

22nd Century Group, Inc.  
Form 424B3  
January 09, 2015

**Prospectus Supplement**

**Filed Pursuant to Rule 424(b)(3)**

**(To Prospectus dated June 5, 2014) Registration No. 333-195386**

**TRADE PARTNERS PROGRAM**

**Up to 300,000 Shares of Common Stock**

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We have established our Trade Partners Program to provide participating retailers and distributors who meet certain eligibility standards the opportunity to receive shares of our common stock as a rebate for purchases of our *RED SUN* brand of cigarettes from us and our distributors pursuant to the offering described herein. We believe that this type of program presents a unique incentive for our distributors and retailers to purchase and promote sales of *RED SUN*.

The following summary of our Trade Partners Program is qualified by the description of the material features found elsewhere in this prospectus supplement.

Participating distributors and retailers can earn shares of our common stock as a rebate for purchases of *RED SUN*. Participating distributors will earn \$1.00 worth of our common stock as a rebate for each carton of *RED SUN* purchased from us in 2015 and participating retailers will earn \$3.00 worth of our common stock as a rebate for each carton of *RED SUN* purchased from us or one of our distributors in 2015. We refer to the amounts earned under the Trade Partners Programs as the “Credits.” The Credits will be applied by us as of the last business day in the 2015 calendar quarter in which they are earned (the “Purchase Date”) to the sale by us to each participating distributor and retailer of shares of our common stock on the Purchase Date at a price per share equal to the average of the closing sales prices per share of our common stock on the three (3) trading days preceding the Purchase Date as reported on the NYSE MKT. We will not issue fractional shares of our common stock and any fractional value of a Credit that remains at the end of a quarterly period will be eliminated so that each subsequent calendar quarter will begin with a balance of zero Credits. The Credits will never be redeemable or payable in cash.

The Trade Partners Program is limited to an aggregate of 300,000 shares of our common stock or a lesser amount of our common stock equivalent to \$3.0 million, as determined by the applicable sales price on each Purchase Date. The Trade Partners Program will terminate on December 31, 2015 unless earlier terminated by us. The Trade Partners

Program may be suspended, discontinued or canceled or at any time. Also, the terms and conditions of the Trade Partners Program may be changed, limited, modified or eliminated at any time.

Enrolling participants must consent to electronic delivery of this prospectus, all prospectus amendments and supplements, confirmations and other information relating to this offering. This consent may not be revoked.

Our common stock is listed on the NYSE MKT under the symbol "XXII." On January 7, 2015, the closing price of our common stock was \$1.55 per share.

**Investment in our common stock involves risks. See "Risk Factors" on page S-3 of this prospectus supplement and the risk factors contained in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of certain factors which should be considered in an investment of the securities which may be offered hereby.**

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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.

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The date of this prospectus supplement is January 9, 2015.

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### About This Prospectus Supplement

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the “prospectus,” we are referring to the combination of both the prospectus and the prospectus supplement.

If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement. This prospectus supplement, the accompanying prospectus, any other offering material and the documents incorporated into each by reference include important information about us, the shares of our common stock being offered and other information you should know before investing. You should read this prospectus

supplement and the accompanying prospectus as well as additional information described under “Where You Can Find More Information” in this prospectus supplement and the accompanying prospectus before investing in shares of our common stock.

In making your investment decision, you should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus filed by us with the Securities and Exchange Commission (“SEC”) and any other offering material we provide. We have not 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 are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date of this prospectus supplement or the accompanying prospectus, as the case maybe, or in the case of the documents incorporated by reference, the date of such documents, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sales of our common stock. Our business, financial condition, results of operations and prospects may have changed since those dates.

Unless the context otherwise requires, in this prospectus supplement, “company,” “we,” “us,” “our” and “ours” refer to 22nd Century Group, Inc. and its subsidiaries on a combined basis.

