

22nd Century Group, Inc.
Form 424B5
February 04, 2016

Prospectus Supplement **Filed Pursuant to Rule 424(b)(5)**

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

5,000,000 Shares of Common Stock

Warrants to Purchase 2,500,000 Shares of Common Stock

We are offering up to 5,000,000 shares of our common stock and warrants to purchase up to 2,500,000 shares of our common stock in this offering (and the shares of common stock issuable from time to time upon exercise of these warrants). The common stock and warrants will be sold in units, with each unit consisting of one share of common stock and a warrant to purchase 0.5 shares of common stock at an exercise price of \$1.21 per share of common stock. Each unit will be sold at a negotiated price of \$1.10 per unit. The shares of common stock and warrants will be issued separately but can only be purchased together in this offering.

Units will not be issued or certificated. Our common stock is listed on the NYSE MKT under the symbol "XXII." On February 2, 2016, the closing price of our common stock was \$1.20 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 before investing in our common stock.

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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We have retained Chardan Capital Markets, LLC to act as our exclusive placement agent in connection with the arrangement of this transaction. We have agreed to pay the placement agent the placement agent fee set forth in the table below, which assumes that we sell all of the units we are offering. The placement agent is not required to arrange for the sale of any specific number of units or dollar amount but will use its “reasonable best efforts” to arrange for the sale of the units.

	Per Unit	Maximum Offering Amount
Offering price	\$ 1.100	\$5,500,000
Placement agent fees (1)	\$ 0.066	\$ 330,000
Proceeds, before expenses, to us	\$ 1.034	\$5,170,000

In addition, we have agreed to pay the placement agent a cash fee equal to 2% of the gross proceeds received in (1) connection with the exercise of any of the warrants issued in this offering. See “Plan of Distribution” on page S-9 of this prospectus supplement for more information regarding these arrangements.

We estimate the total expenses of this offering, excluding the placement agent fees, will be approximately \$25,000. Because there is no minimum offering amount required as a condition to closing in this offering, the actual offering amount, the placement agent fees and net proceeds to us, if any, in this offering may be substantially less than the maximum offering amounts set forth above.

We expect to deliver the securities being offered pursuant to this prospectus supplement on or about February 5, 2016.

Chardan Capital Markets, LLC

The date of this prospectus supplement is February 2, 2016.

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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 both parts combined.

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 or the placement agent provide. We have not, and the placement agent has 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. Neither we nor the placement agent are 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 may be, 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 and positive cash flows;

· 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. and Europe;

· 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 raise additional capital;

· Any potential negative impact from entering the cannabis space;

· Our ability to comply with government regulations;

· Our ability to compete with competitors that may have greater resources than we have;

· 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.

We urge you to consider these factors before investing in our common stock. The forward-looking statements included in this prospectus supplement, the accompanying prospectus and any other offering material, or in the documents incorporated by reference into this prospectus supplement, the accompanying prospectus, any other offering material or the incorporated document. We undertake no obligation to publicly revise any forward-looking statements or cautionary factors except as required by law. For more detail on these and other risks, please see “Risk Factors” in this prospectus supplement and our Annual Report on Form 10-K for our fiscal year ended December 31, 2014.

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 “Incorporation of Certain Documents by Reference” in this prospectus supplement.

Our Company

We are a plant biotechnology company specializing in technology that allows for the level of nicotine and other nicotinic alkaloids (e.g., normicotine, anatabine and anabasine) in tobacco plants and the level of cannabinoids in cannabis plants to be decreased or increased through genetic engineering and plant breeding. We are 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 currently own or exclusively control more than 200 issued patents and more than 50 pending patent applications around the world.

We are in the process of transitioning from researching and developing our proprietary technology and tobaccos to commercializing our technology and products. Our long-term focus is on licensing, manufacturing and selling of our tobacco products to reduce the harm caused by smoking.

Our Annual Report on Form 10-K for the year ended December 31, 2014 and subsequently filed Form 10-Qs provide additional information about our business, operations and financial condition.

