

VECTOR GROUP LTD
Form 4
January 19, 2011

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
LORBER HOWARD M

(Last) (First) (Middle)

C/O VECTOR GROUP LTD., 100
S.E. SECOND STREET; 32ND
FLOOR

(Street)

MIAMI, FL 33131

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
VECTOR GROUP LTD [VGR]

3. Date of Earliest Transaction
(Month/Day/Year)
01/14/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
President and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	01/19/2011		M		407,220	A	\$ 11.73
Common Stock	01/19/2011		F		349,157	D	\$ 15.88
Common Stock							82,702

By: Lorber Epsilon 1999 Limited Partnership (1)
By: Lorber Alpha II Limited

Partnership
(1)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Employee Stock Option (right to buy)	\$ 17.25	01/14/2011		A	400,000	01/14/2015 ⁽²⁾	01/14/2021	Common Stock
Employee Stock Option (right to buy)	\$ 11.73	01/19/2011		M	407,220	11/04/2003	01/22/2011	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LORBER HOWARD M C/O VECTOR GROUP LTD. 100 S.E. SECOND STREET; 32ND FLOOR MIAMI, FL 33131	X		President and CEO	

Signatures

/s/ Howard M Lorber
01/19/2011

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Lorber Epsilon 1999 LLC, a Delaware limited liability company, is the general partner of Lorber Epsilon 1999 Limited Partnership.

(1) Lorber Alpha II Limited Partnership, a Nevada limited partnership, is the sole member of, and the reporting person is the manager of, Lorber Epsilon 1999 LLC. Lorber Alpha II, Inc., a Nevada Corporation, is the general partner of Lorber Alpha II Limited Partnership, a Nevada limited partnership. The reporting person is a director, officer and controlling stockholder of Lorber Alpha II, Inc.

(2) Subject to acceleration upon a "change of control" (as defined) or termination of employment due to death or disability.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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