

Exhibit 15

CONFIDENTIAL BUSINESS INFORMATION

Transcript of Nicholas Ray Gilley, Corporate Designee & Individually 1 (1 to 4)
 Conducted on December 3, 2020

<p style="text-align: center;">1</p> <p>1 IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA Alexandria Division</p> <p>2</p> <p>3 ----- -x RAI STRATEGIC HOLDINGS, INC. : Case No. and R.J. REYNOLDS VAPOR : 1:20-cv-00393-LO-TCB COMPANY, : Plaintiffs and : Counterclaim Defendants, : v. : ALTRIA CLIENT SERVICES LLC; : PHILIP MORRIS USA INC.; and : PHILIP MORRIS PRODUCTS S.A., : Defendants and : Counterclaim Plaintiffs. : ----- -x</p> <p>10</p> <p>11 CONFIDENTIAL BUSINESS INFORMATION</p> <p>12 SUBJECT TO PROTECTIVE ORDER</p> <p>13</p> <p>14 Videotaped Deposition of RAI STRATEGIC HOLDINGS, INC. and R.J. REYNOLDS VAPOR COMPANY By and through its Corporate Representative NICHOLAS RAY GILLEY And in his Individual Capacity Conducted Virtually Thursday, December 3, 2020 7:07 a.m. PST</p> <p>23 Job No.: 337459 24 Pages: 1 - 283 25 Reported By: Rhonda Norberg, CSR No. 9265, CCRR No. 185</p> <p style="text-align: center;">2</p> <p>1 CONFIDENTIAL Videotaped Deposition of NICHOLAS RAY GILLEY, conducted virtually.</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11 Pursuant to notice, before Rhonda Norberg, 12 Certified Shorthand Reporter No. 9265, CCRR No. 185 13 in and for the State of California.</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: center;">3</p> <p style="text-align: center;">A P P E A R A N C E S</p> <p>2</p> <p>3 ON BEHALF OF THE PLAINTIFFS AND COUNTERCLAIM</p> <p>4 DEFENDANTS:</p> <p>5 J. THOMAS VITT, ESQUIRE</p> <p>6 JONES DAY</p> <p>7 90 South Seventh Street</p> <p>8 Suite 4950</p> <p>9 Minneapolis, Minnesota 55402</p> <p>10 612.217.8800</p> <p>11</p> <p>12 ON BEHALF OF THE DEFENDANTS AND COUNTERCLAIM</p> <p>13 PLAINTIFFS:</p> <p>14 BRETT M. SANDFORD, ESQUIRE</p> <p>15 LATHAM & WATKINS</p> <p>16 140 Scott Drive</p> <p>17 Menlo Park, California 94025</p> <p>18 650.328.4600</p> <p>19</p> <p>20 ALSO PRESENT:</p> <p>21 JOSHUA TUBBS, VIDEOCONFERENCE TECHNICIAN</p> <p>22 ADAM NUDELMAN, VIDEOGRAPHER</p> <p>23</p> <p>24</p> <p>25</p> <p style="text-align: center;">4</p> <p style="text-align: center;">I N D E X</p> <p>3 WITNESS: NICHOLAS RAY GILLEY</p> <p>4 EXAMINATION PAGE</p> <p>5 BY MR. SANDFORD 9</p> <p>6 BY MR. SANDFORD (CONTINUED) 89</p> <p>7</p> <p>8 EXHIBITS</p> <p>9 EXHIBIT NO. DESCRIPTION PAGE</p> <p>10 1 Plaintiffs' Objections and 10 Responses to Defendants' Notice of Deposition Pursuant to Fed. R. Civ. P. 30(b)(6)</p> <p>14 2 Deposition Transcript of Nicholas 12 Gilley, September 23, 2020</p> <p>16 3 Deposition Transcript of Nicholas 13 Gilley, July 10, 2018.</p> <p>18 4 Deposition Transcript of Nicholas 13 Gilley, June 26, 2020</p> <p>20 5 R.J. Reynolds Vapor Company's 20 Second Supplemental Objections and Responses to Plaintiff's Second Set of Interrogatories (Nos. 6-13)</p> <p>24 6 Monthly Detailed Financial 45 Statement, R.J. Reynolds</p>
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1 Blu e-vapor product during the 2013 to 2018 time
 2 frame?
 3 MR. VITT: Objection. It's -- objection to
 4 form. It's tough as to time. Right? The whole
 5 time, did it change? It's kind of an unfair
 6 question.
 7 MR. SANDFORD: You can answer if you can,
 8 Mr. Gilley.
 9 THE WITNESS: It -- it would -- it would be
 10 dependent on the time frame and the market
 11 conditions when you're talking about a five-year
 12 period.
 13 MR. SANDFORD: Let's look at 2018, then.
 14 Q In 2018, did RJRV consider NuMark to be a
 15 more significant competitor than Fontem and its Blu
 16 product?
 17 **A Again, I don't think we considered it to be**
 18 **more significant competitors. We -- we considered**
 19 **them to be very similar in the way in which they**
 20 **operated and approached the market, although NuMark**
 21 **was certainly better resourced because of the Altria**
 22 **size and scale within the U.S. market.**
 23 Q And because of those resources, at least in
 24 2018, NuMark had a competitive advantage vis-à-vis
 25 RJRV that Fontem did not have, correct?