## “Forward-Looking” Information

The information included or incorporation by reference into the prospectus and this prospectus supplement contains statements that the company believes to be “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that is not a statement of historical fact, including, without limitation, statements regarding the company’s business strategy and plans and objectives of management for future operations or that may predict, forecast, indicate or imply future results, performance or achievements. The words “estimate,” “project,” “intend,” “forecast,” “anticipate,” “plan,” “planning,” “expect,” “believe,” “will,” “will likely,” “should,” “could,” “would,” “may” or the negative of these words or expressions of similar meaning are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, and all such forward-looking statements involve risks and uncertainties, many of which are beyond the company’s ability to control. Actual results may differ materially from those expressed or implied by such forward-looking statements as a result of various factors. We do not undertake, and we disclaim, any obligation to update any forward-looking statements or to announce revisions to any of the forward-looking statements. Certain factors that could cause results to differ materially from those projected in the forward-looking statements, including, among other things:

- Our ability to manage our growth effectively;

- Our ability to comply with existing and new government regulations;

- Our ability to retain key personnel;

- Our ability to enter into additional licensing transactions;

- Our ability to achieve profitability;

- The potential for our clinical trials to produce negative or inconclusive results;

- Our ability to obtain significant revenue from our tobacco products;

- Our ability to obtain U.S. Food and Drug Administration (“FDA”) clearance for our potentially modified risk tobacco products and FDA approval for our X-22 smoking cessation aid;

- Our ability to gain market acceptance for our products;

- Our ability to compete with competitors that may have greater resources than us;
- The potential for our competitors to develop products that are less expensive, safer or more effective than ours;
- Negative press from entering the cannabis space;
- Our dependence on state laws and regulations regarding cannabis;
- Our ability to generate significant revenue from cannabinoid production while use, possession and interstate distribution of marijuana remains illegal on a federal level in the U.S.;
- The potential exposure to product liability claims, product recalls and other claims; and
- Our ability to adequately protect our intellectual property and to avoid infringement of rights of third parties.

## Prospectus Supplement Summary

*The following information below is only a summary of more detailed information included elsewhere in, or incorporated by reference in, this prospectus supplement and the accompanying prospectus, and should be read together with the information contained or incorporated by reference in other parts of this prospectus supplement and the accompanying prospectus. This summary highlights selected information about us and this offering. This summary may not contain all of the information that may be important to you. Before making a decision to invest in our common stock, you should read carefully all of the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus, including the information set forth under the caption “Risk Factors” in this prospectus supplement and the accompanying prospectus as well as the documents incorporated herein by reference, which are described under “Where you can Find More Information” and “Incorporated of Certain Documents by Reference” in this prospectus supplement.*

## Our Company

We are a plant biotechnology company focused on (i) tobacco harm reduction and smoking cessation products produced from modifying the nicotine content in tobacco plants and (ii) modification of cannabinoid levels and profiles in cannabis through genetic engineering and plant breeding. As of September 30, 2014, we exclusively controlled 129 issued patents in 78 countries and an additional 51 pending patent applications. Goodrich Tobacco Company, LLC (“Goodrich Tobacco”), Hercules Pharmaceuticals, LLC (“Hercules Pharmaceuticals”) and Botanical Genetics, LLC (“Botanical Genetics”) are subsidiaries of 22nd Century Ltd. Goodrich Tobacco is focused on commercial tobacco products and potentially reduced-risk or modified risk tobacco products. Hercules Pharmaceuticals is focused on X-22, a prescription smoking cessation aid in development. On September 15, 2014, Botanical Genetics acquired rights to patent applications related to four (4) genes affecting cannabinoid production in the cannabis plant.

We are a Nevada corporation and our corporate headquarters is located at 9530 Main Street, Clarence, New York 14031. Our telephone number is (716) 270-1523. Our Internet website address is [www.xxiicentury.com](http://www.xxiicentury.com). We do not incorporate the information on our website into the prospectus or this prospectus supplement, and you should not consider it part of the prospectus or this prospectus supplement.

## The Trade Partners Program

We are offering an aggregate of 300,000 shares of our common stock or lesser amount of our common stock that is equivalent to \$3.0 million, as determined by the applicable sales price on each Purchase Date (as defined below), under our Trade Partners Program.

Participating distributors and retailers can earn shares of our common stock as a rebate for purchases of *RED SUN*. Participating distributors will earn \$1.00 worth of our common stock as a rebate for each carton of *RED SUN* purchased from us in 2015 and participating retailers will earn \$3.00 worth of our common stock as a rebate for each carton of *RED SUN* purchased from us or one of our distributors in 2015. We refer to the amounts earned under the Trade Partners Programs as the “Credits.” The Credits will be applied by us as of the last business day in the 2015 calendar quarter in which they are earned (the “Purchase Date”) to the sale by us to each participating distributor and retailer of shares of our common stock on the Purchase Date at a price per share equal to the average of the closing sales prices per share of our common stock on the three (3) trading days preceding the Purchase Date as reported on the NYSE MKT. We will not issue fractional shares of our common stock and any fractional value of a Credit that remains at the end of a quarterly period will be eliminated so that each subsequent calendar quarter will begin with a balance of zero Credits. The Credits will never be redeemable or payable in cash.

