

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON CONSUMER AFFAIRS

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June 19, 2013
Start: 1:17 pm
Recess: 2:25 pm

HELD AT: Council Chambers
City Hall

B E F O R E:
DANIEL R. GARODNICK
Chairperson

COUNCIL MEMBERS:
Charles Barron
Leroy G. Comrie, Jr.
Karen Koslowitz
G. Oliver Koppell
Michael C. Nelson
Julissa Ferreras

A P P E A R A N C E S (CONTINUED)

Fran Freedman
Deputy Commissioner for External Affairs
New York City Department of Consumer Affairs

Sally Greenberg
Executive Director
National Consumers League

Hae Lin Choi
Communication Workers of America District 1

Alyssa Verilli
Concerned Citizen

Tony Fangle
Concerned Citizen

Kimberly Knox
Concerned Citizen

CHAIRPERSON GARODNICK: Good

afternoon, everybody and welcome to the Consumer Affairs Committee of the New York City Council.

Today is Wednesday, June 19th. My name is Dan Garodnick, and I have the privilege of chairing this committee. I am joined today by Council Members Karen Koslowitz, Oliver Koppell, Charles Barron, and in a moment, we will also be joined by the bill's sponsor Leroy Comrie, who is on his way across the street. As you all know, we are having the Zoning Subcommittee today on the subject of the Madison Square Garden special permit, so a lot of members are over there, and I know that Council Member Comrie as chairman of the Land Use Committee is over there, but also on this way over here. Like most New Yorkers, I am a sports fan, but whether it is a Giants game, a Jay Z concert or any other in demand entertainment event, tickets to these events can be a difficult proposition. In the first place they can be expensive and hard to obtain. Tickets to a hot concern for example, can sell out in minutes. To some extent, this is simply economics. Most performers only play one show in each city that

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2 they tour, so obviously demand will frequently
3 exceed supply, but there are other problems with
4 ticketing as well. For one, unscrupulous
5 characters can use automated web purchasing
6 software or bots to scoop up large numbers of
7 tickets with the goal of selling them at an
8 inflated price on the secondary market. While
9 bots are banned by state law, this ban is not
10 perfectly enforced and savvy operators can often
11 find a way around it. Another problem is that
12 often only a small portion of the total tickets
13 are made available to the general public. We have
14 seen as few as seven percent of tickets get
15 through for purchase by the man on the street
16 after credit card presale program, artist fan
17 clubs, and sometimes even artists themselves have
18 taken their share and put the tickets up on the
19 secondary market. But managing to purchase
20 tickets is only one problem. Resale is another
21 issue. If a consumer purchases a ticket to an
22 event, but is then unable to attend he is she
23 ought to be able to made whole either by returning
24 it for a refund or by selling it; however we have
25 recently seen the rise of terms like paperless

1 ticket, will call only ticketing and credit card
2 entry only, all of which ultimately describe a
3 system where only the original purchaser can enter
4 the event. While the attempt behind this system
5 is laudable ensuring that ticket prices remain
6 affordable for instance, the fact is that they
7 restrict the transferability of tickets. Not only
8 does it make it difficult for a consumer to be
9 made whole, but it also makes it difficult for a
10 person to give a ticket to an event as a gift. We
11 are going to be hearing two pieces of legislation
12 today that relate to this issue. One is a bill;
13 one of them is a resolution. The first is Intro
14 247-A, sponsored by Council Member Comrie, whose
15 timing is impeccable. It is what we call the
16 ticketing transparency bill. This bill would
17 simply require a venue to disclose the total
18 number of tickets available for sale to the public
19 at an event. This bill would exclude venues with
20 a capacity of fewer than 3,000 people as well as
21 events that occur daily over the course of a week
22 or more, a Broadway theater production for
23 example. We held the first hearing on this bill
24 in 2011, but we will be hearing an amended version
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2 today. With that, I'd like to turn the microphone
3 over to Council Member Comrie, who I believe has
4 an opening statement, and welcome.

5 COUNCIL MEMBER COMRIE: Thank you,
6 Chair Garodnick. I would like to just catch my
7 breath. The legislation and resolution we are
8 discussing today will help ensure that everyone
9 has access and that transparency is increased to
10 all the great entertainment that our city has to
11 offer. Introduction 247 will help bring truth in
12 advertising. Current event promoters and venues
13 advertise that a certain number of tickets are
14 available for sale, yet in reality the same
15 companies hold back a significant number of
16 tickets at every event leading to fewer tickets
17 actually being available to the wider public.
18 This leads to tickets going on sale in secondary
19 markets for prices that are often times several
20 times higher than their face value. This effect
21 on purchases are even made more difficult by
22 entities that use automated bots to grab all the
23 available tickets the second they go on sale,
24 which makes it even more difficult for a
25 legitimate person who is trying to even buy

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2 online. This legislation that we have proposed
3 will mandate that all venues release the actual
4 number of tickets for events that are being sold
5 to the public and also eliminate how many tickets
6 that they are having from each event that is being
7 sold to the public that is being held for resale
8 that is being held for these venues purpose or for
9 the promoter or for the artist. I would like to
10 thank the chair of the Consumer Affairs Committee,
11 Council Member Garodnick and all of my colleagues
12 that are working to support this legislation and
13 the fact that we are having a second hearing on
14 this only testifies to the fact that this has been
15 a continuing problem, only exacerbated by every
16 time a person tries to actually get tickets to an
17 event to find out that they are being frustrated
18 from bots that are still happening and from the
19 fact that they even though advertise that they
20 want people to buy tickets online. Oftentimes
21 online is the worst way to get tickets directly
22 from a venue. Thank you.

