

EXHIBIT 7
(PUBLIC)

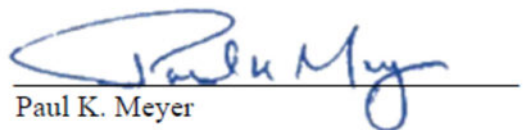
RAI Strategic Holdings, Inc.
and
R.J. Reynolds Vapor Company
v.
Altria Client Services LLC,
Philip Morris USA, Inc.,
and Philip Morris Products S.A.

Civil Action No. 1:20-cv-00393-LO-TC

Amended and Supplemental Opening Expert Report
of Paul K. Meyer

TM Financial Forensics, LLC

April 26, 2021


Paul K. Meyer

██████████ for a license to the technology claimed in the '545 Patent through December 31, 2020.⁷³⁰

514. In addition, the ██████████ reasonable royalty rate addressed above does not account for the '545 Patent's importance to the Accused VUSE Products receiving PMTA authorization from the FDA. I understand from Stacy Ehrlich that, without the battery safety features as expressed in the '545 Patent, it would be unlikely for the FDA to grant the VUSE PMTAs.⁷³¹ Furthermore, ██████████

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██████████
██████████

██████████⁷³² In my opinion, when considering the significant importance of the technology claimed in the '545 Patent to the PMTA authorization process (in addition to the considerations that formed my basis for the ██████████ royalty rate), a ██████████ reasonable royalty rate would result from the hypothetical negotiation between the parties. From a royalty valuation and financial and economic perspective, the increased royalty is reasonable as it allows Reynolds to avoid identified PMTA authorization risks and considers: (1) the investments made by Reynolds in the Accused VUSE Products; (2) the significant commercial success achieved by the Accused VUSE Products including sales and market share;⁷³³ and (3) RJRV's investments in the accused product PMTAs.

515. Applying a ██████████ royalty rate to RJRV's net sales of Accused VUSE Products for the '545 Patent of ██████████ (based on the sales data available to date), results in royalty damages of ██████████ for a license to the technology claimed in the '545 Patent through December 31, 2020.⁷³⁴

⁷³⁰ Attachment 5A.U. .

⁷³¹ Based on discussions with Mr. McAlexander; Based on discussions with Ms. Ehrlich.

⁷³² [ITC] Deposition of James N. Figlar (Executive Vice President of Scientific and Regulatory Affairs and R&D at Reynolds), September 25, 2020: pp. 50; Expert Report of Nisha M. Mody, Ph.D. dated October 5, 2020, In the Matter of Certain Tobacco Heating Articles and Components ThereOf, United States International Trade Commission, INV. No. 337-TA-1199, pp. 98-99. See also, Deposition of Eric Hunt (Senior Manager, RJRV Vapor Products Development), April 14, 2021: p. 306.

⁷³³ See Attachments 6, 12.1.U and Attachment 17.U series.

⁷³⁴ Attachment 5A.U.