, in whole or in part, you agree to execute and deliver to the Company a certificate to such effect.

11. You understand and acknowledge that: (i) any Shares purchased by you upon exercise of the Option may be required to be held indefinitely unless such Shares are subsequently registered under the Act or an exemption from such registration is available; (ii) any sales of such Shares made in reliance upon Rule 144 promulgated under the Act may be made only in accordance with the terms and conditions of that Rule (which, under certain circumstances, restrict the number of shares which may be sold and the manner in which shares may be sold); (iii) certificates for Shares to be issued to you hereunder shall bear a legend to the effect that the Shares have not been registered under the Act and that the Shares may not be sold, hypothecated or otherwise transferred in the absence of an effective registration statement under the Act relating thereto or an opinion of counsel satisfactory to the Company that such registration is not required; and (iv) the Company shall place an appropriate "stop transfer" order with its transfer agent with respect to such Shares.

12. Promptly following the date hereof, the Company shall use its best efforts to file and keep in effect a Registration Statement on Form S-8, Form S-3 or other applicable form to register under the Act the Shares issuable to you upon exercise of the Option and the resale thereof by you.

13. This letter agreement contains all the understandings between the Company and you pertaining to the matters referred to herein, and supercedes all undertakings and agreements, whether oral or in writing, previously entered into by the Company and you with respect hereto. No provision of this letter agreement may be amended or waived unless such amendment or waiver is agreed to in writing signed by you and a duly authorized officer of the Company. No waiver by the Company or you of any breach by the other party hereto of any condition or provision of this letter agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same time, any prior time or any subsequent time. If any provision of this letter agreement or the application of any such provision to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this letter agreement or the application of such provision to such person or circumstances other than those to which it is so determined to be invalid and unenforceable, shall not be affected thereby, and each provision hereof shall be validated and shall be enforced to the fullest extent permitted by law. This letter agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflicts of laws principles. This letter agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Mr. Robert J. Eide
December 10, 1999
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Would you kindly evidence your acceptance of the Option and your agreement to comply with the provisions hereof by executing this letter in the space provided below.

Very truly yours,

BROOKE GROUP LTD.

By: /s/ Bennett S. LeBow

Bennett S. LeBow
Chairman, President
and Chief Executive Officer

AGREED TO AND ACCEPTED:

/s/ Robert J. Eide

Robert J. Eide

Brooke Group Ltd.
100 S. E. Second Street, 32nd Floor
Miami, Florida 33131

Gentlemen:

Notice is hereby given of my election to purchase _____ shares of Common Stock, \$.10 par value (the "Shares"), of Brooke Group Ltd., at a price of \$16.75 per Share, pursuant to the provisions of the stock option granted to me on December 10, 1999. Enclosed in payment for the Shares is:

[] my check in the amount of \$ _____.

[] _____ Shares having a total value of \$_____, such value being based on the closing price(s) of the Shares on the date hereof.

The following information is supplied for use in issuing an registering the Shares purchased hereby:

Number of Certificates
and Denominations

Name

Address

Social Security

Dated:

Very truly yours,

Robert J. Eide

BROOKE GROUP LTD.
100 S.E. SECOND STREET, 32ND FLOOR
MIAMI, FLORIDA 33131

December 10, 1999

Mr. Jeffrey S. Podell
c/o Aegis Capital Corp.
70 East Sunrise Highway
Valley Stream, NY 11581

RE: NON-EMPLOYEE DIRECTOR STOCK OPTION

Dear Mr. Podell:

We are pleased to inform you that Brooke Group Ltd. (the "Company") has granted you a nonqualified option (the "Option") to purchase 10,000 shares of the Company's common stock, par value \$.10 per share (the "Common Stock"), at a price of \$16.75 per share (any of the underlying shares of Common Stock to be issued upon exercise of the Option are referred to hereinafter as the "Shares"). The Option has been granted to you in your capacity as a non-employee member of the Board of Directors (the "Board") of the Company, subject to the following terms and conditions:

1. The Option may be exercised on or prior to the tenth anniversary of the date of grant (at which date the Option will, to the extent not previously exercised, expire), as follows: (a) as to 3,333 of the Shares, on and after January 1, 2001; (b) as to an additional 3,333 of the Shares, on and after January 1, 2002; and (c) as to the final 3,334 of the Shares, on and after January 1, 2003. Each such installment shall be cumulative and your right of purchase thereunder shall continue, unless exercised or terminated as herein provided, through the expiration date of the Option.

2. Any installment of the Option, from and after the date it becomes exercisable pursuant to Section 1 hereof, may be exercised in whole or in part by delivering to the Company a written notice of exercise in the form attached hereto as Exhibit A, specifying the number of the Shares to be purchased, together with payment of the purchase price of the Shares to be purchased. The purchase price is to be paid in cash or by delivering shares of Common Stock already owned by you for at least six months and having a fair market value on the date of exercise equal to the exercise price of the Option being exercised, or a combination of such shares and cash.