23 CHAIRPERSON GARODNICK: Thank you,
24 Council Member Comrie. I understand that Council
25 Member Koppell also wants to make a short opening

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statement.

COUNCIL MEMBER KOPPELL: Well, I want to make a comment, Mr. Chairman and congratulate you for getting involved in this thicket. I can tell you that 20 years ago when I served as attorney general of New York, I sought to enforce the then present ban on scalping tickets as we called it at that time, which I guess in a more police way could be called reselling tickets. We were generally I would say somewhat unsuccessful in attempting to stop the scalping, but it is extremely difficult because our intent in trying to stop the scalping is the same intent that you have I believe and that is to make tickets available to people at a reasonable price and on a fair and equitable basis. I want to hear testimony here because as I say I have had a lot of experience with this. I do not support the completely unregulated marketplace. I do not. I don't think that is the best way to go, but at the same time, I am not sure that the strict restrictions that were in place 20 years ago can in fact remain or could be returned.

CHAIRPERSON GARODNICK: Thank you,

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2 Council Member, and we are certainly delighted to
3 have you with us in the thicket. Thank you.

4 Council Member Barron also wants--

5 COUNCIL MEMBER BARRON:

6 [interposing] I am very supportive of this bill,
7 the regulations and all of that, but the pricing
8 at some point, we have got to do something about
9 the pricing whether sporting events or Broadway
10 because while we are trying to protect from
11 scalping the reason why a lot of that stuff
12 happens is because the pricing is outrageous for
13 tickets, and it is difficult for people in our
14 communities to even go to a basketball game or to
15 a Broadway play because just the pricing is off
16 the hook, so I hope at some point, we can address
17 that as an issue too.

18 CHAIRPERSON GARODNICK: Thank you,
19 Council Member and I will note that today we are
20 also going to be hearing Resolution 1295-A. This
21 resolution calls on the state legislature to
22 better define eticket, paperless ticket and
23 paperless ticketing system, all of which state law
24 currently uses to articulate a prohibition on non-
25 transferable tickets, but does not actually

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2 define. This is I think what Council Member
3 Koppell would refer to as the thicket. In light
4 of the proliferation of new terminology I
5 mentioned just now proper definition is important
6 in this issue. This resolution also calls for
7 better enforcement on the ban on bots. This is a
8 complex issue as you have heard and one that
9 should resonate with anyone who has ever attended
10 a game or a concert. We look forward to exploring
11 it today and hearing feedback from the city's
12 Department of Consumer Affairs and from all
13 present, and Ms. Freedman, we are glad you are
14 here, so when you are ready, please come join us
15 at the witness table and introduce yourself, and
16 we will get started.

17 DEPUTY COMMISSIONER FREEDMAN: Good
18 afternoon, Chair Garodnick and members of the
19 Consumer Affairs Committee. I am Fran Freedman,
20 Deputy Commissioner for external affairs for the
21 Department of Consumer Affairs. Commissioner
22 Mintz has asked me to thank you for the
23 opportunity today to comment on Intro 247-A, a
24 bill to disclose ticket availability at
25 entertainment venues. Intro 247-A is aimed at

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2 ensuring that the general public has an
3 opportunity to purchase tickets for limited
4 engagement performances and events at face value
5 prices instead of competing with the secondary
6 market of ticket resale agencies, ticket brokers
7 and promoters. We have reviewed this draft
8 legislation, and would use this opportunity to
9 pose our concerns and questions about the bill as
10 written. First, definitions regarding a number of
11 key components of the bill lack sufficient
12 clarity. We are unclear for example as to whom
13 this bill does and does not apply and who is
14 actually responsible for complying with the
15 disclosure requirement--the operator, the building
16 manager, the production company or the public
17 relations team? For the Metropolitan Opera for
18 example is compliance the responsibility of
19 Lincoln Center, of the opera company itself? Does
20 the bill apply to both producers of events and
21 owners of the venues where tickets occur for less
22 than a week whether or not some tickets are
23 available by subscription and some by individual
24 sales? Like many entertainment events at
25 different venues baseball games or daily events or

