

MASS HYSTERIA ENTERTAINMENT COMPANY, INC.

December 5, 2014

Re: CEO open letter to the shareholders

To Our Extended Family;

There appears to be a great deal of general anxiety regarding our recent lack of press releases and the increase in authorized common shares, so I've decided to try and clear the air.

Mass Hysteria Entertainment was a company founded on the premise that the movie experience hadn't changed in more than 100 years and that, with today's technology, there was an opportunity to alter the filmic landscape by offering movies with an interactive component. After three years of R&D, we finally developed an App and proof of concept, but it came at a very high cost in time and money to the Company. During that time, we were working with IMAX to beta-test the experience at one of their museum-based theaters. This became our primary focus for more than a year, but in the end, IMAX felt that the interactivity would be a distraction and the deal didn't make the final cut. Of course, we believe totally the opposite because our goal was and still is to create a new movie experience for a new generation of filmgoers. During the IMAX time, we never put out press touting our association because the deal wasn't closed. At the end of the day, Mass Hysteria is a serious company run by serious people. We don't participate in hype, hyperbole, wish lists or crystal balls in the running of the Company.

After the IMAX decision, we had to re-evaluate continuing down the path of zero revenue from the interactive film experience. It's all well and good to want to create a disruptive technology and change the world, but it's not easy to accomplish if the Company is not solvent. It was ultimately decided the Company needed a more reliable business model on the front burner to stay afloat that focused more on the bottom line and my personal skill and expertise. That's why we sought outside investors and formed Remark Pictures. Within eight weeks of making that decision, we were in production on our first film, "Daughter Of God" starring Keanu Reeves. The film, and our association with it, generated a lot of press beginning at the Toronto Film Festival, in Hollywood trade publications, at the American Film Market and in our own press releases. Our deal flow has increased incrementally since announcing Remark Pictures and we are currently evaluating a number of co-financing opportunities for features that will shoot in 2105 and should be able to drive revenue into the Company. As each deal is consummated, Mass Hysteria will issue a press release. Regardless, I hear what many of you are saying about

information flow and, while projects and deals in discussion might not warrant a press release, that doesn't mean we can't be more transparent. To that end, I have made a decision to revamp the website and create a Current Operations page to discuss projects we are working on. Not everything can be made public but we will do our best to keep you informed about your Company so that any potential transaction with Mass Hysteria can be made with the latest intel.

Regarding the recent increase in the authorized, this was done mainly to provide security for the investors in "Daughter of God". It is our plan on "Daughter Of God" and other films we co-finance to repay the investment with income from the sale of rights, territories, and revenue generated from the films. The movie business has its fair share of attendant risk and, by allowing the investors to reserve shares to off-set any potential short-fall, is how we are able to raise the capital, as convertible debt. As we enter into other new film financings, the same will be true, with Mass Hysteria establishing a reserve of common shares for new investment. The plan is not to dilute the market. This doesn't do anybody any good including yours truly. I currently hold 186,000,000 shares that have a strike price of .002 so it's in my best interest, like yours, to see the stock appreciate. Our plan is to pay back the investors with income generated from the films and have them release their reserved shares back to the Company treasury.

For stockholders that have been with us for a long time, I appreciate your support. For those stockholders who are new to the Company, I personally extend you my welcome. There isn't a day that goes by that I don't share all your enthusiasm and hope for the long-term success of the Company. I can assure you that Mass Hysteria Entertainment is respectful of your investment. We diligently work hard each day to source out the best deals and earn your confidence and respect. To date, Mass Hysteria has limited resources so it's not always a smooth road we travel together, but we've managed to survive for 5 years and I will continue to do everything possible to make this Company a winning part of your portfolio.

Sincerely,

Dan Grodnik

CEO