To participate in the Trade Partners Program, eligible distributors and retailers must submit an application each calendar quarterly period and other documentation to us as described herein.

The Trade Partners Program may be suspended, discontinued or canceled or at any time. Also, terms and conditions of the Trade Partners Program may be changed, limited, modified or eliminated at any time.

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## Risk Factors

An investment in our common stock involves risk. Before deciding whether to enroll and participate in the Trade Partners Program, you should carefully consider the information on page S-3 of this prospectus supplement and the risk factors contained in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

## Material U.S. Federal Tax Information

There is some uncertainty about the appropriate treatment for income tax purposes of the receipt of shares of common stock by a participating distributor or retailer in our Trade Partners Program. It is possible that the receipt of the shares of common stock received by a participating distributor or retailer in our Trade Partners Program will be treated as a non-taxable trade discount or price rebate. It is also possible that the fair market value of the shares of common stock received by a participating distributor or retailer in our Trade Partners Program will be included in the participant's gross taxable income for the tax year in which the shares of common stock are received. Because of this uncertainty, you must check with your own tax advisers regarding the tax treatment of your participation in the Trade Partners Program.

## Risk Factors

*Investing in our common stock involves a high degree of risk. Before enrolling in the Trade Partners Program, you should carefully consider the specific risks described below as well as the risks described in our annual report on Form 10-K for the year ended December 31, 2013 and any subsequently filed quarterly reports on Form 10-Q before making an investment decision. Any of the risks we describe below or in the information incorporated herein by reference could cause our business, financial condition, or operating results to suffer. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, or operating results. Some of the statements in this section of the prospectus are forward-looking statements. For more information about forward-looking statements, please see the section of this prospectus entitled “About This Prospectus Supplement - Forward-Looking Information.”*

***At any time, the Trade Partners Program could be terminated or suspended or the terms and conditions, including the amounts earned for purchases of RED SUN, could be changed, which could result in your realization of substantially less benefits of participation than what you may expect.***

We believe that our Trade Partners Program is a unique form of rebate program and we have no prior experience with the implementation of such a program. Consequently, we may find that it is substantially more expensive to implement and maintain than what we currently expect or it may result in substantially fewer benefits than what we anticipate for us or for our participating distributors and retailers. As a result, we have reserved the right to change the terms and conditions of the Trade Partners Program or to modify, suspend or cancel the program in its entirety, as more fully described in the answer to Question 16 below. Any of these actions could keep you from realizing any meaningful benefit from the Trade Partners Program.

***The common stock you receive under our Trade Partners Program could have adverse tax consequences to you.***

There is some uncertainty about the appropriate treatment for income tax purposes of the receipt of shares of common stock by a participating distributor or retailer in our Trade Partners Program. It is possible that the receipt of the shares of common stock received by a participating distributor or retailer in our Trade Partners Program will be treated as a non-taxable trade discount or price rebate. It is also possible that the fair market value of the shares of common stock received by a participating distributor or retailer in our Trade Partners Program will be included in the participant's gross taxable income for the tax year in which the shares of common stock are received. Because of this uncertainty, you must check with your own tax advisers regarding the tax treatment of your participation in the Trade Partners Program.

## Use of Proceeds

The sales proceeds to be received by us as a result of the sale of *RED SUN* cigarettes to distributors and retailers will be used for working capital and other corporate purposes. A portion of the sales proceeds of *RED SUN* cigarettes will be allocated to the cost of Credits in a participant's Trade Partners Program account and will be considered the net proceeds of the offering.

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## Information About the Trade Partners Program

*The information presented in the following question and answer format constitutes all of the terms and conditions of participation in the Trade Partners Program. Any question of interpretation of the terms or conditions of the Trade Partners Program will be determined solely by us and that determination will be final. We may also unilaterally adopt additional terms and conditions or we may modify or eliminate any of the existing terms and conditions.*

### Overview

#### **1. What is the purpose of the Trade Partners Program?**

The purpose of the Trade Partners Program is to offer a unique incentive for our distributors and retailers to purchase and promote sales of *RED SUN*.