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2 the Yankees, the Mets, their minor league teams
3 and the Parks Department each subject to the
4 requirements of this bill? They sell season and
5 individual tickets. Does that mean that for each
6 and every home game each club would have to
7 purchase ads that disclose the total number of
8 seats available, which we do not believe is their
9 current business practice? And in those ads,
10 would the ball clubs disclose just the numbers of
11 non-subscription, non-corporate and non-giveaway
12 seats? Further, in a world series, a club might
13 not know 48 hours prior to the sale date where or
14 whether they are playing in the city, so
15 fulfilling the requirement to place ads would be
16 impossible, and are multiple ads required or will
17 just one per event suffice? Putting aside for the
18 moment whether the requirement to advertise 48
19 hours prior to the sale date for each event places
20 an undue burden on event producers or operators,
21 will a single ad for just the sale date fulfill
22 the requirement or are multiple ads required on
23 multiple days. The bill's definition of place of
24 entertainment is a venue that has permanent
25 seating capacity in excess of 3,000 persons. Does

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2 this definition purposefully exempt venues like
3 Lincoln Center's Avery Fisher Hall and the New
4 York State Theater, Carnegie Hall, BAM, Beacon
5 Theater and the Lehman Center for the Performing
6 Arts, all of whom have seating capacity under the
7 threshold? Similarly confusing Flushing Meadow
8 Park qualifies to be subject to the requirements
9 of this bill by the sheer number of its seats,
10 22,547, but the U.S. Open, which runs for two
11 weeks would be exempted under the bill as written.
12 We are also unclear about what the number of
13 tickets referred to in this bill draft means.
14 Does it mean the number of tickets available not
15 counting tickets already sold through
16 subscriptions, corporate purchase, free giveaways
17 or tickets already purchased by the secondary
18 market? Second, we wonder how such a disclosure
19 achieves the presumed purpose of the bill. How
20 would such a disclosure somehow prevent bulk
21 purchases? Third, how would enforcement work? We
22 don't understand how records required to be
23 maintained which do not currently include the
24 advertisements with the ticket number disclosures
25 would be of use for compliance purposes, and

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2 finally even with the presumably complaint driven
3 enforcement expectations we simply do not see how
4 DCA would be able to satisfy the Council's or the
5 public's expectations of a change in the ticket
6 market place with this bill at least as written.
7 These are serious questions that we believe call
8 for careful consideration. We recommend therefore
9 that the Council work with the industry members
10 and representatives to understand more
11 specifically the realities of this market place,
12 the impact on this marketplace of the concerns
13 sought to be addressed by this bill and the
14 appropriate balance between the free market and
15 public desires. I am happy to answer your
16 questions.

17 CHAIRPERSON GARODNICK: Thank you
18 very much, Deputy Commissioner. I know that
19 Council Member Comrie and perhaps others will have
20 questions, but just right off the bat, you have
21 raised some questions about the wording of the
22 bill and the applicability of the bill, et cetera.
23 I just want to clarify at least from my
24 understanding and certainly want to make this
25 point since you have raised it about the Yankees

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2 or the Mets, my reading of the bill is that those
3 are regularly scheduled events, and so this would
4 not actually apply. For the Broadway theater I
5 guess in that situation, it would not apply, but
6 for the Yankees and Mets it would. Now as for the
7 ads, I also don't read this bill to have any
8 requirement for anybody to purchase anything from
9 anybody would be a matter of putting it out
10 wherever they would otherwise disclose it. There
11 is nothing in the bill about advertising and so I
12 just want to make sure that that is clear for the
13 record. Also, I just wanted to ask one question
14 of you of your last paragraph here where you talk
15 about satisfying the public's expectations of a
16 change in the ticket marketplace with this bill.
17 How does this change the ticket marketplace?

18 DEPUTY COMMISSIONER FREEDMAN: We
19 don't know how it would change the ticket
20 marketplace, but we thought that was your aim was
21 to change the ticket marketplace to impact
22 secondary markets.

23 CHAIRPERSON GARODNICK: I'll let
24 Council Member Comrie address that, but it seems
25 to me that he is trying to just create some

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2 transparency, not to actually change the
3 marketplace, and then I guess the big picture
4 question I have for you is if the sponsor and the
5 Council were able to clarify some of these
6 questions and to address the 48 hour issue, the
7 season versus individual tickets as to the Yankees
8 and the Mets by misspeaking a moment ago, is it
9 something that DCA would support?

10 DEPUTY COMMISSIONER FREEDMAN: We'd
11 have to see the bill actually.

12 CHAIRPERSON GARODNICK: Do you have
13 any view on the resolution?

14 DEPUTY COMMISSIONER FREEDMAN: The
15 administration doesn't typically comment on
16 resolutions.

17 CHAIRPERSON GARODNICK: Council
18 Member Comrie?

19 COUNCIL MEMBER COMRIE: Thank you,
20 Mr. Chair. Again, thank you for holding this
21 second hearing on this bill. I don't know where
22 to start, Fran, other than to say that you think
23 it is too much. There is just too many
24 unnecessary concerns that you guys have folded and
25 added into the bill, too many definitions that

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2 have nothing to do I think with the purpose and
3 focus of the bill to create all of these nuisances
4 about whether the Lincoln Center - - the
5 Metropolitan Opera. It boils down to clearly if a
6 ticket is being sold for a venue at an event, it
7 is the opportunity for whoever is managing that
8 even to disburse the tickets, but to try to parse
9 out individual locations I think is just going a
10 little too far. Let me just back up to the
11 reasons why we're doing this bill which was to try
12 to help consumers, which is the - - and
13 jurisdiction of this Council and your agency.
14 Don't you receive complaints from consumers
15 regarding availability for tickets for events in
16 New York City?

