

22nd Century Group, Inc.
Form 424B3
November 14, 2011

Prospectus Supplement Filed Pursuant to Rule 424(b)(3)
Registration No. 333-173420

22nd CENTURY GROUP, INC.

5,434,446 Shares of Common Stock

PROSPECTUS SUPPLEMENT NO. 1
DATED NOVEMBER 14, 2011
(To Prospectus Dated September 20, 2011)

This Prospectus Supplement No. 1, dated November 14, 2011 (“Supplement No. 1”), filed by 22nd Century Group, Inc. (the “Company”), modifies and supplements certain information contained in the Company’s prospectus, dated September 20, 2011 (as amended and supplemented from time to time, the “Prospectus”). This Supplement No. 1 is not complete without, and may not be delivered or used except in connection with, the Prospectus, including all amendments and supplements thereto. The Prospectus relates to the sale, from time to time, of up to 5,434,446 shares of the Company’s common stock, par value \$0.00001 per share, by the selling stockholders identified in the Prospectus.

The information attached to this Supplement No. 1 modifies and supersedes, in part, the information contained in the Prospectus. Any information that is modified or superseded in the Prospectus shall not be deemed to constitute a part of the Prospectus, except as so modified or superseded by this Supplement No. 1. This Supplement No. 1 includes the attached Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, as filed by the Company with the Securities and Exchange Commission on November 14, 2011.

We may further amend or supplement the Prospectus from time to time by filing additional amendments or supplements as required. You should read the entire Prospectus and any amendments or supplements carefully before you make an investment decision.

Our common stock is traded on the OTC Bulletin Board under the symbol “XXII.OB”. On November 8, 2011, the closing sale price of our common stock was \$1.00 per share.

Investing in our common stock involves risks. Before making any investment in our securities, you should read and carefully consider risks described in the “Risk Factors” section beginning on page 9 of the Prospectus.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities or determined if the Prospectus, or any of the supplements or amendments relating thereto, is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Supplement No. 1 is November 14, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended September 30, 2011

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

For the Transition Period From _____ to _____

Commission File Number: 333-173420

22nd Century Group, Inc.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization) 98-0468420
(I.R.S. Employer Identification No.)

9530 Main Street
Clarence, New York 14031
(Address of principal executive offices) (Zip Code)

(716) 270-1523
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes

No

As of October 31, 2011, there were 27,909,646 shares of common stock issued and outstanding.

22nd CENTURY GROUP, INC.

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

22nd CENTURY GROUP INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
September 30, 2011 with Comparative Figures at December 31, 2010

	2011 (unaudited)	2010
ASSETS		
Current assets:		
Cash	\$4,375	\$310
Accounts receivable	86,682	-
Grant receivable	-	223,540
Due from related Party	14,330	-
Inventory	833,396	308,662
Prepaid expenses	82,422	211,717
Total current assets	1,021,205	744,229
Other assets:		
Patent and trademark costs, net	1,406,617	1,467,623
Office Furniture and fixtures, net	8,321	-
Deferred private placement costs	-	587,133
Deposits	-	1,535
Total other assets	1,414,938	2,056,291
Total assets	\$2,436,143	\$2,800,520
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Demand bank loans	\$174,925	\$174,925
Accounts payable	1,221,746	2,900,684
Accrued interest payable to shareholders	21,174	190,977
Accrued expenses	542,445	227,724
Deferred grant revenue	-	223,540
Notes payable to shareholders, net of unamortized discount	150,000	1,095,643
Current portion of long-term debt	524,556	-
Due to related party	-	6,942
Due to officers	31,417	3,200
Total current liabilities	2,666,263	4,823,635
Long-term notes, less current portion	227,000	65,557
Warrant liability	2,724,250	-
Total liabilities	5,617,513	4,889,192
Commitments and contingencies (Note 10)	-	-
Shareholders' deficit		
Capital stock authorized:		

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10,000,000 preferred shares, \$.00001 par value		
300,000,000 common shares, \$.00001 par value		
Capital stock issued and outstanding:		
0 preferred shares	-	-
27,209,646 common shares (16,000,000 at December 31, 2010)	273	-
Capital in excess of par value	4,711,243	3,598,856
Accumulated deficit	(7,905,756)	(5,687,394)
Non-controlling interest - consolidated subsidiary	12,870	(134)
Total shareholders' deficit	(3,181,370)	(2,088,672)
Total liabilities and shareholders' deficit	\$2,436,143	\$2,800,520

See accompanying notes

22nd CENTURY GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Three Months Ended September 30, 2011 with Comparative Figures for 2010
(unaudited)

2011

2010