#### **2. How does the Trade Partners Program work?**

Participating distributors and retailers can earn Credits (as defined below) as a rebate for purchases of *RED SUN*, with the Credits being applied to the purchase of shares of our common stock. Participating distributors will earn \$1.00 worth of our common stock as a rebate for each carton of *RED SUN* purchased from us in 2015 and participating retailers will earn \$3.00 worth of our common stock as a rebate for each carton of *RED SUN* purchased from us or one of our distributors in 2015. We refer to the amounts earned under the Trade Partners Programs as the “Credits.” The Credits earned will be adjusted downward for all product returns, in our sole discretion. The Credits will be applied by us as of the last business day in the 2015 calendar quarter in which they are earned (the “Purchase Date”) to the sale by us to each participating distributor and retailer of shares of our common stock on the Purchase Date at a price per share equal to the average of the closing sales prices per share of our common stock on the three (3) trading days preceding the Purchase Date as reported on the NYSE MKT. We will not issue fractional shares of our common stock and any fractional value of a Credit that remains at the end of a quarterly period will be eliminated so that each subsequent calendar quarter will begin with a balance of zero Credits. The Credits will never be redeemable or payable in cash.

#### **3. How many shares will be purchased?**

The Trade Partners Program is limited to an aggregate of 300,000 shares of our common stock or a lesser amount of our common stock equivalent to \$3.0 million, as determined by the applicable sales price on the Purchase Date. In the event that we reach the maximum number of shares available under the Trade Partners Program on a Purchase Date,

the remaining shares of common stock will be sold to the participants on a pro rata basis in accordance with the number of Credits earned and the program will automatically terminate. The Trade Partners Program will otherwise terminate on December 31, 2015 unless earlier terminated by us.

## Participation

### **4. *Who is eligible to become a Participant?***

Any distributor or retailer of *RED SUN* who (i) are participants in our Trade Partners Program, and (ii) are permanent residents of, or domiciled in, the United States. Some employers may prohibit or restrict employee participation in the Trade Partners Program. We assume no responsibility or liability for compliance with any of these prohibitions or restrictions.

### **5. *How do I become a Participant?***

We will deliver a copy of the prospectus and this prospectus supplement, together with an application form and other reasonable documentation required by us, to each person who we believe is eligible for participation in the Trade Partners Program. If you want to find out more information about the Trade Partners Program, you may also contact us directly to request copies of this prospectus and the application materials by calling (716) 270-1523.

To apply, you must complete the application form and other documentation required by us and return them to us as directed in the application materials or as otherwise instructed by us.

We reserve the right to deny any eligible applicant admission to the Trade Partners Program if (i) such applicant resides in a jurisdiction where the offering, selling or soliciting offers on sales of our common stock would be unlawful, (ii) admitting such applicant would cause us to violate any federal, state or local law or regulation, (iii) we do not receive a complete set of fully-completed application materials from such applicant or (iv) for any other reason that we determine acting in our sole discretion.

Because participation in our Trade Partners Program is open only to U.S. citizens and permanent residents of the United States, we will not deliver application materials to persons whose primary address on our records is outside of the United States. Applicants with primary addresses outside of the United States who believe that they are eligible for participation in our Trade Partners Program should contact us at the address or telephone number listed above for instructions on how to apply.

As a condition of enrollment in the Trade Partners Program, each participant must consent to receiving all prospectuses, prospectus supplements, confirmations and other documents relating to the offerings and the stock ownership, including but not limited to proxy statements, by electronic means. This consent may not be revoked.

#### Purchases

**6. *When will my stock be issued under the Trade Partners Program?***

Shares will be sold to Trade Partner Program participants effective as of the Purchase Date and the shares will be physically or electronically delivered as described below in Question 13 within 90 days of the applicable Purchase Date in order to provide us with sufficient time to adjust all Credits for any product returns. We will not pay interest on any Credits pending a stock purchase and you will not be able to trade or otherwise transfer your shares of stock until they are received by you in the 90 days following the applicable Purchase Date. For each calendar quarter during the duration of the Trade Partners Program in which you submit the required documentation and proofs of purchases of *RED SUN* that are thereafter determined by us to be correct, complete and acceptable, then you will earn Credits and you will receive a statement reflecting such Credits and the corresponding purchase of shares of common stock as described below in Question 12.

**7. *At what price are shares purchased under the Trade Partners Program?***

The price for the shares issued with respect to Credits earned for purchases of *RED SUN* will be based on the average of the closing prices of our common stock as reported on the three (3) trading days on the NYSE MKT preceding the applicable Purchase Date during the calendar quarter in which the Credits are earned.