Risk Factors

An investment in our common stock involves risk. Before deciding whether to enroll and participate in this offering, you should carefully consider the risk factors beginning 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.

Corporate Information

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.xxiiicentury.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.

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The Offering

The following summary contains basic information about this offering. The summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus supplement.

Issuer 22nd Century Group, Inc.

Common stock offered by us 5,000,000 shares.

Common stock to be outstanding after this offering⁽¹⁾ 76,009,960 shares.

Warrants offered by us Warrants to purchase 2,500,000 shares of common stock will be offered in this offering. The warrants will be exercisable during the period commencing six months after the date of original issuance and ending 5 years from the initial date that the warrants become exercisable, with the exercise price being \$1.21 per share of common stock. This prospectus supplement also relates to the offering of the shares of common stock issuable upon exercise of the warrants.

NYSE MKT symbol XXII

Use of proceeds We intend to use the net proceeds from this offering for general corporate purposes, which may include, but are not limited to, supporting our working capital needs, subject to certain limitations. See “Use of Proceeds.”

Risk factors See “Risk Factors” and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of certain factors you should carefully consider before deciding to invest in shares of our common stock.

(1) The number of shares outstanding after this offering is based on 71,009,960 shares of common stock outstanding as of February 1, 2016. The number of shares of common stock to be outstanding after this offering excludes the following as of February 1, 2016: (i) 3,161,642 shares of common stock issuable upon the exercise of outstanding stock options; (ii) 2,710,802 shares of common stock available for future stock award grants; (iii) 9,736,621 shares of common stock subject to outstanding warrants having a weighted averaged exercise price of \$2.0105 per share; and (iv) shares of common stock issuable upon exercise of warrants offered hereby.

Risk Factors

Investing in our common stock involves a high degree of risk. Before investing in our common stock, 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, 2014. 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 “Forward-Looking Information.”

Risks Related to the Offering

Fluctuations in the price of our common stock, including as a result of actual or anticipated sales of shares by stockholders, may make our common stock more difficult to resell.

The market price and trading volume of our common stock have been and may continue to be subject to significant fluctuations due not only to general stock market conditions, but also to a change in sentiment in the market regarding the industry in which we operate, our operations, business prospects or liquidity or this offering. During the period from January 1, 2013 to February 1, 2016, our common stock has fluctuated from a high of \$6.36 per share to a low of \$0.46 per share. In addition to the risk factors discussed in our periodic reports and in this prospectus supplement, the price and volume volatility of our common stock may be affected by actual or anticipated sales of common stock by existing stockholders, including of shares purchased in this offering, whether in the market or in subsequent public offerings. Stock markets in general may experience extreme volatility that is unrelated to the operating performance of listed companies. These broad market fluctuations may adversely affect the trading price of our common stock, regardless of our operating results.

As a result, these fluctuations in the market price and trading volume of our common stock may make it difficult to predict the market price of our common stock in the future, cause the value of your investment to decline and make it more difficult to resell our common stock.

We have broad discretion as to the use of the net proceeds we receive from this offering and may not use them effectively.

We retain broad discretion to use the net proceeds from this offering of our common stock. Accordingly, you will have to rely upon the judgment of our management with respect to the use of those net proceeds. Our management may spend a portion or all of the net proceeds we receive from this offering in ways that our stockholders may not desire or that may not yield a favorable return. The failure by our management to apply these funds effectively could harm our business.

Purchasers will suffer immediate and substantial dilution as a result of this offering.

Purchasers of shares of our common stock offered by this prospectus will suffer immediate and substantial dilution of their investment. Purchasers in this offering will suffer immediate dilution of approximately \$0.9572 per share in the net tangible book value of the common stock. See “Dilution” on page S-6 of this prospectus supplement for a more detailed discussion of the dilution purchasers will incur in this offering.

Our stockholders may experience further dilution if we issue additional shares of common stock in the future.

