

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required To Complete This Page**

1. Registrant Name:

POTOMAC GROUP

2. Address:

818 CONNECTICUT AVE NW #1001, WASHINGTON, DC 20006

3. Principal place of business (if different from line 2):

4. Contact Name: WAYNE SMITH

Telephone: 2027833460

E-mail (optional): wayne@ptomac.com

Senate ID #: 31918-140

House ID #: 33426010

7. Client Name: Self

R.J. REYNOLDS

TYPE OF REPORT

8. Year 2006 Midyear (January 1 - June 30): **OR** Year End (July 1 - December 31):

9. Check if this filing amends a previously filed version of this report:

10. Check if this is a Termination Report: => Termination Date: _____ 11. No Lobbying Activity:

INCOME OR EXPENSES

Complete Either Line 12 **OR** Line 13

12. Lobbying Firms

INCOME relating to lobbying activities for this reporting period was:

Less than \$10,000:

\$10,000 or more: => Income (nearest \$20,000): 45,000.00

Provide a good faith estimate, rounded to the nearest \$20,000, of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSES relating to lobbying activities for this reporting period were:

Less than \$10,000:

\$10,000 or more: => Expenses (nearest \$20,000): _____

14. Reporting Method.

Check box to indicate expense accounting method. See instructions for description of options.

- Method A.** Reporting amounts using LDA definitions only
 Method B. Reporting amounts under section 6033(b)(8) of the Internal Revenue Code
 Method C. Reporting amounts under section 162(e) of the Internal Revenue Code

Registrant Name: POTOMAC GROUP Client Name: R.J. REYNOLDS

LOBBYING ACTIVITY

Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code: TOB (one per page)

16. Specific lobbying issues:

tobacco legislation

17. House(s) of Congress and Federal agencies contacted:

HOUSE OF REPRESENTATIVES

SENATE

18. Name of each individual who acted as a lobbyist in this issue area:

Name: SMITH, WAYNE

Covered Official Position (if applicable): N/A

19. Interest of each foreign entity in the specific issues listed on line 16 above. **None**

Signature: ON FILE Date: Jan 31, 2007

Printed Name and Title: WAYNE SMITH -