**8. *How many shares of common stock will be purchased on my behalf?***

The number of shares of our common stock that you purchase will be determined by dividing the total amount of the Credits earned divided by the applicable purchase price. We will not issue fractional shares of our common stock and any fractional value of a Credit that remains at the end of a quarterly period will be eliminated so that each subsequent calendar quarter will begin with a balance of zero Credits. The Credits will never be redeemable or payable in cash and will have no cash value whatsoever.

**9. *May I transfer or sell shares received under the Trade Partners Program?***

After we have issued your shares of common stock under the Trade Partners Program and you have received such shares either physically or electronically as described below in Question 13, then you are free to dispose of such shares in your discretion.

**10. *What are the costs, expenses and fees I will have to pay in connection with my participation in the Trade Partners Program?***

You will incur no brokerage commissions, fees or service charges for purchases made under the Trade Partners Program. We pay all costs of administering the Trade Partners Program; however, you will be responsible for any fees owed to your broker.

Administration

**11. *Who will administer the Trade Partners Program?***

The Trade Partners Program will be operated and administrated by us through our executive officers. Our executive officers or their express designees are our only employees that are authorized to respond to questions about the Trade Partners Program. We will not compensate our executive officers specifically for their services in administering the Trade Partners Program. You may direct questions to the following:

22nd Century Group, Inc.

Attn: John Brodfuehrer, Chief Financial Officer

9530 Main Street

Clarence, New York 14031

Phone: (716) 270-1523

email: [jbrodfuehrer@xxiicentury.com](mailto:jbrodfuehrer@xxiicentury.com)

Our transfer agent, Continental Stock Transfer & Trust Company, will provide customary transfer agent services to us in our administration of the Trade Partners Program, but will not provide any services specifically tailored to the Trade Partners Program. We pay our transfer agent a fee for providing transfer agent services to us, but will not compensate our transfer agent specifically for any services provided related to our Trade Partners Program.

In administering the Trade Partners Program, we will not be liable to you for any act or omission to act done in good faith and we will have no duties, responsibilities or liabilities with respect to the Trade Partners Program except those which are expressly set forth in the prospectus or this prospectus supplement.



All notices sent from us to you will be addressed to you at the e-mail address for you as shown on our records. If we receive notice that an e-mail to you is not delivered, you will be mailed the materials to your mailing address as shown on our records with instructions on how you can correct and update your e-mail address and other contact information. The transmission of an e-mailed notice to your last e-mail address of record will satisfy our duty of giving notice to you, subject to our commitment to provide written materials as described in the preceding sentences. Therefore, you must promptly notify us of any change of your e-mail address or other contact information.

All transactions in connection with the Trade Partners Program will be governed by the laws of the State of New York.

#### Reports to Participants

### **12.           *What information will I be provided regarding the Trade Partners Program?***

Each quarter that you submit the required documentation and proofs of purchases of *RED SUN* that are thereafter determined by us to be correct, complete and acceptable, then you will earn Credits under the Trade Partners Program and we will send you a confirmation statement reflecting the number of Credits earned during the quarter as well as the date of purchase, price and number of shares of our common stock purchased under the Trade Partners Program. If you believe your account statement is inaccurate, contact us. Adjustments will not be made more than 30 days after the statement date.

## Share Certificates

### **13. Will I receive certificates for shares of common stock awarded under the Trade Partners Program?**

At our sole discretion, we may issue certificated shares or we may require participants to maintain a designated brokerage account for the electronic deposit of shares of our common stock purchased under the Trade Partners Program. In the event we require participants to maintain a designated brokerage account, participants would be responsible for all brokerage fees charged by such broker.

## Discontinuation of Program Participation

### **14. How is my participation in the Program terminated?**

You may terminate your participation in the Trade Partners Program at any time and for any reason by notifying us in writing. We may terminate your participation in the Trade Partners Program for any of the following reasons:

- You violate the terms and conditions then in effect;
- You misrepresent any information or misuse this Trade Partners Program;
- You violate any national, state or local law, rule or regulation in connection with your participation in the Trade Partners Program;
- You commit a fraud or abuse involving any portion of the Trade Partners Program;
- You act, in any other way, to the detriment of the Trade Partners Program or our company; or
- For any reason whatsoever.

