

An Open Letter to Illinois State Comptroller Dan Hynes

January 19, 2010

Dear Comptroller Hynes,

On Dec. 16, 2009, we called your office to report that your employee, David W. Pippy, had admitted posting thousands of malicious, fraudulent, defamatory comments about our company, Prime Star Group, Inc. (PSGI), on several on-line investor sites: InvestorsHub, Yahoo Finance and Raging Bull. His actions contributed to our company's loss of \$11.35 million in market capitalization in less than two months.

We are a small, publicly traded company, and these actions caused real losses for our shareholders at a time when the American business climate is in peril. We approached your office for help because David Pippy's actions were conducted from your state office utilizing your office's resources and equipment.

On December 17, your office asked us to delay putting out a news release identifying David Pippy as the admitted stock basher until your office had a chance to investigate further. We were told that David Pippy had admitted these activities, that he had been suspended, and that his desktop computer was being investigated. We also were told that your office would share any information that was uncovered regarding David Pippy's illicit activities.

A week later, your office told us that you were not going to handle this matter, that it was being turned over to the Securities Exchange Commission, and that you were no longer going to discuss this matter with us.

Having waited a week, we put out a news release identifying David Pippy as the basher of our stock. Since then, several news outlets have picked up the story. Through those news reports, we have learned that David Pippy has been punished by having his internet privileges taken away from him. According to your spokeswoman, Carol Knowles, your office's "Internet policy allows punishments that include suspension and even firing, and that Pippy's penalty was comparable to those for other employees with similar violations."

Comptroller Hynes, what on earth is going on in that office? How many "similar violations" have there been? How can you, in good faith, allow David Pippy to continue to work for you when it is known that he publicly bashes small American companies on taxpayer time? Our stock was trading at 30 cents on October 13, and had fallen to 0.042 cents on December 16, 2009 with an outstanding float of 44 million shares. When your office is told that an employee contributed to an \$11.35 million loss of shareholder value, you put him on an internet time-out?

We are a fully reporting, completely audited and compliant SEC filing company traded on the Over the Counter Bulletin Board (OTCBB). These attacks by David Pippy and others, and the news it has generated, have caused us to spend hours answering baseless allegations, when all we want to do is run our company. Our company and its officers, our family members and our products have been subjected to concentrated, relentless and brutal attack. Yet an employee who has posted several thousand times, during office hours, on taxpayers' time, in an attempt to destroy American Companies receives a time-out? Where is the accountability?

You need to answer for the actions, and inactions, of your office.

Sincerely,
Roger Mohlman, CEO & President
Prime Star Group, Inc. (PSGI)