17 DEPUTY COMMISSIONER FREEDMAN: In
18 the last two years, Council Member, we have had
19 two consumer complaints about tickets. One had to
20 do with the fact that a couple could not attend a
21 performance because of Sandy and the other had to
22 do with the fact that a couple was given the wrong
23 seats. That was it.

24 COUNCIL MEMBER COMRIE: That was
25 it. You don't have any records or work with the

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2 Broadway theater group or any of the major - -
3 have you seen all of the articles that have come
4 out where people that have been trying to purchase
5 tickets for events and special opportunities in
6 the city that have not been able to purchase them?
7 Are you aware of those complaints that have been
8 registered?

9 DEPUTY COMMISSIONER FREEDMAN: They
10 haven't been registered with the Department
11 though.

12 COUNCIL MEMBER COMRIE: Have you
13 checked with 311 to see if they have been
14 registered or called into 311 and they just
15 haven't been properly redressed at all? Because I
16 can't believe that there is not any complaints
17 from the public going to the city, so I would ask
18 that we would check with 311 to see--

19 DEPUTY COMMISSIONER FREEDMAN:
20 [interposing] We do get the 311 complaints,
21 Council Member. I will say this, I would suspect
22 that a lot of complaints may be going to the state
23 since the state has taken over ticket selling or
24 ticket brokers since 2009, so that may well
25 account for the reason that we have no records on

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this.

COUNCIL MEMBER COMRIE: And do you think that as a result of the 2007 repeal of the law and the subsequent appeals since the complaints are going to the state, have you checked with the state Department of Consumer Affairs to see if they have any plans to deal with this at all?

DEPUTY COMMISSIONER FREEDMAN: We did not.

COUNCIL MEMBER COMRIE: Again, this bill is to try and create transparency and create opportunities for consumers to benefit by having more tickets available for sale directly to them online or directly to them at the theater, and I don't think that trying to layer and add all of these nuances is helpful to the spirit of trying to get help for consumers, so I would hope that we could sit and go through these specific problems and all of these wrinkles that you have put in about who - - the responsibility for a venue, for a ticket, for an event I think can be quickly resolved just focusing on making sure that we ensure that the public is taken care of just

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2 because whoever is managing an event, wherever the
3 event is being held, whoever is the owner of an
4 event, the event is happening and the consumer
5 doesn't know all those nuances. All the consumer
6 knows is that there is an event happening at
7 Lincoln Center. They may not necessarily know
8 that it's the Metropolitan Theater of Art or the
9 Dance Theater of Harlem or some--not to name any
10 particular venues, but whoever is holding that
11 event they know that the tickets are being sold
12 for a particular event at a location on a
13 particular day, and I think we can just focus on
14 drilling it down to that as opposed to trying to
15 create blame all over the place, but just target
16 exactly who is managing the ticket sales for the
17 event, which would create a much more effective
18 way of monitoring and helping our consumers.

19 While I appreciate the someone in your office
20 coming up with all of these quirks and all of
21 these levels of concern, I think that we need to
22 work with you to drill it down to make sure that
23 all of these concerns, which I think are really
24 secondary to the issue can be resolved. Just on
25 the--you talked about the definition of place of

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2 entertainment having--and then you talked about
3 Flushing Meadows Park. You are talking about
4 Flushing Meadows Park just the open or not the
5 park itself because the U.S. Open would not be
6 exempted. We would still want to make sure that
7 they have some kind of transparency to ensure that
8 tickets are being sold in an open manner as well.
9 I think looking at their website, they have been a
10 little bit more open than some, but I would be
11 concerned about how you were defining what the
12 place of entertainment venue is. Could you
13 explain that?

14 DEPUTY COMMISSIONER FREEDMAN: We
15 were concerned about how the bill was defining
16 places of entertainment venues, which is exactly
17 why we asked the question, and we used the open as
18 an example. The open runs for two weeks, so that
19 under the bill as written it would be exempted;
20 however, it is a huge venue, which would fit under
21 your other definition of 3,000 or more capacity

22 COUNCIL MEMBER COMRIE: Okay, so
23 you are saying--

24 DEPUTY COMMISSIONER FREEDMAN:
25 [interposing] So that is why we raised the

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2 question. We are merely raising questions that we
3 felt we couldn't answer from what we were reading
4 in the bill.

5 COUNCIL MEMBER COMRIE: Okay.

6 Well, I think we can clear up that to make sure we
7 are focused on the--even with just using the USTA
8 as an example the ability for consumers to
9 purchase tickets to the daily events there since
10 it is a two or three week event or program that
11 they are having there, but it is the individual
12 events that need to be focused on in the same way,
13 so I think that we can work those things out in
14 the language hopefully and get that discussed, and
15 hopefully we can have a meeting to get all of this
16 work done as quickly as possible since this is our
17 second hearing. Do you anticipate that the state--
18 -or have you heard of the state doing anything to
19 deal with the issues of the transparency in
20 advertising or...?