Any additional future issuances of common stock by us will reduce the percentage of our common stock owned by investors purchasing shares in this offering who do not participate in such future issuances. In most circumstances stockholders will not be entitled to vote on whether or not we issue additional common stock. In addition, depending on the terms and pricing of an additional offering of our common stock and the value of our assets, our stockholders may experience dilution in both the book value and fair value of their shares.

There may be future sales or other dilution of our equity which may adversely affect the market price of our common stock.

Except as described under “Plan of Distribution,” we are not restricted from issuing additional common stock, including securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. We are offering 5,000,000 shares of common stock and an additional 2,500,000 shares of common stock upon the exercise of warrants. The issuance of additional shares of our common stock in this offering or other issuances of our common stock or convertible or other equity linked securities, including options and warrants, or otherwise, in connection with capital raising transactions, as payment of the consideration for acquisitions or for employee compensation or other purposes will dilute the ownership interest of our common stockholders.

As of February 1, 2016, we had 71,009,960 outstanding shares of common stock, which excludes the following as of February 1, 2016: (i) 3,161,642 shares of common stock issuable upon the exercise of outstanding stock options; (ii) 2,710,802 shares of common stock available for future stock award grants; (iii) 9,736,621 shares of common stock subject to outstanding warrants having a weighted averaged exercise price of \$2.0105 per share; and (iv) shares of common stock issuable upon exercise of warrants offered hereby.

Sales of a substantial number of shares of our common stock or other equity-related securities in the public market could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock or other equity-related securities would have on the market price of our common stock.

We are not currently paying dividends and will likely continue not paying dividends for the foreseeable future.

We have never paid or declared any cash dividends on our common stock. We currently intend to retain all available funds and any future earnings to fund the development and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, contractual restrictions and other factors that our board of directors deems relevant.

Use of Proceeds

We estimate that the net proceeds from the sale of units in this offering will be approximately \$5.1 million, assuming that we sell the maximum number of units we are offering pursuant to this prospectus supplement, after deducting placement agent discounts and commissions and our estimated expenses related to the offering. Because there is no minimum offering amount required as a condition to the closing of this offering, the actual number of units sold, placement agent fees and proceeds to us are not presently determinable and may be substantially less than the maximum amount set forth above.

We intend to use the net proceeds from the sale of our common stock for general corporate purposes, which may include supporting our working capital needs, provided that the securities purchase agreement with the purchaser provides that we may not use the proceeds (i) for the payment of debt (other than trade payables), (ii) for the redemption of any securities, (iii) for the settlement of litigation, or (iv) in violation of certain regulations.

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Dilution

Purchasers of units offered by this prospectus supplement and the accompanying prospectus will experience an immediate dilution in the net tangible book value of their common stock from the price paid in the offering. The net tangible book value of our common stock as of September 30, 2015 was approximately \$5,718,000, or \$0.0805 per share. Net tangible book value per share of our common stock is equal to our net tangible assets (stockholders' equity less goodwill, intangible assets and equity investment) divided by the number of shares of our common stock issued and outstanding as of September 30, 2015.

Dilution per share represents the difference between the public offering price per unit and the adjusted net tangible book value per share of our common stock after giving effect to this offering. After reflecting the sale in this offering of 5,000,000 shares of our common stock at the public offering price of \$1.10 per share (attributing none of the offering price to the warrants), less placement agent discounts and estimated offering expenses, the adjusted net tangible book value of our common stock as of September 30, 2015 would have been approximately \$10,858,000 or \$0.1428 per share. The change represents an immediate increase in net tangible book value per share of our common stock of \$0.0623 per share to existing stockholders and an immediate dilution of \$0.9572 per share to new investors purchasing the units in this offering. The following table illustrates this per share dilution:

Public offering price per unit	\$1.10
Net tangible book value per share as of September 30, 2015	\$0.0805
Increase per share attributable to this offering	\$0.0623
Adjusted net tangible book value per share as of September 30, 2015	\$0.1428
Dilution per share attributable to this offering	\$0.9572

The foregoing calculations are based on 71,009,960 shares of common stock outstanding as of February 1, 2016 and exclude (i) 3,161,642 shares of common stock issuable upon the exercise of outstanding stock options; (ii) 2,710,802 shares of common stock available for future stock award grants; (iii) 9,736,621 shares of common stock subject to outstanding warrants having a weighted averaged exercise price of \$2.0105 per share; and (iv) shares of common stock issuable upon exercise of warrants offered hereby.