Upon termination of your participation in the Trade Partners Program, or upon termination, cancellation or discontinuance of the Trade Partners Program altogether, we will cancel any Credits you have earned without any consideration to you. The Credits will never be redeemable or payable in cash by us and shall have no cash value

whatsoever.

#### Material U.S. Federal Tax Information

#### **15. What are the U.S. federal income tax consequences of participation in the Trade Partners Program?**

Your participation in the Trade Partners Program will have certain consequences from a U.S. federal income tax standpoint. Because the Trade Partners Program is unique, there are limited applicable legal precedents, and we are not able to describe all of the material U.S. federal income tax consequences with certainty. The following discussion is what we believe the U.S. federal income tax consequences may be, but you must check with your own tax advisers regarding the tax treatment of your participation in the Trade Partners Program.

In the case of typical trade discounts or cash price rebates, distributors and retailers are generally not required to include the rebate amount or discount in federal taxable income because the benefit received is viewed under U.S. federal income tax law as an adjustment to the price of the goods or services purchased by the distributor or retailer. The receipt of shares of our common stock by participants in the Trade Partners Program should be analogous to the receipt by distributors and retailers of cash price rebates. Under this result, a participant should not be required to include in its gross taxable income the value of the shares of common stock received under the Trade Partners Program and instead would reduce their cost basis in the related cartons of RED SUN that were purchased.

It is not certain, however, that this is the proper treatment under current U.S. federal income tax law. There is very limited guidance with respect to trade discounts or price rebates not provided in the form of cash.

It is possible that a participating distributor or retailer may be required to include in the participant's gross taxable income, for the tax year in which the shares of common stock are received, the fair market value of the shares of common stock received by a participant in the Trade Partners Program. In that case, there should be no reduction the cost basis in the related cartons of RED SUN that were purchased.

A participant in the Trade Partners Program should have a tax basis in the shares of common stock that the participant receives. This tax basis may be equal to the fair market value of such shares of common stock on the date they are received by the participant. Upon a sale of the participant's stock acquired through the Trade Partners Program, the participant should realize a capital gain or loss equal to the difference between the amount of the participant's net sales proceeds and the participant's tax basis, if any, in the stock sold. If the participant holds the shares for more than one year, then the participant's gain or loss should be long-term and taxed, if it is a gain, at the then applicable long-term capital gains rate. If the participant holds the shares for less than one year, the participant's gain or loss should be short-term and taxed, if it is a gain, at the then applicable short-term capital gains rate.

The above is intended only as a general discussion of the current U.S. federal income tax consequences of participation in the Trade Partners Program by an individual who is a U.S. resident. No attempt has been made to discuss any state or foreign tax consequences, or consequences to individuals who are not U.S. residents. For a more detailed discussion regarding the federal, state, and foreign tax consequences of participation in the Trade Partners Program, you must consult your own tax advisers.

#### Other Information

### **16. *May the Trade Partners Program be modified or discontinued?***

Yes. We reserve the right to suspend, discontinue or cancel the Trade Partners Program at any time. In the event the Trade Partners Program is suspended, discontinued or cancelled, your right to receive shares of stock as a result of any Credits earned will immediately end. Upon any discontinuation or cancellation of the Trade Partners Program, your Credits will immediately be voided and cancelled without any consideration to you. The Credits will never be redeemable or payable in cash and will have no cash value whatsoever.

The terms and conditions of the Trade Partners Program are described in full in this prospectus under the caption "Information about the Trade Partners Program." We reserve the right to change, limit, modify or eliminate Trade Partners Program terms and conditions, regulations, benefits, conditions of participation, rewards and reward levels in whole or in part at any time. You will be bound by any such changes. Any such changes in the terms or conditions will be shown in a supplement to the prospectus which will be filed with the SEC and will be effective immediately unless stated otherwise. We will attempt to notify participants of major changes via e-mail to the e-mail address that we on file for you, but we will not be liable for failure to do so, and all participants will nevertheless be bound by any

such changes. If we receive notice that any e-mail to you has not been delivered, then we will mail you the prospectus supplement to the address that we have on file for you, and we will instruct you as to how to correct your e-mail address and other contact information.

**17.           *What is the source of stock purchased through the Trade Partners Program?***

Share purchases will be directly issued by us.

**18.           *How are the terms and conditions of the Trade Partners Program interpreted?***

Any question of interpretation of the terms or conditions of the Trade Partners Program will be solely determined by us and that determination will be final. We may adopt additional terms and conditions or we may modify or eliminate any of the existing terms and conditions. The operation of the Trade Partners Program will be governed by the laws of the State of New York.