21 DEPUTY COMMISSIONER FREEDMAN: We
22 have not heard.

23 COUNCIL MEMBER COMRIE: Have you
24 heard from the state that they are doing anything
25 on ticket resale recently, on ticket resales or

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the opportunity--

DEPUTY COMMISSIONER FREEDMAN:

[interposing] We have not heard from the state.

COUNCIL MEMBER COMRIE: Okay. I

would just hope that we can sit down and go through this in a more detailed manner to try to clear up any language that you feel is confusing so that we can protect the public and create the transparency necessary so that people can have the opportunity to know what they have an ability to purchase. Thank you.

CHAIRPERSON GARODNICK: Thank you,

Council Member Comrie. Let me just jump in with a couple of quick follow ups before we go to Council Member Koppell. Ms. Freedman, do you think that people generally know that when they are buying tickets to say a Justin Bieber concert that most of the tickets are not available to them for purchase?

DEPUTY COMMISSIONER FREEDMAN: I

wouldn't even guess on that.

CHAIRPERSON GARODNICK: Well, what

do you think?

DEPUTY COMMISSIONER FREEDMAN: I

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have no opinion on that.

CHAIRPERSON GARODNICK: Has the Department of Consumer Affairs considered this issue?

DEPUTY COMMISSIONER FREEDMAN: No.

CHAIRPERSON GARODNICK: This issue is about ticketing transparency in which we are trying to understand for the benefit of New Yorkers what is happening at these venues. So in preparation for this hearing did you not consider that issue?

DEPUTY COMMISSIONER FREEDMAN: I think it's a great question for the industry, and we would love to know the answer as well.

CHAIRPERSON GARODNICK: Okay. So DCA has not given any thought to whether or not transparency of ticketing is something that would help consumers in New York?

DEPUTY COMMISSIONER FREEDMAN: I am sure it would help consumers in New York. It is not something that we have to this point explored.

CHAIRPERSON GARODNICK: Okay. Do you think it should be a consumer protection for people to have some understanding of whether the

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2 product they are seeking to buy is actually
3 available to them?

4 DEPUTY COMMISSIONER FREEDMAN: I
5 think it would probably be helpful. It is hard to
6 know how that could be achieved.

7 CHAIRPERSON GARODNICK: We have had
8 hearings here before where we look at issues like
9 used car sales for example where DCA has come and
10 testified and said you know, if you are going to
11 put an advertisement out there to the world saying
12 that you have a car available on your lot, if DCA
13 goes there and finds that it is not in fact
14 available you are going to issue a fine to that
15 used car dealer. Is that right?

16 DEPUTY COMMISSIONER FREEDMAN:
17 Correct, and used car dealers of course are our
18 licensee.

19 CHAIRPERSON GARODNICK: They are
20 licensed because we believe that consumers deserve
21 some protection in that context, correct?

22 DEPUTY COMMISSIONER FREEDMAN:
23 Absolutely.

24 CHAIRPERSON GARODNICK: And we
25 believe that because we want people to know that

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2 if something is advertised that in reality if you
3 go there to show up to buy it that you will at
4 least have an opportunity to do so, correct?

5 DEPUTY COMMISSIONER FREEDMAN:

6 Correct.

7 CHAIRPERSON GARODNICK: So in the
8 context of ticketing, is there any real different
9 here?

10 DEPUTY COMMISSIONER FREEDMAN: May
11 I point out, Mr. Chair, that a used car purchase
12 or the purchase of any car is probably among the
13 largest purchase most people will make. I
14 honestly don't see how it equates to a ticket.

15 CHAIRPERSON GARODNICK: Do you
16 think people buy more used cars than tickets to a
17 sporting event or something like that? I don't
18 think so. So my question for you stands, which is
19 if the point is for consumer purposes to allow
20 people to know what is actually available to them
21 before they go and endeavor to buy it isn't that
22 something that DCA should have an interest in?

23 DEPUTY COMMISSIONER FREEDMAN: I
24 think disclosure is always something we are
25 interested in. Disclosure without the ability to

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2 enforce is very difficult, and so one would have
3 to think carefully about how that could be
4 achieved.

5 CHAIRPERSON GARODNICK: Well, let's
6 talk about that for a second. Let's say we passed
7 a law, which required that there be disclosure
8 putting aside the variety of issues that you
9 raised in your testimony, we are able to sort
10 those out, we require that entities that have an
11 interest here or that are applicable disclose the
12 number of tickets that are going available to the
13 public, they do not, somebody does not, one entity
14 does not. Somebody calls 311 and makes a
15 complaint to DCA. DCA could look at the website
16 or wherever it is to determine whether or not they
17 did what they were required to do under the
18 administrative code. Couldn't they? Couldn't
19 you?

20 DEPUTY COMMISSIONER FREEDMAN: We
21 could but I hesitate to in the absence of
22 something very defined that lays things out, I
23 really don't want to comment.