Common Stock Price Range And Dividends

Price of Our Common Stock

Our common stock is quoted on the NYSE MKT under the symbol “XXII.” As of February 1, 2016, there were 104 holders of record of shares of our common stock. The following table sets forth, for the quarters indicated, the high and low bid prices per share of our common stock, as derived from quotations provided by (i) the OTC Bulletin Board Information Center for the period prior to March 11, 2014, when our common stock was quoted on the OTC Bulletin Board, and (ii) the NYSE MKT for the period beginning on March 11, 2014, when our common stock commenced being listed and quoted on the NYSE MKT.

	High	Low
Year Ended December 31, 2014		
First Quarter	\$6.36	\$1.75
Second Quarter	\$3.87	\$2.14
Third Quarter	\$3.35	\$1.90
Fourth Quarter	\$2.67	\$1.50
Year Ended December 31, 2015		
First Quarter	\$1.78	\$0.65
Second Quarter	\$1.55	\$0.71
Third Quarter	\$1.13	\$0.56
Fourth Quarter	\$1.75	\$0.82
Year Ending December 31, 2016		
First Quarter (through February 1, 2016)	\$1.44	\$0.97

Dividend Payments and Policy

We have not previously and do not plan to declare or pay any dividends on our common stock. Our current policy is to retain all funds and any earnings for use in the operation and expansion of our business. Payment of future dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including current financial condition, operating results and current and anticipated cash needs.

Description of Securities

In this offering, we are offering a maximum of 5,000,000 units, each consisting of (i) one share of our common stock and (ii) a warrant to purchase 0.5 shares of our common stock at an exercise price of \$1.21 per share.

Units will not be issued or certificated. The shares of common stock and warrants are immediately separable and will be issued separately. This prospectus supplement also relates to the offering of shares of our common stock issuable upon exercise, if any, of the warrants.

Common Stock

The material terms and provisions of our common stock are described under the caption “Description of Common Stock” starting on page 13 of the accompanying prospectus.

Warrants

The material terms and provisions of our outstanding warrants are described under the caption “Description of Common Stock – Warrants and Convertible Notes” starting on page 14 of the accompanying prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2014 as modified by our subsequently filed periodic reports.

The following is a brief summary of the material terms of the warrants included in this offering and is subject in all respects to the provisions contained in the warrants. The forms of warrants are being filed with a Current Report on Form 8-K and reference is made thereto for a complete description of the warrants.

Exercise Price. The exercise price per share of common stock purchasable upon exercise of the warrants is \$1.21 per share of common stock being purchased. If we, at any time while the warrants are outstanding, pay a stock dividend on our common stock or otherwise make a distribution on any class of capital stock that is payable in shares of our common stock, subdivide outstanding shares of our common stock into a larger number of shares or combine the outstanding shares of our common stock into a smaller number of shares, then, the number, class and type of shares available under the warrants and the exercise price will be correspondingly adjusted to give the holder of the warrants,

on exercise for the same aggregate exercise price, the total number, class, and type of shares or other property as the holder would have owned had the warrants been exercised prior to the event and had the holder continued to hold such shares until the event requiring adjustment.

Exercisability. Holders may exercise the warrants beginning on the date that is six months after the date of original issuance and at any time up to the date that is 5 years from the initial date that the warrants become exercisable.

