

VECTOR GROUP LTD

Form 424B3

January 12, 2006

Filed pursuant to Rule 424(b)(3)
Registration No. 333-125077

PROSPECTUS SUPPLEMENT NO. 7 DATED JANUARY 12, 2006
(to prospectus dated June 3, 2005)
VECTOR GROUP LTD.

5% Variable Interest Senior Convertible Notes due November 15, 2011
and
Common Stock Issuable upon Conversion of the Notes

This prospectus supplement supplements the prospectus dated June 3, 2005 of Vector Group Ltd. relating to the sale by certain of our securityholders (and their transferees, pledgees, donees and successors) of our 5% Variable Interest Senior Convertible Notes due November 15, 2011 and the common stock issuable upon conversion of the notes. You should read this prospectus supplement in conjunction with the prospectus, and this prospectus supplement is qualified by reference to the prospectus, except to the extent that the information in this prospectus supplement supercedes the information contained in the prospectus.

The table of selling securityholders contained on pages 53 to 55 of the prospectus is hereby amended to add the following additional selling securityholders.

| Name | Principal Amount of Notes Beneficially Owned that May Be Sold | Percentage of Notes Outstanding | Number of Shares of Common Stock Beneficially Owned Before This Offering | Number of Shares of Common Stock that May be Sold Pursuant to This Prospectus (1) | Number of Shares of Common Stock Owned After this Offering | Percentage of Common Stock Outstanding (2) |
|-------------------------------|--|--|---|--|---|---|
| Jefferies & Company, Inc. (3) | \$640,000 | 2.1% | 0 | 34,632 | 0 | * |

* Less than 1%.

(1) Assumes conversion of all of the securityholders notes at a conversion price of \$18.48 per share of common stock. The conversion price is subject to adjustment as described under

Description of
Notes-Conversion
Rights and, as a
result, the amount
of common stock
issuable upon
conversion of the
notes may increase
or decrease in the
future.

- (2) Calculated based
on
Rule 13d-3(d)(i)
of the Exchange
Act using shares
of common stock
outstanding as of
January 11, 2006.
In calculating this
amount, we
treated as
outstanding the
number of shares
of common stock
issuable upon
conversion of all
of that particular
securityholder's
notes. We did not
assume, however,
the conversion of
any other
securityholder's
notes.
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- (3) The selling securityholder is a subsidiary of Jefferies Group, Inc. The selling securityholder has informed us that (i) it is a registered broker-dealer, (ii) it purchased the securities in the ordinary course of business, and (iii) at the time of purchase, the selling securityholder had no agreements or understandings, directly or indirectly, with any person to distribute the securities. The notes shown in this prospectus supplement as owned by the selling securityholder are in addition to the \$1,125,000 principal amount of notes previously reported in this prospectus as owned by such holder. The selling securityholder also beneficially owns (i) \$4,191,000 principal amount of our 6.25%

Convertible
Subordinated
Notes due
July 15, 2008,
convertible into
189,467 shares
of our common
stock, and (ii)
\$660,000
principal amount
of our 5%
Variable Interest
Senior
Convertible
Notes due 2011
issued in
November 2004,
convertible into
35,715 shares of
our common
stock.

Investing in the notes and our common stock involves risks, which are described under **Risk Factors** beginning on page 12 of the prospectus.

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

The date of this prospectus supplement is January 12, 2006.