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1 MR. VITT: Objection to form.
 2 THE WITNESS: I would say that because of
 3 the scale with the Altria Group distribution
 4 company, NuMark most likely did have an advantage
 5 over the Fontem Blu product.
 6 BY MR. SANDFORD:
 7 Q In 2018?
 8 **A In 2018, correct.**
 9 Q You're familiar with a company named Juul,
 10 right?
 11 **A Yes.**
 12 Q And Juul released its first e-vapor product
 13 in the United States around 2015, roughly?
 14 **A I think that's correct.**
 15 Q Okay. Since the time that Juul released
 16 its first e-vapor product in the United States, RJRV
 17 and Juul have directly competed in the United States
 18 e-vapor market, right?
 19 **A That is correct.**
 20 Q And Juul currently is RJRV's biggest
 21 competitor in the U.S. e-vapor market, right?
 22 **A Yes, that's correct.**
 23 Q And for how long has Juul been RJRV's
 24 biggest competitor in the U.S. e-vapor market,
 25 approximately?

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1 **A Probably the last two or three years.**
 2 Q So at least let's say -- let me ask a
 3 different question.
 4 Juul has been RJRV's biggest competitor in
 5 the U.S. e-vapor market for the years 2019 and 2020,
 6 correct?
 7 **A That is correct.**
 8 Q And Juul's currently the leader in terms of
 9 sales in the United States e-vapor market, right?
 10 **A That is correct.**
 11 Q And are you aware that Altria invested in
 12 Juul in December 2018?
 13 **A Yes.**
 14 Q Okay. And since it invested in Juul in
 15 December of 2018, RJRV has been competing directly
 16 with Altria in the United States e-vapor market,
 17 correct?
 18 MR. VITT: Objection to form, misstates the
 19 evidence.
 20 THE WITNESS: Can -- can you restate the
 21 time frame again, please?
 22 MR. SANDFORD: Sure.
 23 Q Since -- well, since Altria invested in
 24 Juul -- since -- let me -- since the time that
 25 Altria made its investment in Juul, Altria has

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1 competed directly with RJRV via Juul in the
 2 United States e-vapor market, correct?
 3 MR. VITT: Objection to form, misstates the
 4 facts.
 5 THE WITNESS: Based on my understanding of
 6 their arrangement, Altria has a minority investment
 7 in the Juul business, but the Juul company and
 8 entity remains intact and remains the competitor to
 9 the RJR Vapor Company.
 10 BY MR. SANDFORD:
 11 Q Well, sales of RJRV's Vuse products cut
 12 into Juul's market share -- correct? -- in the
 13 e-vapor market?
 14 **A Potentially.**
 15 Q Why "potentially"?
 16 **A Well, it depends on how the industry**
 17 **performs. It is possible that we both could grow**
 18 **and then it would be subject to who is growing the**
 19 **fastest, I guess, at that point.**
 20 **"Cut in" is a relative term. I guess I'm**
 21 **not following exactly what you mean by that.**
 22 Q Okay. Let's switch gears a little bit.
 23 RJRV believes that the Vuse products are
 24 directly competitive with iQOS in the United States,
 25 correct?