## Legal Matters

The validity of the securities offered by this prospectus supplement will be passed upon for us by Foley & Lardner LLP. As of January 8, 2015, Foley & Lardner LLP owns 540,000 shares of common stock of the Company.

## Experts

The consolidated financial statements of 22nd Century Group, Inc. as of December 31, 2013 and 2012, and for the years then ended, have been incorporated by reference herein in reliance upon the report of Freed Maxick CPAs, P.C., independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. To the extent that Freed Maxick CPAs, P.C. audits and reports on consolidated financial statements of 22nd Century Group, Inc. at future dates and consents to the use of their reports thereon, such consolidated financial statements also will be incorporated by reference in the registration statement in reliance upon their reports and said authority.

## Where You Can Find More Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. We also filed a registration statement on Form S-3, including exhibits, under the Securities Act of 1933, as amended, or the Securities Act, with respect to the securities offered by this prospectus. This prospectus is a part of the registration statement, but does not contain all of the information included in the registration statement or the exhibits. You may read and copy the registration statement and any other document that we file at the SEC's public reference room at 100 F Street, N.E., Washington D.C. 20549. You can call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. You can also find our public filings with the SEC on the internet at a web site maintained by the SEC located at [www.sec.gov](http://www.sec.gov), as well as you can also view our public filings on our website at [www.xxiicentury.com](http://www.xxiicentury.com).

## Incorporation of Certain Documents by Reference

We are "incorporating by reference" specified documents that we file with the SEC, which means:

incorporated documents are considered part of this prospectus;

we are disclosing important information to you by referring you to those documents; and

information that we file with the SEC will automatically update and supersede information contained in this prospectus.

We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (i) after the date of the registration statement on Form S-3 filed under the Securities Act with respect to securities offered by this prospectus and prior to the effectiveness of such registration statement and (ii) after the date of this prospectus and before the end of the offering of the securities pursuant to this prospectus:

our Annual Report on Form 10-K for the year ended December 31, 2013;

our Quarterly Reports on Form 10-Q for the periods ended March 31, 2014, June 30, 2014 and September 30, 2014;

our Definitive Proxy Statement on Schedule 14A filed March 4, 2014;

our Current Reports on Form 8-K filed on April 14, 2014, May 14, 2014, May 19, 2014, July 31, 2014, September 4, 2014 (excluding Item 7.01 and the exhibit thereto), September 18, 2014 (excluding Item 7.01 and the exhibit related thereto), September 30, 2014, October 27, 2014 and December 29, 2014 (excluding Item 7.01 and the exhibit related thereto); and

the description of our common stock contained in or incorporated into our Registration Statement on Form 8-A, filed March 6, 2014, and any amendment or report updating that description.

Information in this prospectus supersedes related information in the documents listed above, and information in subsequently filed documents supersedes related information in both this prospectus and the incorporated documents.

We will promptly provide, without charge to you, upon written or oral request, a copy of any or all of the documents incorporated by reference in this prospectus, other than exhibits to those documents, unless the exhibits are specifically incorporated by reference in those documents. Requests should be directed to:

22nd Century Group, Inc.

9530 Main Street

Clarence, New York 14031

(716) 270-1523

You can also find these filings on our website at [www.xxiicentury.com](http://www.xxiicentury.com). We are not incorporating the information on our website other than these filings into this prospectus.

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**Debt Securities**

**Common Stock**  
**Preferred Stock**  
**Warrants**

**Stock Purchase Contracts**

**Stock Purchase Units**

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We may offer and sell from time to time up to \$45.0 million of any combination of the securities described in this prospectus, in one or more classes or series and in amounts, at prices and on terms that we will determine at the times of the offerings.

This prospectus describes the general manner in which our securities may be offered using this prospectus. We will provide specific terms of the securities, including the offering prices, in one or more supplements to this prospectus. The supplements may also add, update or change information contained in this prospectus. You should read this prospectus and the prospectus supplement relating to the specific issue of securities carefully before you invest.

We may offer the securities independently or together in any combination for sale directly to purchasers or through underwriters, dealers or agents to be designated at a future date. The supplements to this prospectus will provide the specific terms of the plan of distribution.

Our common stock is listed on the NYSE MKT under the symbol “XXII.”

