

To: Info FUMA International LLC[info@myfuma.com]
From: Potter, Dennis (Denny) L
Sent: 2010-07-19T22:44:04Z
Importance: Normal
Subject: RE: Good morning
Received: 2010-07-19T22:44:09Z
[uklq087sa.pdf](#)
[US4947874\(A,X6\).pdf](#)
[US20080092912\(A1\).pdf](#)

Hi Greg,

Kind of a good news bad news day for me last Saturday. It rained which prevented yard work (good news) but left me with no excuse not to accompany my wife to look at bathroom remodeling options and couch shopping (bad news).

I got the word that you met some of my associates in DC. Seems you made a positive impression, and not just because you picked up the tab.

I received the document sent by Dan and have forwarded it on to collect some additional comments. As I think I stated on the phone call, Fuma is not the first vapor/aerosol product that we have looked at, but it has generated the highest interest to date, and for many of the reasons set out in your 'outline.' As we also discussed, the current regulatory limbo of e- products will make finding a mutually beneficial collaboration relationship a challenging exercise. But I believe the potential rewards are significant and well worth the effort. In order to get to this goal, it is my job to first confirm in my own mind and then convince my management that the Fuma technology platform has the potential to meet our expectations in design standards, competitiveness, adaptability and propriety. Let me explain further.

Design standards. RAI and its affiliated companies live by a set of corporate social responsibility platforms. Paramount among those platforms is 'Harm Reduction and Product Integrity.' We employ a rigorous product stewardship program that assesses every conceivable aspect of the product design to assure we will create no greater harm. Before you say "dah...e-product," this encompasses the components and ingredients, often to the 3rd or 4th level of component sub-suppliers and of course GMP.

Competiveness. Does the product truly deliver to the adult tobacco user's expectations? All claim to , few do.

Adaptability. I view our venture into vapor/aerosol products as one that needs to cover three bets. 1) the bet that e-products gain un-ambiguous legal approval; 2) the bet of adapting e-product technology to a tobacco based product; 3) the bet to gain approval as a pharmaceutical (Rx or OTC)

Propriety. IP that at a minimum provides the 'right to practice,' but ideally some level of protection against competitive threat.

Of these four 'expectations,' design standards and competitiveness are absolutely essential. Adaptability and IP (beyond right-to-practice) would be very nice bonuses. From our perspective, moving these expectations along the continuum to high confidence should be the focus of our next steps. That said, I do not expect Fuma to rely on RJRTC's reputation alone to base its assessment for partnership. In the spirit of the CDA I am happy to answer questions you may have and share our

insights, learning, scientific expertise. We have been heavily engaged in aerosol product development since the early 1980's. Many believe in the development of products that made it to the market too far ahead of their time. I believe that time has finally arrived.

As we move forward we will share and engage with you on any testing plans involving your products and share with you the results. To that end I am attaching the FT-IR analysis we performed on the Fuma e-liquid. In August we will have some vapor characterization study results to share. I am also attaching a couple of our patents dealing with electronic tobacco products. One from the late 80's that predated PM's Accord and one from 2006.

I had in my notes that Fuma would be sharing their provisional patents with us. Will that be forthcoming?

Greg, I'd like to propose that we look for a date to meet face to face. I am happy to host the meeting or to travel to you. Let's talk in the next couple of days and see what we can arrange.
Cheers,

Denny Potter
VP Strategic Innovations
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From: Info FUMA International LLC [mailto:info@myfuma.com]
Sent: Monday, July 19, 2010 11:55 AM
To: Potter, Dennis (Denny) L
Subject: Good morning

Denny:

Hello and good morning.

I hope you had a good weekend and enjoyed the weather as much as you could.

Was personally in DC for the FDA hearing staying abreast of the topics and as always the Reynolds Team by far stole the show in my view. What outstanding professionals and great data they brought to the meeting, again yet another reason we wanted to team up with RAI. Did bump into some people and know who our supporters are in regards to the government bodies involved as well as our opposition. We have a real golden opportunity together.

Wanted to touch base with you and make sure you received everything as we had someone helping the Mr. Steiger to send you this document in its raw form. Would love to hear everyone's thoughts from your side and what the consensus is from the Reynolds team. This is a coarse outline from our internal meetings we had after our initial discussion as a way we could synergize.

Look forward to our next discussion.

Very best regards,
Greg



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