24 CHAIRPERSON GARODNICK: Well,
25 alright. There is really no difference in my mind

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2 between a complaint driven consumer protection
3 process as it exists with used cars or any of the
4 other issues that we frequently deal with in this
5 committee then there would be for ticket
6 transparency. Is there?

7 DEPUTY COMMISSIONER FREEDMAN: One
8 could argue--of course not. I think it is fine to
9 be transparent about tickets. That is very
10 important. That is all I can say.

11 CHAIRPERSON GARODNICK: Okay.
12 Council Member Koppell?

13 COUNCIL MEMBER KOPPELL: I don't
14 want to belabor the issue because you kind of
15 answered it, but are you aware of the repeated
16 stories in the public press about popular events
17 or popular singers like Justin Bieber or Barbra
18 Streisand or what have you and the unavailability
19 of tickets to people who seek to buy them, - -
20 stories, a large number of tickets are preserved
21 for the singer or the performer and that has been
22 criticized that they are given blocks of tickets
23 that they can either give away or sell. Are you
24 familiar with those stories?

25 DEPUTY COMMISSIONER FREEDMAN: We

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are aware and familiar.

COUNCIL MEMBER KOPPELL: does that trouble you? Do those stories trouble you that people feel that they are sort of--we have a letter here that was sent by someone who said he called at 9:01 on the day that tickets went on sale, and he was told no tickets available. Is that something that is of concern? Should we be concerned about that or the city?

DEPUTY COMMISSIONER FREEDMAN: I think one has to think about priorities and honestly, I am much more concerned about people with low incomes who get ripped off in the supermarket, who are being scammed by used car dealers, who are unfairly or not served by process servers, who are unfairly charged by debt collectors--

[crosstalk]

DEPUTY COMMISSIONER FREEDMAN: We have a litany of concerns, Council Member. It is too bad when people get ripped off by not being able to or not able to access tickets to Barbra Streisand.

COUNCIL MEMBER KOPPELL: Well, for

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2 some people that is a very important part of being
3 happy and living the kind of life they want to
4 live. The issue here is you might--one of your
5 comments in your testimony was you weren't sure
6 whether this particular legislation would lead to
7 improvements in the marketplace, and I suspect
8 that that concern is well taken; however, we can't
9 really come up with answers if we don't know the
10 facts, and right now we really don't know and I
11 think this is clear if you look at the stories in
12 the paper. As I indicated I was deeply involved
13 in this issue 20 years ago, so I have a sort of
14 interest in it, and while I haven't spent a lot of
15 time on it, I do read the stories occasionally and
16 ponder about what the law ought to be. There are
17 periodic stories and people get very upset when
18 they feel that they don't get a shot, they don't
19 have a reasonable shot at getting a ticket to an
20 event that they want to attend or a reasonable
21 shot to get a ticket at a reasonable price.

22 Before we act on it, don't you think it is useful
23 for us to know whether in fact tickets are
24 available or that the promoter or whoever is
25 actually putting out an add, people are standing

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2 on lines on the street corner only to be told
3 there are no tickets left. Don't you think we
4 ought to know the facts before we act?

5 DEPUTY COMMISSIONER FREEDMAN:

6 Absolutely, and I think the industry is your best
7 resource for answering those kind of questions,
8 and we would like to know the answers as well.

9 COUNCIL MEMBER KOPPELL: Good. So
10 that is what the bill does because if the industry
11 did it voluntarily, we wouldn't need a bill. That
12 is the problem. We could write a letter to the
13 industry, but the industry is very broad if you
14 will, and I think your questions about who does
15 this apply to, does it apply to the venue, the
16 promoter and so on, that is reasonable. I haven't
17 studied this bill in great detail, but if the bill
18 doesn't specify who it applies to, it certainly
19 should make clear who it applies to, but I don't
20 know that we could write a letter to everybody who
21 is putting tickets on sale and ask them to do this
22 and make sure that they do it because we can't
23 make sure they do it unless we have a law that
24 says they have to do it, and that is what this law
25 intends to do just to get to the facts. What we

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2 do after that you know, is subject to considerable
3 debate. I was part of that debate 20 years ago,
4 and the state has taken a view that hands off,
5 free market. I don't know that I agree with that
6 and before we act we ought to know what the facts
7 are, and this is a bill to get to the facts. That
8 is all. You don't deny that it is a good idea to
9 know the facts, right?

10 DEPUTY COMMISSIONER FREEDMAN:

11 Always a good idea to know the facts.

12 COUNCIL MEMBER KOPPELL: Good. So

13 I think we should agree that this bill is a good
14 idea. It may need a little cleaning up in terms
15 of precision, but it is a good idea, right, since
16 it helps us to get to the facts.

17 DEPUTY COMMISSIONER FREEDMAN: If

18 it is effective in getting the facts then it is a
19 good idea.