3. Except to the extent provided in Section 4 hereof, in the event your service as a member of the Board is terminated for any reason, the Option shall forthwith terminate, provided that you may exercise any then unexercised installments of the Option then exercisable at any time prior to the earlier of three months after the termination of your service as a member of the Board or the expiration of the Option.

4. In the event of the occurrence of any Change of Control of the Company (as the term "Change of Control" is defined in Section 5 of the Restricted Share Agreement, dated as of April 28, 1998, between the Company and you), all installments of the Option (to the extent not previously exercised) shall become immediately exercisable at any time prior to the earlier of three months after the termination of your service as a member of the Board or the expiration of the Option.

5. The Option is not transferable otherwise than by will or by the applicable laws of descent and distribution and may be exercised during your lifetime only by you (or in the event of your disability, by your personal representative or representatives).

6. In the event of your death, the Option may be exercised by your personal representative or representatives or by the person or persons to whom your rights under the Option shall pass by will or by the applicable laws of descent or distribution.

7. In the event of any change in capitalization affecting the Common Stock of the Company, including, without limitation, a stock dividend or other distribution, stock split, reverse stock split, recapitalization, consolidation, subdivision, split-up, spin-off, split-off, combination or exchange of shares or other form of reorganization or recapitalization, or any other change affecting the Common Stock, the aggregate number of shares of Common Stock covered by the Option and the exercise price per share of Common Stock subject to the Option shall be proportionately adjusted by the Company.

8. You shall not be entitled to receive a cash payment in respect of the Shares underlying any unexercised installments of the Option on any dividend payment date for the Common Stock.

9. The grant of the Option does not confer on you any right to continue to serve as a member of the Board of the Company or any of its subsidiaries or affiliates for any period of time or at any particular rate of remuneration.

10. Unless at the time of the exercise of the Option a registration statement under the Securities Act of 1933, as amended (the "Act"), is in effect as to the Shares, the Shares shall be acquired for investment and not for sale or distribution, and if the Company so requests, upon

any exercise of the Option, in whole or in part, you agree to execute and deliver to the Company a certificate to such effect.

11. You understand and acknowledge that: (i) any Shares purchased by you upon exercise of the Option may be required to be held indefinitely unless such Shares are subsequently registered under the Act or an exemption from such registration is available; (ii) any sales of such Shares made in reliance upon Rule 144 promulgated under the Act may be made only in accordance with the terms and conditions of that Rule (which, under certain circumstances, restrict the number of shares which may be sold and the manner in which shares may be sold); (iii) certificates for Shares to be issued to you hereunder shall bear a legend to the effect that the Shares have not been registered under the Act and that the Shares may not be sold, hypothecated or otherwise transferred in the absence of an effective registration statement under the Act relating thereto or an opinion of counsel satisfactory to the Company that such registration is not required; and (iv) the Company shall place an appropriate "stop transfer" order with its transfer agent with respect to such Shares.

12. Promptly following the date hereof, the Company shall use its best efforts to file and keep in effect a Registration Statement on Form S-8, Form S-3 or other applicable form to register under the Act the Shares issuable to you upon exercise of the Option and the resale thereof by you.

13. This letter agreement contains all the understandings between the Company and you pertaining to the matters referred to herein, and supercedes all undertakings and agreements, whether oral or in writing, previously entered into by the Company and you with respect hereto. No provision of this letter agreement may be amended or waived unless such amendment or waiver is agreed to in writing signed by you and a duly authorized officer of the Company. No waiver by the Company or you of any breach by the other party hereto of any condition or provision of this letter agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same time, any prior time or any subsequent time. If any provision of this letter agreement or the application of any such provision to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this letter agreement or the application of such provision to such person or circumstances other than those to which it is so determined to be invalid and unenforceable, shall not be affected thereby, and each provision hereof shall be validated and shall be enforced to the fullest extent permitted by law. This letter agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflicts of laws principles. This letter agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Mr. Jeffrey S. Podell
December 10, 1999
Page 4

Would you kindly evidence your acceptance of the Option and your agreement to comply with the provisions hereof by executing this letter in the space provided below.

Very truly yours,

BROOKE GROUP LTD.

By: /s/ Bennett S. LeBow

Bennett S. LeBow
Chairman, President
and Chief Executive Officer

AGREED TO AND ACCEPTED:

/s/ Jeffrey S. Podell

Jeffrey S. Podell

Brooke Group Ltd.
100 S. E. Second Street, 32nd Floor
Miami, Florida 33131

Gentlemen:

Notice is hereby given of my election to purchase _____ shares of Common Stock, \$.10 par value (the "Shares"), of Brooke Group Ltd., at a price of \$16.75 per Share, pursuant to the provisions of the stock option granted to me on December 10, 1999. Enclosed in payment for the Shares is:

[] my check in the amount of \$ _____.

