

JONES, DAY, REAVIS & POGUE

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October 7, 1999

Stephen Krigbaum
Philip Morris Incorporated
120 Park Avenue
23rd Floor
New York, NY 10017-5592

Thomas McKim
R.J. Reynolds Tobacco Company
401 North Main Street
Winston-Salem, NC 27102

James Wilson
Lorillard Tobacco Company
714 Green Valley Road
Greensboro, NC 27408

Neil Mellen
Brown & Williamson Tobacco Corp.
401 S. Fourth Street
Louisville, Kentucky 40202

Dear Colleagues:

Enclosed is a September 22 statement for time and expenses relating to George Priest's testimony in San Francisco in the Illinois arbitration. Each company's share of fees and expenses is set forth below:

	Fees	Expenses	TOTAL
PM	\$15,822.93	\$1,970.16	\$17,793.09
RJRT	7,734.15	963.01	8,697.16
B&W	4,832.56	601.72	5,434.28
Lorillard	2,952.86	367.68	3,320.54
TOTAL	\$31,342.50	\$3,902.57	\$35,245.07

Please pay Mr. Priest directly.

Sincerely,

Thomas F. Gardner

Enclosure

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