20 COUNCIL MEMBER KOPPELL: Thank you.

21 CHAIRPERSON GARODNICK: Let me just

22 share a couple of facts, which I thought were
23 interesting. Apparently among a variety of
24 different concerts that were offered, these are
25 not in New York, which is why you didn't get more

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2 complaints about them or it is very possible that
3 consumers just don't know that the tickets are not
4 available to them, and they regard the
5 frustrations that they have just a simple supply
6 and demand sort of exercise, but apparently, the
7 Justin Bieber concert at the Save Mart Center in
8 California back in October, about 90 percent of
9 the tickets were actually held back from the
10 public. Taylor Swift April this year, about 86
11 percent of the tickets were held back. Maroon
12 Five the Izod Center, not too far, 68 percent of
13 the tickets were held back. So these are some
14 examples of what we are seeing out there and what
15 prompt the concern, and we are glad to hear that
16 DCA is supportive of the concept of transparency,
17 although it sounds like you regard this as a very
18 low priority for the Bloomberg Administration. Is
19 that an accurate assessment of what you said a
20 moment ago?

21 DEPUTY COMMISSIONER FREEDMAN: I
22 will say that in thinking about DCA's resources
23 and what we can expend our resources on there are
24 industries and consumer protection issues of
25 greater concern. Let's put it that way.

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2 CHAIRPERSON GARODNICK: Okay. So
3 you can put it that way. Is there any area which
4 you would be less concerned about than this?

5 DEPUTY COMMISSIONER FREEDMAN: Mr.
6 Chair...

7 CHAIRPERSON GARODNICK: I ask you
8 this because--look, Ms. Freedman, the reason why I
9 am asking the question this way is that the
10 testimony that you offered was well, we understand
11 the need for us to clean up legislation to the
12 extent that there are questions or issues with it
13 as Council Member Koppell noted a moment ago, but
14 you posed the questions without the punch line,
15 which was that you either believe or do not
16 believe that this is a necessary important
17 consumer protection that we are after.

18 DEPUTY COMMISSIONER FREEDMAN: We
19 said very clearly it is a serious consideration
20 and a serious concern. We said that in the
21 testimony.

22 CHAIRPERSON GARODNICK: So okay.

23 DEPUTY COMMISSIONER FREEDMAN: That
24 I think is as much as I would care to say at the
25 moment.

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2 CHAIRPERSON GARODNICK: With that,
3 we have no more questions for you. We thank you.
4 We will move on to Sally Greenberg of the National
5 Consumers League, and Hae Lin Choi [phonetic] of
6 CWA District 1. Will be our next panel. Whenever
7 you are ready, just introduce yourselves.

8 SALLY GREENBERG: Good afternoon,
9 Mr. Chair and members of the City Council
10 Committee on Consumer Affairs. My name is Sally
11 Greenberg. I am executive director of the
12 National Consumers League. I am also a big fan of
13 live events, and I buy lots and lots of tickets.
14 So I am very familiar with this issue. One of the
15 reasons the National Consumers League got into the
16 issue of a fair marketplace for consumers with
17 regard to live events is that there was several
18 years ago a sale by--or a merger by Ticketmaster
19 and Live Nation, and it was before the Department
20 of Justice and as well considered by the Federal
21 Trade Commission, and we were very concerned about
22 the concentration in the industry that that merger
23 would mean for consumers, and the ownership of
24 both ticket and venues and merchandise, and in
25 fact, it has made the live ticketing industry a

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2 lot more concentrated because the merger was in
3 fact approved by the Department of Justice albeit
4 it with some conditions. Let me just give you a
5 little background about my organization. we were
6 founded in 1899 by Florence Kelly right here in
7 New York City, progressive era organization. We
8 are the nation's pioneering consumer organization
9 and our no-profit mission is to advocate on behalf
10 of both consumers and workers in the United States
11 and abroad. I mentioned that I love live events,
12 and I love buying tickets--I love attending live
13 events. I don't always enjoy buying tickets
14 because the live event market today operates in a
15 largely opaque environment that leaves consumers
16 with little chance to buy tickets to popular
17 events at face value. Consumers are often unaware
18 that they are competing with other ticket buyers
19 for a shockingly small piece of the overall ticket
20 pie, which is due to an industry practice that you
21 have talked about, Mr. Chairman, known as hold
22 backs or allocations. Undisclosed ticket hold
23 backs are little understood, but a widespread
24 economic problem. I think it rises to the level
25 of economic fraud. We believe it plays a

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2 significant role in the scarcity of face value
3 tickets for the average consumer and for the
4 general public. You cited some examples, Mr.
5 Chair, already of the undisclosed hold backs, the
6 Maroon Five show, the 84 percent of tickets to
7 Pink's March 23rd show also at the Izod Center were
8 held back. We know that Justin Bieber's team
9 regularly--we know this because there were FOIA
10 requests, Freedom of Information requests to the
11 venue in Nashville. We found that 90 percent of
12 the tickets were set aside by the Bieber team.
13 Among other things Bieber's management company
14 could make additional money by scalping their own
15 tickets as has already been noted here, and at a
16 2008 Taylor Swift show in Nashville, only 1600 of
17 13,300 tickets were made available for the general
18 public. Similar incidents have occurred under
19 tours by music stars Keith Urban, Miley Cyrus,
20 Katy Perry. Make no mistake, it is a practice
21 that is very widespread in the industry and it has
22 serious economic consequences for consumers. Now
23 there is a poll out, I don't know if my colleague
24 from CWA is going to talk about the Zogby poll... We
25 actually have the Communications Workers as a