[] _____ Shares having a total value of \$_____, such value being based on the closing price(s) of the Shares on the date hereof.

The following information is supplied for use in issuing an registering the Shares purchased hereby:

Number of Certificates and Denominations	-----
Name	-----
Address	-----

Social Security	-----

Dated:

Very truly yours,

Jeffrey S. Podell

BROOKE GROUP LTD.
100 S.E. SECOND STREET, 32ND FLOOR
MIAMI, FLORIDA 33131

December 10, 1999

Ms. Jean E. Sharpe
462 Haines Road
Mount Kisco, NY 10549-4220

RE: NON-EMPLOYEE DIRECTOR STOCK OPTION

Dear Ms. Sharpe:

We are pleased to inform you that Brooke Group Ltd. (the "Company") has granted you a nonqualified option (the "Option") to purchase 10,000 shares of the Company's common stock, par value \$.10 per share (the "Common Stock"), at a price of \$16.75 per share (any of the underlying shares of Common Stock to be issued upon exercise of the Option are referred to hereinafter as the "Shares"). The Option has been granted to you in your capacity as a non-employee member of the Board of Directors (the "Board") of the Company, subject to the following terms and conditions:

1. The Option may be exercised on or prior to the tenth anniversary of the date of grant (at which date the Option will, to the extent not previously exercised, expire), as follows: (a) as to 3,333 of the Shares, on and after January 1, 2001; (b) as to an additional 3,333 of the Shares, on and after January 1, 2002; and (c) as to the final 3,334 of the Shares, on and after January 1, 2003. Each such installment shall be cumulative and your right of purchase thereunder shall continue, unless exercised or terminated as herein provided, through the expiration date of the Option.

2. Any installment of the Option, from and after the date it becomes exercisable pursuant to Section 1 hereof, may be exercised in whole or in part by delivering to the Company a written notice of exercise in the form attached hereto as Exhibit A, specifying the number of the Shares to be purchased, together with payment of the purchase price of the Shares to be purchased. The purchase price is to be paid in cash or by delivering shares of Common Stock already owned by you for at least six months and having a fair market value on the date of exercise equal to the exercise price of the Option being exercised, or a combination of such shares and cash.

3. Except to the extent provided in Section 4 hereof, in the event your service as a member of the Board is terminated for any reason, the Option shall forthwith terminate, provided that you may exercise any then unexercised installments of the Option then exercisable at any time prior to the earlier of three months after the termination of your service as a member of the Board or the expiration of the Option.

4. In the event of the occurrence of any Change of Control of the Company (as the term "Change of Control" is defined in Section 5 of the Restricted Share Agreement, dated as of May 1, 1998, between the Company and you), all installments of the Option (to the extent not previously exercised) shall become immediately exercisable at any time prior to the earlier of three months after the termination of your service as a member of the Board or the expiration of the Option.

5. The Option is not transferable otherwise than by will or by the applicable laws of descent and distribution and may be exercised during your lifetime only by you (or in the event of your disability, by your personal representative or representatives).

6. In the event of your death, the Option may be exercised by your personal representative or representatives or by the person or persons to whom your rights under the Option shall pass by will or by the applicable laws of descent or distribution.

7. In the event of any change in capitalization affecting the Common Stock of the Company, including, without limitation, a stock dividend or other distribution, stock split, reverse stock split, recapitalization, consolidation, subdivision, split-up, spin-off, split-off, combination or exchange of shares or other form of reorganization or recapitalization, or any other change affecting the Common Stock, the aggregate number of shares of Common Stock covered by the Option and the exercise price per share of Common Stock subject to the Option shall be proportionately adjusted by the Company.

8. You shall not be entitled to receive a cash payment in respect of the Shares underlying any unexercised installments of the Option on any dividend payment date for the Common Stock.

9. The grant of the Option does not confer on you any right to continue to serve as a member of the Board of the Company or any of its subsidiaries or affiliates for any period of time or at any particular rate of remuneration.

10. Unless at the time of the exercise of the Option a registration statement under the Securities Act of 1933, as amended (the "Act"), is in effect as to the Shares, the Shares shall be acquired for investment and not for sale or distribution, and if the Company so requests, upon

any exercise of the Option, in whole or in part, you agree to execute and deliver to the Company a certificate to such effect.

