A Sweet Deal for a Tobacco Executive
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Abstract:
Brooke owns Liggett, which makes L&M, Lark and Chesterfield cigarettes. As this newspaper reported in 1993, Mr. LeBow pulled tens of millions of dollars out of the company and used it to finance a lavish lifestyle, pushing Liggett to the brink of bankruptcy. Under Mr. LeBow's leadership, Liggett's market share has fallen to 1.3% from 6%.

But this time Mr. LeBow has come up with a new way to get money: have Congress give it to him. Under the Commerce Committee's bill, tobacco companies are to pay higher taxes on the sale of cigarettes, increasing to 65 cents a pack in 1999 and $1.10 a pack beginning in 2003. But Liggett has been made exempt from this tax, so long as it keeps its market share below 3%. Liggett argues that it deserves the break for turning over secret industry documents to the state attorneys general whose lawsuits against tobacco companies spurred the current legislation.

Which single person stands to benefit the most from passage of the Senate Commerce Committee's recently approved tobacco legislation? Surprisingly, the answer is not a trial lawyer, though it is a man who's spent plenty of time in court -- bankruptcy court, to be exact. Bennett LeBow, controlling shareholder of the Brooke Group Ltd., personally stands to "earn" hundreds of millions of dollars a year if the bill becomes law.