Cashless Exercise. If at any time during the warrant exercisability period the fair market value of our common stock exceeds the exercise price of the warrants and the issuance of shares of our common stock upon exercise of the warrant is not covered by an effective registration statement, the holder is permitted to effect a cashless exercise of the warrants (in whole or in part) by having the holder surrendering the warrants to us, together with delivery to us of a duly executed exercise notice, canceling a portion of the warrant in payment of the purchase price payable in respect of the number of shares of our common stock purchased upon such exercise.

Transferability. The warrants may be transferred at the option of the warrant holder upon surrender of the warrants with the appropriate instruments of transfer.

Exchange Listing. We do not plan on making an application to list the warrants on the NYSE MKT, any national securities exchange or other nationally recognized trading system.

Rights as a Stockholder. Except by virtue of such holder's ownership of shares of our common stock, the holders of the warrants do not have the rights or privileges of holders of our common stock, including any voting rights, until they exercise their warrants.

Extraordinary Transactions. If we (i) effect any merger or consolidation with or into another person, (ii) effect any sale of all or substantially all of our assets in one or a series of related transactions, (iii) complete any tender offer or exchange offer pursuant to which holders of common stock are permitted to tender or exchange their shares for other securities, cash or property, or (iv) we effect any reclassification of our common stock or any compulsory share exchange pursuant to which our common stock is effectively converted into or exchanged for other securities, cash or property, then the warrant will become the right thereafter to receive, upon exercise, the same amount and kind of securities, cash or property as the holder would have been entitled to receive upon the occurrence of such extraordinary transaction if it had been, immediately prior to such extraordinary transaction, the holder of the number of shares then issuable upon exercise in full of the relevant warrant in lieu of common stock.

Limits on Exercise of Warrants. The holder will not have the right to exercise any portion of the warrant if the holder, together with its affiliates, would beneficially own in excess of 4.99% of the number of shares of the Company's common stock (including securities convertible into common stock) outstanding immediately after the exercise;

provided, however, that the holder may increase or decrease this limitation at any time, although any increase shall not be effective until the 61st day following the notice of increase and the holder may not increase this limitation in excess of 9.99%.

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Plan of Distribution

Pursuant to a placement agency agreement between us and Chardan Capital Markets, LLC (“Chardan Capital”) we have engaged Chardan Capital as our exclusive placement agent to solicit offers to purchase the units in this offering. The placement agent is not purchasing or selling any of the units we are offering, and it is not required to arrange the purchase or sale of any specific number of units or dollar amount, but it has agreed to use commercially reasonable efforts to arrange for the sale of the units. The placement agent may retain sub-agents and selected dealers in connection with this offering.

The placement agent proposes to arrange for the sale of the units we are offering pursuant to this prospectus supplement to one or more investors through securities purchase agreements directly between the purchasers and us. All of the units will be sold at the same price and, we expect, at a single closing. We established the price following negotiations with prospective investors and with reference to the prevailing market price of our common stock, recent trends in such price and other factors. It is possible that not all of the units we are offering pursuant to this prospectus supplement will be sold at the closing, in which case our net proceeds would be reduced. We anticipate that the sale of the units will be completed on the date indicated on the cover page of this prospectus supplement, subject to customary closing conditions. On the closing date, the following will occur:

· we will receive funds in the amount of the aggregate purchase price;

· Chardan Capital, as placement agent, will receive the placement agent fees in accordance with the terms of the placement agency agreement; and

· we will deliver the shares and warrants to the investors.

In connection with this offering, the placement agent may distribute this prospectus supplement and the accompanying prospectus electronically.

We will pay the placement agent cash fees equal to (i) six percent (6%) of the gross proceeds from the sale of the units in this offering and (ii) two percent (2%) of the gross proceeds, if any, from the cash exercise of any warrants sold in this offering. In addition, we have agreed to pay a cash fee equal to five percent (5%) of the gross proceeds from the sale of any securities to any purchaser in this offering or a specified party that was introduced to us by the placement agent during the six (6) months following the sale of units in this offering. The following table shows the per share and total placement agent fee we will pay to the placement agent in connection with the sale of the units, assuming the purchase of all of the units we are offering.