11. You understand and acknowledge that: (i) any Shares purchased by you upon exercise of the Option may be required to be held indefinitely unless such Shares are subsequently registered under the Act or an exemption from such registration is available; (ii) any sales of such Shares made in reliance upon Rule 144 promulgated under the Act may be made only in accordance with the terms and conditions of that Rule (which, under certain circumstances, restrict the number of shares which may be sold and the manner in which shares may be sold); (iii) certificates for Shares to be issued to you hereunder shall bear a legend to the effect that the Shares have not been registered under the Act and that the Shares may not be sold, hypothecated or otherwise transferred in the absence of an effective registration statement under the Act relating thereto or an opinion of counsel satisfactory to the Company that such registration is not required; and (iv) the Company shall place an appropriate "stop transfer" order with its transfer agent with respect to such Shares.

12. Promptly following the date hereof, the Company shall use its best efforts to file and keep in effect a Registration Statement on Form S-8, Form S-3 or other applicable form to register under the Act the Shares issuable to you upon exercise of the Option and the resale thereof by you.

13. This letter agreement contains all the understandings between the Company and you pertaining to the matters referred to herein, and supercedes all undertakings and agreements, whether oral or in writing, previously entered into by the Company and you with respect hereto. No provision of this letter agreement may be amended or waived unless such amendment or waiver is agreed to in writing signed by you and a duly authorized officer of the Company. No waiver by the Company or you of any breach by the other party hereto of any condition or provision of this letter agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same time, any prior time or any subsequent time. If any provision of this letter agreement or the application of any such provision to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this letter agreement or the application of such provision to such person or circumstances other than those to which it is so determined to be invalid and unenforceable, shall not be affected thereby, and each provision hereof shall be validated and shall be enforced to the fullest extent permitted by law. This letter agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflicts of laws principles. This letter agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Ms. Jean E. Sharpe
December 10, 1999
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Would you kindly evidence your acceptance of the Option and your agreement to comply with the provisions hereof by executing this letter in the space provided below.

Very truly yours,

BROOKE GROUP LTD.

By: /s/ Bennett S. LeBow

Bennett S. LeBow
Chairman, President
and Chief Executive Officer

AGREED TO AND ACCEPTED:

/s/ Jean E. Sharpe

Jean E. Sharpe

EXHIBIT A

Brooke Group Ltd.
100 S. E. Second Street, 32nd Floor
Miami, Florida 33131

Gentlemen:

Notice is hereby given of my election to purchase _____ shares of Common Stock, \$.10 par value (the "Shares"), of Brooke Group Ltd., at a price of \$16.75 per Share, pursuant to the provisions of the stock option granted to me on December 10, 1999. Enclosed in payment for the Shares is:

[] my check in the amount of \$ _____.

[] _____ Shares having a total value of \$_____, such value being based on the closing price(s) of the Shares on the date hereof.

The following information is supplied for use in issuing an registering the Shares purchased hereby:

Number of Certificates and Denominations	-----
Name	-----
Address	-----

Social Security	-----

Dated:

Very truly yours,

Jean E. Sharpe

October 15, 2001

Vector Group Ltd.
100 S.E. Second Street, 32nd Floor
Miami, Florida 33131

RE: OFFERING OF SHARES PURSUANT TO
REGISTRATION STATEMENT ON FORM S-8

Gentlemen:

I have acted as counsel to Vector Group Ltd., a Delaware corporation (the "Company"), in connection with the preparation and filing with the Securities and Exchange Commission under the Securities Act of 1933, as amended, of a Registration Statement on Form S-8 (the "Registration Statement") relating to the registration by the Company of 33,750 shares of its Common Stock, \$.10 par value per share (the "Shares"), issuable from time to time upon the exercise of stock options (the "Options") granted to non-employee directors of the Company.

In so acting, I have examined originals, or copies certified or otherwise identified to my satisfaction, of (a) the Amended and Restated Certificate of Incorporation and By-Laws of the Company as currently in effect, (b) the Registration Statement, (c) the Stock Option Agreements (the "Agreements") pursuant to which the Options were or will be granted, which Agreements are included as exhibits to the Registration Statement, (d) certain resolutions adopted by the Board of Directors of the Company, and (e) such other documents, records, certificates and other instruments of the Company as in my judgment are necessary or appropriate for purposes of this opinion.

Based on the foregoing, I am of the following opinion:

1. The Company is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware.
2. The Shares have been duly authorized by the Company and, when issued and paid for as contemplated by the Agreements, will be duly and validly issued and will be fully paid and non-assessable.

I hereby consent to the filing of this opinion as Exhibit 5 to the
Registration Statement.

Very truly yours,

/s/ RICHARD J. LAMPEN

Richard J. Lampen
Executive Vice President
and Special Counsel

RJL/smg

Enclosure

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We hereby consent to the incorporation by reference in this registration statement on Form S-8 of our report dated March 30, 2001 relating to the financial statements and financial statement schedule, which appears in Vector Group Ltd.'s Annual Report on Form 10-K for the year ended December 31, 2000.

/s/ PricewaterhouseCoopers LLP

Miami, Florida
October 15, 2001