

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): JULY 31, 1997

BROOKE GROUP LTD.

(Exact name of registrant as specified in its  
charter)

1-5759

(Commission File Number)

51-0255124

(I.R.S. Employer Identification No.)

DELAWARE

(State or other jurisdiction of incorporation  
or organization)

100 S.E. SECOND STREET

MIAMI, FLORIDA 33131

(Address of principal executive offices including  
Zip Code)

305/579-8000

(Registrant's telephone number, including area  
code)

(NOT APPLICABLE)

(Former name or former address,  
if changed since last report)

BGLS INC.

(Exact name of registrant as specified in its  
charter)

33-93576

(Commission File Number)

13-3593483

(I.R.S. Employer Identification No.)

DELAWARE

(State or other jurisdiction of incorporation  
or organization)

100 S.E. SECOND STREET

MIAMI, FLORIDA 33131

(Address of principal executive offices including  
Zip Code)

305/579-8000

(Registrant's telephone number, including area  
code)

(NOT APPLICABLE)

(Former name or former address,  
if changed since last report)

ITEM 5. OTHER EVENTS.

On July 31, 1997, Brooke Group Ltd. issued a press release, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits.

The following Exhibit is provided in accordance with the provisions of Item 601 of Regulation S-K and is filed herewith unless otherwise noted.

EXHIBIT INDEX

99.1 Press Release of Brooke Group Ltd. dated July 31, 1997.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BROOKE GROUP LTD.

By: /s/ Joselynn D. Van Siclen

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Joselynn D. Van Siclen  
Vice President and Chief  
Financial Officer

BGLS INC.

By: /s/ Joselynn D. Van Siclen

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Joselynn D. Van Siclen  
Vice President and Chief  
Financial Officer

Date: August 1, 1997

[SARD VERBINNEN & CO LETTERHEAD]

FOR IMMEDIATE RELEASE

Contact: George Sard/Anna Cordasco/Paul Caminiti  
Sard Verbinnen & Co.  
212-687-8080

LIGGETT GROUP CONTINUES NEGOTIATIONS WITH NOTEHOLDERS

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Miami, FL, July 31, 1997 - Brooke Group Ltd. (NYSE: BGL) announced today that its wholly-owned subsidiary Liggett Group Inc. is in negotiations with a committee comprised of a majority of its noteholders with respect to the previously disclosed potential restructuring of Liggett's public debt. In conjunction with these discussions, Brooke is also engaged in negotiations with the principal holders of the public debt of its wholly-owned subsidiary BGLS Inc. with respect to certain related modifications to the terms of such debt.

Pending completion of the negotiations, BGLS and Liggett have postponed making the interest payments due on July 31, 1997 on BGLS' 15.75% Senior Secured Notes due 2001 and on August 1, 1997 on Liggett's 11.50% Series B Senior Secured Notes due 1999 and Variable Rate (19.75%) Series C Senior Secured Notes due 1999, respectively. The indentures governing BGLS' and Liggett's Senior Secured Notes provide for a 30-day grace period before the failure to pay interest will be an event of default.

Brooke Group is a holding company which through BGLS Inc. owns Liggett Group Inc. and controlling interests in Liggett-Ducat Ltd. and New Valley Corporation.

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