<p style="text-align: right;">129</p> <p>1 A That is correct.</p> <p>2 Q And the Vuse products have directly</p> <p>3 competed in the United States with iQOS since iQOS</p> <p>4 was released in October 2019, correct?</p> <p>5 A That is correct.</p> <p>6 Q And R.J. -- well, the Reynolds --</p> <p>7 Reynolds -- let me take a step back.</p> <p>8 Reynolds also sells heat-not-burn products,</p> <p>9 right?</p> <p>10 A R.J. Reynolds Tobacco Company has a</p> <p>11 heat-not-burn product in the market.</p> <p>12 Q Right.</p> <p>13 RJRV doesn't have any heat-not-burn</p> <p>14 products, correct?</p> <p>15 A Not to my knowledge, correct.</p> <p>16 Q Are all the heat-not-burn products that are</p> <p>17 sold under the Reynolds umbrella sold by RJRTC?</p> <p>18 A Yes, that's correct.</p> <p>19 Q And which heat-not-burn products are</p> <p>20 currently offered for sale in the United States by</p> <p>21 RJRTC?</p> <p>22 A R.J. Reynolds Tobacco Company currently has</p> <p>23 an Eclipse-branded heat-not-burn product available</p> <p>24 for sale in the United States.</p> <p>25 Q Is the Eclipse heat-not-burn product the</p>	<p style="text-align: right;">131</p> <p>1 MR. VITT: Beyond the scope.</p> <p>2 THE WITNESS: Again, we're continuing to</p> <p>3 evaluate the market as well as the products, and we</p> <p>4 will make the determination based on market</p> <p>5 conditions at a future date.</p> <p>6 BY MR. SANDFORD:</p> <p>7 Q As of today, has RJRTC made a determination</p> <p>8 to launch another heat-not-burn product in the</p> <p>9 United States other than Eclipse?</p> <p>10 A I -- I do not know of one at this point in</p> <p>11 time.</p> <p>12 Q Okay. RJRTC's Eclipse product competes</p> <p>13 directly with iQOS in the United States, correct?</p> <p>14 A The RJR -- I'm sorry, the R.J. Reynolds</p> <p>15 Tobacco Company Eclipse product is a heat-not-burn</p> <p>16 product which is similar in nature to the iQOS</p> <p>17 product in the United States, and so it would be a</p> <p>18 competitive product.</p> <p>19 Q RJRTC's heat-not-burn Eclipse product</p> <p>20 competes directly with iQOS in the United States,</p> <p>21 right?</p> <p>22 MR. VITT: Asked and answered.</p> <p>23 THE WITNESS: Correct, it would be a</p> <p>24 competitive product.</p> <p>25 (Court reporter clarification.)</p>
<p style="text-align: right;">130</p> <p>1 only heat-not-burn product that RJRTC is currently</p> <p>2 selling in the U.S.?</p> <p>3 A Based on my knowledge, that's correct.</p> <p>4 Q Does RJRTC intend to sell another</p> <p>5 heat-not-burn product in the foreseeable future?</p> <p>6 MR. VITT: It's beyond the scope.</p> <p>7 You can answer in your personal capacity.</p> <p>8 THE WITNESS: We're always evaluating</p> <p>9 opportunities for new product introductions to the</p> <p>10 extent that they may be appealing to consumers.</p> <p>11 BY MR. SANDFORD:</p> <p>12 Q I think that answers my question, but does</p> <p>13 RJRTC intend to sell another heat-not-burn product</p> <p>14 in addition to Eclipse in the United States in the</p> <p>15 next two years?</p> <p>16 MR. VITT: Beyond the scope.</p> <p>17 You can answer in your personal capacity.</p> <p>18 THE WITNESS: I do not know the time frame</p> <p>19 in which we would be prepared to launch an</p> <p>20 additional heat-not-burn product in the</p> <p>21 United States.</p> <p>22 BY MR. SANDFORD:</p> <p>23 Q As of today, do you know if RJRTC is</p> <p>24 intending to launch another heat-not-burn product in</p> <p>25 the United States?</p>	<p style="text-align: right;">132</p> <p>1 THE WITNESS: I said "Correct, it would be</p> <p>2 a competitive product."</p> <p>3 BY MR. SANDFORD:</p> <p>4 Q When was RJRTC's Eclipse heat-not-burn</p> <p>5 product introduced into the market?</p> <p>6 MR. VITT: I think that's beyond the scope.</p> <p>7 You can answer if you know.</p> <p>8 THE WITNESS: I don't know.</p> <p>9 BY MR. SANDFORD:</p> <p>10 Q Do you have a -- okay.</p> <p>11 Can we mark Tab 30, please, Josh?</p> <p>12 THE VIDEOCONFERENCE TECHNICIAN: Stand by.</p> <p>13 (Exhibit No. 16 was marked for</p> <p>14 identification by the court</p> <p>15 reporter; attached hereto.)</p> <p>16 THE VIDEOCONFERENCE TECHNICIAN: Exhibit 16</p> <p>17 is onscreen and ready.</p> <p>18 BY MR. SANDFORD:</p> <p>19 Q Do you have Exhibit 16 in front of you,</p> <p>20 Mr. Gilley?</p> <p>21 A Yes.</p> <p>22 Q Do you recognize Exhibit 16?</p> <p>23 A Yes, I do.</p> <p>24 Q What is it?</p> <p>25 A It is the shipment to retail report for</p>