Per unit \$0.066
Total \$330,000

The estimated offering expenses payable by us, excluding the placement agent fees, will be approximately \$25,000, which includes legal and printing costs and various other fees associated with registering and listing the common stock. After deducting certain fees due to the placement agent and our estimated offering expenses, we expect the net proceeds from this offering to be approximately \$5.1 million.

We have agreed to indemnify the placement agent against certain liabilities, including liabilities under the Securities Act of 1933, as amended, and liabilities arising from breaches and representations and warranties contained in the placement agency agreement. We have also agreed to contribute to payments the placement agent may be required to make in respect of such liabilities.

The placement agency agreement is included as an exhibit to our Current Report on Form 8-K that we will file with the Commission in connection with this offering.

Chardan Capital may be deemed to be an underwriter within the meaning of Section 2(a)(11) of the Securities Act, and any commissions received by it and any profit realized on the resale of the shares sold by it while acting as principal might be deemed to be underwriting discounts or commissions under the Securities Act. As an underwriter, Chardan Capital would be required to comply with the requirements of the Securities Act and the Exchange Act, including, without limitation, Rule 415(a)(4) under the Securities Act and Rule 10b-5 and Regulation M under the Exchange Act. These rules and regulations may limit the timing of purchases and sales of shares by Chardan Capital acting as principal. Under these rules and regulations, Chardan Capital:

- may not engage in any stabilization activity in connection with our securities; and

may not bid for or purchase any of our securities or attempt to induce any person to purchase any of our securities, other than as permitted under the Exchange Act, until it has completed its participation in the distribution.

Electronic Distribution

A prospectus supplement in electronic format may be made available on websites or through other online services maintained by the placement agent of the offering, or by its affiliates. Other than the prospectus supplement in electronic format, the information on the placement agent's websites and any information contained in any other website maintained by the placement agent is not part of this prospectus supplement or the registration statement of which this prospectus supplement forms a part, has not been approved and/or endorsed by us or the placement agent in its capacity as placement agent and should not be relied upon by investors.

Listing

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

Selling Restrictions

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of our common stock, or the possession, circulation or distribution of this prospectus supplement, the accompanying prospectus or any other material relating to us or our common stock in any jurisdiction where action for that purpose is required. Accordingly, our common stock may not be offered or sold, directly or indirectly, and none of this prospectus supplement, the accompanying prospectus or any other offering material or advertisements in connection with our common stock may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction.

The placement agent may arrange to sell common stock offered hereby in certain jurisdictions outside the United States, either directly or through affiliates, where they are permitted to do so.

Affiliations

The placement agent and its affiliates have provided, and may in the future provide, various investment banking, financial advisory and other financial services to us and our affiliates for which they have received, and in the future may receive, advisory or transaction fees, as applicable,

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Legal Matters

The validity of the securities offered by this prospectus supplement will be passed upon for us by Foley & Lardner LLP. As of February 1, 2016, Foley & Lardner LLP owned 515,950 shares of common stock of the Company.

Experts

The consolidated financial statements of 22nd Century Group, Inc. 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, as well as you can also view our public filings on our website at 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, 2014;

our Quarterly Reports on Form 10-Q for the periods ended March 31, 2015, June 30, 2015 and September 30, 2015;

our Current Reports on Form 8-K filed on January 9, 2015, March 3, 2015 (excluding Item 7.01 and the related exhibit), April 28, 2015, May 22, 2015, May 29, 2015, October 9, 2015 (excluding Item 7.01 and the related exhibit), November 9, 2015 (excluding Item 2.02 and related exhibit) and January 26, 2016;

our Definitive Proxy Statement on Schedule 14A filed March 6, 2015; and

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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. We are not incorporating the information on our website other than these filings into this prospectus.

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Prospectus

Debt Securities

Common Stock
Preferred Stock
Warrants

Stock Purchase Contracts

Stock Purchase Units

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.

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 is June 5, 2014.

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