**Investment in our securities involves risks. Please read carefully the section entitled “Risk Factors” in our most recent Annual Report on Form 10-K and in any applicable prospectus supplement and/or other offering material for a discussion of certain factors which should be considered in an investment of the securities which may be offered hereby.**

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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.

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The date of this prospectus is June 5, 2014.

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### About This Prospectus

Unless the context otherwise requires, in this prospectus, “company,” “we,” “us,” “our” and “ours” refer to 22nd Century Group, Inc. and its subsidiaries on a combined basis.

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using a “shelf” registration process. Under this shelf registration process, we may, from time to time, sell the securities or combinations of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities that we may offer. Each time we offer securities, we will provide a prospectus supplement and/or other offering material that will contain specific information about the terms of that offering. The prospectus supplement and/or other offering material may also add, update or change information contained in this prospectus. You should read this prospectus, any prospectus supplement and any other offering material together with additional information described under the heading “Where You Can Find More Information.”

You should rely only on the information contained or incorporated by reference in this prospectus and in any prospectus supplement or other offering material. We have not 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 are not making offers to sell or solicitations to buy the securities in any jurisdiction in which an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation. You should not assume that the information in this prospectus, any prospectus supplement or any other offering material, or the information we previously filed with the SEC that we incorporate by reference in this prospectus or any prospectus supplement, is accurate as of any date other than its respective date. Our business, financial condition, results of operations and prospects may have changed since those

dates.

### **“Forward-Looking” Information**

The information included or incorporation by reference into this prospectus contains statements that the company believes to be “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that is not a statement of historical fact, including, without limitation, statements regarding the company’s business strategy and plans and objectives of management for future operations or that may predict, forecast, indicate or imply future results, performance or achievements. The words “estimate,” “project,” “intend,” “forecast,” “anticipate,” “plan,” “planning,” “believe,” “will,” “will likely,” “should,” “could,” “would,” “may” or the negative of such words or words or expressions of similar meaning are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, and all such forward-looking statements involve risks and uncertainties, many of which are beyond the company’s ability to control. Actual results may differ materially from those expressed or implied by such forward-looking statements as a result of various factors. We do not undertake, and we disclaim, any obligation to update any forward-looking statements or to announce revisions to any of the forward-looking statements. Certain factors that could cause results to differ materially from those projected in the forward-looking statements, including, among other things:

- Our ability to manage our growth effectively;
- Our ability to comply with existing and new government regulations;
- Our ability to retain key personnel;
- Our ability to enter into additional licensing transactions;
- The prospect of one of our subsidiaries becoming a member of the U.S. Master Settlement Agreement;
- Our ability to achieve profitability;
- The potential for our clinical trials to produce negative or inconclusive results;
- Our ability to obtain significant revenue for our tobacco products in the U.S.;
- Our ability to obtain U.S. Food and Drug Administration (“FDA”) clearance for our potentially modified risk tobacco products and FDA approval for our X-22 smoking cessation aid;
- Our ability to gain market acceptance for our products;
- Our ability to compete with competitors that may have greater resources than us;
- The potential for our competitors to develop products that are less expensive, safer or more effective than ours;
- The potential exposure to product liability claims, product recalls and other claims; and
- Our ability to adequately protect our intellectual property and to avoid infringement on rights of third parties.

22nd CENTURY GROUP, INC.

We are a plant biotechnology company focused on tobacco harm reduction and smoking cessation products produced from modifying the nicotine content in tobacco plants through genetic engineering and plant breeding. We exclusively control 116 issued patents and an additional 36 patent applications; of these, we own 15 issued patents plus 27 patent applications and we license the remaining patents and patent applications on an exclusive basis. Goodrich Tobacco Company, LLC (“Goodrich Tobacco”) and Hercules Pharmaceuticals, LLC (“Hercules Pharmaceuticals”) are subsidiaries of 22nd Century Ltd. Goodrich Tobacco is focused on commercial tobacco products and potentially reduced-risk or modified risk tobacco products. Hercules Pharmaceuticals is focused on X-22, a prescription smoking cessation aid in development.

Our long-term focus is the research, development, licensing, manufacturing, and worldwide sales and distribution of our products to reduce the harm caused by smoking. We are primarily involved in the following activities:

- The international licensing of our technology, proprietary tobaccos, trademarks;

- The manufacture, marketing and international distribution of *RED SUN*, *MOONLIGHT* and *MAGIC* proprietary cigarettes;

- The production of *SPECTRUM* research cigarettes for the National