CONFIDENTIAL BUSINESS INFORMATION

Transcript of Nicholas Ray Gilley, Corporate Designee & Individually 41 (161 to 164)

Conducted on December 3, 2020

<p style="text-align: right;">161</p> <p>1 THE WITNESS: I -- I guess it would be a 2 disadvantage relative to -- I don't -- I don't know 3 exactly what you mean by "disadvantage." 4 BY MR. SANDFORD: 5 Q I mean leaking of e-liquid from the 6 cartridge is something that is perceived negatively 7 by consumers, correct? 8 MR. VITT: Beyond the scope. 9 THE WITNESS: Yes, consumers -- consumers 10 would prefer the cartridges not leak. 11 MR. SANDFORD: Can you please turn to the 12 page ending in 896. 13 THE WITNESS: You said 896? 14 MR. SANDFORD: Yes. 15 THE WITNESS: Okay. 16 MR. SANDFORD: And according to this slide, 17 RJR Tobacco had de-prioritized heat-not-burn in the 18 years leading up to 2017. 19 Q Do you see that? 20 MR. VITT: Objection; beyond the scope. 21 THE WITNESS: The title says "RJRT has 22 de-prioritized HNB in recent years." 23 BY MR. SANDFORD: 24 Q And the figure below it is a time line 25 running from 1980 to 2016, correct?</p>	<p style="text-align: right;">163</p> <p>1 MR. VITT: Beyond the scope, lacks 2 foundation. 3 THE WITNESS: Based on the slide, that 4 appears to be correct. 5 BY MR. SANDFORD: 6 Q And then in the segment on the right, it 7 identifies RJRT as having de-prioritized 8 heat-not-burn from 2005 -- between 2005 and 2016, 9 correct? 10 MR. VITT: Beyond the scope. 11 THE WITNESS: The title above the line 12 chart says "RJRT De-prioritization of HNB." 13 BY MR. SANDFORD: 14 Q And so the slide indicates that RJRT had 15 de-prioritized heat-not-burn between 2005 and 2016, 16 right? 17 A The title says "RJRT De-prioritization of 18 HNB." 19 Q I understand that's what the title says, 20 sir. I'm asking the slide indicates that RJRT had 21 de-prioritized heat-not-burn between 2005 and 2016, 22 correct? 23 MR. VITT: Objection; beyond the scope and 24 lacks foundation. 25 THE WITNESS: Without the proper context,</p>
<p style="text-align: right;">162</p> <p>1 MR. VITT: Beyond the scope. 2 THE WITNESS: Correct. 3 BY MR. SANDFORD: 4 Q And that time line from 1980 to 2016 is 5 split in two segments. 6 Do you see that? 7 MR. VITT: Beyond the scope. 8 THE WITNESS: I see two different colors on 9 the time line, correct. 10 MR. SANDFORD: Correct. 11 Q One, the -- the segment on the left is from 12 1980 until approximately 2005, and the segment on 13 the right is from 2005 to 2016, correct? 14 MR. VITT: Beyond the scope. 15 THE WITNESS: That appears to be a 16 reasonable assessment, correct. 17 BY MR. SANDFORD: 18 Q And for the segment on the left from 1980 19 to 2005, the slide identifies RJRT emphasizing 20 heat-not-burn, right? 21 MR. VITT: Beyond the scope. 22 THE WITNESS: The header says "RJRT Emphasis 23 on HNB." 24 BY MR. SANDFORD: 25 Q Up until 2005, correct?</p>	<p style="text-align: right;">164</p> <p>1 it's hard for me to determine that and -- because 2 the -- it appears in 2015 was when the Revo launch 3 occurred, another relaunch. 4 BY MR. SANDFORD: 5 Q Well, we had agreed earlier that the 6 segment on the right pertained to 2005 to 2016, 7 right? 8 MR. VITT: Beyond the scope. 9 THE WITNESS: That's what the label says. 10 It says 2016 at the end. 11 BY MR. SANDFORD: 12 Q And associated with the label of 2005 to 13 2016, it states RJRT has de-prioritized 14 heat-not-burn, right? 15 MR. VITT: Asked and answered, beyond the 16 scope, and lacks foundation. 17 THE WITNESS: That is what the slide says, 18 correct. 19 BY MR. SANDFORD: 20 Q If you look back at the title which we 21 discussed earlier, the title of the slide also says 22 that RJRT "does not have a next-generation 23 electronic heat-not-burn system in development." 24 Do you see that? 25 MR. VITT: Beyond the scope.</p>

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