

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

JOINT CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): NOVEMBER 26, 1997

BROOKE GROUP LTD.

(Exact name of registrant as specified in its
charter)

1-5759

(Commission File Number)

51-0255124

(I.R.S. Employer Identification No.)

DELAWARE

(State or other jurisdiction of incorporation
or organization)

100 S.E. SECOND STREET
MIAMI, FLORIDA 33131

(Address of principal executive offices including
Zip Code)

305/579-8000

(Registrant's telephone number, including area
code)

(NOT APPLICABLE)

(Former name or former address,
if changed since last report)

BGLS INC.

(Exact name of registrant as specified in its
charter)

33-93576

(Commission File Number)

13-3593483

(I.R.S. Employer Identification No.)

DELAWARE

(State or other jurisdiction of incorporation
or organization)

100 S.E. SECOND STREET
MIAMI, FLORIDA 33131

(Address of principal executive offices including
Zip Code)

305/579-8000

(Registrant's telephone number, including area
code)

(NOT APPLICABLE)

(Former name or former address,
if changed since last report)

ITEM 5. OTHER EVENTS.

On November 26, 1997, BGLS Inc. entered into a second amendment to the Standstill Agreement and Consent, a copy of which amendment is attached hereto as Exhibit 99.1 and incorporated herein by reference, with the principal holders of BGLS Inc.'s 15.75% Senior Secured Notes due 2001.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits.

The following Exhibits are provided in accordance with the provisions of Item 601 of Regulation S-K and are filed herewith unless otherwise noted.

EXHIBIT INDEX

99.1 Amendment to Standstill Agreement and Consent, dated as of November 26, 1997, among BGLS Inc., AIF II, L.P., Artemis America Partnership, and Tortoise Corp.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BROOKE GROUP LTD.

By: /s/ JOSELYNN D. VAN SICLEN

Joselynn D. Van Siclen
Vice President and Chief Financial Officer

BGLS INC.

By: /s/ JOSELYNN D. VAN SICLEN

Joselynn D. Van Siclen
Vice President and Chief Financial Officer

Date: December 2, 1997

AMENDMENT TO STANDSTILL AGREEMENT AND CONSENT

This Amendment to Standstill Agreement and Consent, dated as of November 26, 1997 ("Amendment"), among BGLS INC., a Delaware corporation (the "Company"), AIF II, L.P., a Delaware limited partnership ("AIF II"), ARTEMIS AMERICA PARTNERSHIP, a Delaware partnership (as successor to Artemis America LLC, a Delaware limited liability company) ("Artemis") and TORTOISE CORP., a New York corporation ("Tortoise"; together with AIF II and Artemis, the "Participating Holders") amends the Standstill Agreement and Consent among the Company and the Participating Holders dated as of August 28, 1997 as previously amended on November 13, 1997 (the "Standstill Agreement"). Capitalized terms not otherwise defined herein shall have the meanings specified in the Standstill Agreement.

WHEREAS, the Company has requested that the Participating Holders extend the termination date of the Standstill Agreement; and

WHEREAS, the Participating Holders have agreed to such an extension on the terms and conditions contained in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreement of the parties contained in this Amendment, the parties hereto agree as follows:

1. AMENDMENTS TO STANDSTILL AGREEMENT.

(a) Section 6 of the Standstill Agreement is hereby amended by deleting the amount "\$1,500,000" contained in such section and replacing it with the amount "\$3,000,000".

(b) Section 7 of the Standstill Agreement is hereby amended by deleting the date "December 10, 1997" contained in clause (iv) of such section and replacing it with the date "December 22, 1997".

2. CONDITIONS PRECEDENT TO EFFECTIVENESS OF THIS AMENDMENT.

This Amendment shall become effective upon the execution and delivery of this Amendment by the Company and each of the Participating Holders.

3. ABSENCE OF WAIVER. The parties hereto agree that, except to the extent expressly set forth herein, nothing contained herein shall be deemed to:

(a) be a consent to, or waiver of, any Default or Event of Default;

(b) prejudice any right or remedy which any of the Participating Holders may now have or may in the future have under the Indenture, the Series B Securities or otherwise, including, without limitation, any right or remedy resulting from any Default or Event of Default; or

(c) constitute a waiver of the rights of any of the Participating Holders under Section 2.12 of the Indenture.

4. REPRESENTATIONS. Each party hereto hereby represents and warrants to the other parties that:

(a) such party is a corporation or partnership, as applicable, duly organized, validly existing, and in good standing under the laws of the state of its incorporation or formation, as applicable;

(b) the execution, delivery and performance of this Amendment by such party is within its corporate or partnership powers, as applicable, has been duly authorized by all necessary corporate or partnership action, as applicable, has received all necessary consents and approvals (if any shall be required), and does not and will not contravene or conflict with any provisions of law or of the charter or by-laws, or partnership agreement, as applicable, of such party or of any material agreement binding upon such party or its property; and

(c) upon its effectiveness under Section 2, this Amendment constitutes the legal, valid and binding obligation of such party, enforceable against it in accordance with its terms.

In addition, the Company represents and warrants that to the best of its knowledge, except as set forth in the Standstill Agreement no Default or Event of Default under the Indenture has occurred and is continuing.

5. CONTINUING EFFECT, ETC. Except as expressly provided herein, the Company hereby agrees that the Standstill Agreement, the Indenture and the Series B Securities shall continue unchanged and in full force and effect, and all rights, powers and remedies of the Participating Holders thereunder and under applicable law are hereby expressly reserved.

6. EXPENSES.

(a) The Company hereby agrees to reimburse each of the Participating Holders for their reasonable attorneys fees and expenses incurred in connection with this Amendment.

(b) The Company agrees that an actual or threatened or potential claim, action or proceeding against or affecting an Indemnitee (as defined in the Exchange Agreement dated as of November 21, 1995 among INTER ALIA the Company and the Participating Holders) that at any time results from, relates to or arises out of the execution, delivery or performance by the Participating Holders of this Amendment is deemed to be an Indemnification Event (as defined in the Exchange Agreement).

7. MISCELLANEOUS.

(a) This Amendment may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same agreement.

(b) This Amendment shall be a contract made under and governed by the laws of the State of New York.

(c) This Amendment shall be binding upon the Company, the Participating Holders and their respective successors and assigns, and shall inure to the benefit of the Company, the Participating Holders and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized representatives as of the date first above written.

BGLS INC.

By: /s/ RICHARD J. LAMPEN

Name: Richard J. Lampen
Title: Executive Vice President

AIF II, L.P.

By: APOLLO ADVISORS, L.P.
Managing General Partner
By: APOLLO CAPITAL MANAGEMENT, INC.
General Partner

By: /s/ JOHN J. HANNAN

Name: John J. Hannan
Title:

ARTEMIS AMERICA PARTNERSHIP

By: LION ADVISORS, L.P.
Attorney-in-Fact
By: LION CAPITAL MANAGEMENT, INC.
General Partner

By: /s/ JOHN J. HANNAN

Name: John J. Hannan
Title:

TORTOISE CORP.

By: /s/ EDWARD E. MATTNER

Name: Edward E. Mattner
Title: President

ACKNOWLEDGED, AGREED & CONSENTED TO
WITH RESPECT TO SECTION 6(b):

BROOKE GROUP LTD.

By: /s/ RICHARD J. LAMPEN

Name: Richard J. Lampen
Title: Executive Vice President