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2 member of our board of directors. We have got
3 several labor unions on the board, so we are
4 delighted that CWA is a part of this coalition
5 here in New York, but the Zogby poll released this
6 week found that more than half of New Yorkers have
7 tried to buy tickets online only to have the event
8 sell out within minutes of the tickets going on
9 sale. There is a widespread belief among
10 consumers once they find out that this phenomena
11 exists of hold backs and allocations that they
12 believe something ought to be done about it. They
13 don't think the market place is fair, but as Ms.
14 Freedman from the Department of Consumer Affairs
15 noted, they don't get a lot of complaints at the
16 Department of Consumer Affairs 'cause consumers
17 don't know that they should complain because they
18 don't know how this marketplace operates. Once
19 they are aware of that as the Zogby poll shows,
20 they are angry about it and they want something
21 done about it. So I will ask my colleague to go
22 into more detail about the poll, but suffice it to
23 say that the concert industry's use of undisclosed
24 hold backs penalizes consumers three times over.
25 First, it hurts consumers who spent their personal

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2 time trying to buy a number of tickets under the
3 erroneous assumption that they have a chance at
4 buying most of the seats in the venue. Secondly,
5 it hurts consumers a second time when they can't
6 buy the tickets they are seeking and are forced to
7 pay inflated prices on the secondary market based
8 on hype created by the artificially engineered
9 sell out, and all too often, a consumer who does
10 pay a premium for a ticket on the secondary market
11 is hurt yet another time, a third time, when
12 tickets to the allegedly sold out show are later
13 made available once the show's promoters realize
14 that they have held back too many tickets. So in
15 our view proposed initiative number 247-A would
16 give New Yorkers a fair shake by creating greater
17 transparency in the primary ticketing market. Now
18 a question has been raised, what is it going to do
19 to make this information available to consumers?
20 Well, as Justice Brandeis [phonetic] said sunshine
21 is the best disinfectant, and I think that adage
22 applies here very, very well. I think once the
23 marketplace is shown to be off kilter and unfair
24 to average consumers, there will be a very
25 dramatic change in behavior on the part of those

1 particularly when we are talking about concerts.
2 That is really our main focus, although there is
3 scalping and unfair treatment in other areas as
4 well, but that really I think should be the main
5 focus of the bill, and I would be happy to talk
6 about how we get there and tighten up some of the
7 language which has raised concerns from the
8 Department of Consumer Affairs and others. So our
9 feeling is the disclosure requirements would do a
10 lot to respond to consumer demand and address the
11 often confusing nature of the ticket buying
12 process. Given adequate information we believe
13 consumers are able to make much more informed
14 marketplace decisions. By requiring that
15 disclosure of total number of tickets be made
16 available to the general public, we think the bill
17 is going to fact help address the pernicious issue
18 of ticket holdbacks. Proposed initiative 247-A
19 will ensure that consumers have the information
20 they need to buy tickets with confidence in New
21 York City. I also want to say that we all have
22 to make decisions about how we spend our resources
23 and time, but economic fraud and taking money out
24 of consumers' pockets because the marketplace
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2 operates at a very opaque way I think should be
3 very high on the Department of Consumer--any
4 Department of Affairs' list of priorities, and
5 there are people at all levels of the economic
6 spectrum who buy tickets to live events, and each
7 one of those consumers deserves a far more fair
8 marketplace than exists today. So happy to answer
9 any questions. I am honored to be here. We are
10 big fans of the spirit behind this legislation. I
11 would be happy to sit down with the Department of
12 Consumer Affairs. We have worked on this kind of
13 legislation in other states as well, and I think
14 there ought to be a good outcome to this. I would
15 hate to see this whole effort not be brought to
16 fruition because of some concerns. I think that
17 we can narrow it, and address some of the problems
18 that have been raised. Thank you very much.

19 HAE LIN CHOI: Hello. My name is
20 Hae Lin Choi. I am a special project coordinator
21 with the Communications Workers of America. CWA
22 represents about 35,000 union members living and
23 working in New York City. Our members and their
24 families are routinely ripped off by a ticketing
25 system designed to inflate profits for the

1 industry's biggest players, such as Madison Square
2 Garden for example, which is owned and run by
3 James Dolan [phonetic], one of the city's worst
4 union busters also. Intro 247-A would help
5 consumers get a better deal by introducing
6 transparency as many others mentioned before. the
7 Garden like other big venues refuses to disclose
8 how many tickets are actually offered for sale to
9 the general public as opposed to those held back
10 for industry insiders, VIPs and others. Consumers
11 like Sally mentioned before have no idea that
12 large numbers of tickets are often held back from
13 sale to the general public. The venues create an
14 artificial sell out and then resellers who are
15 sometimes the acts that are performing themselves
16 sell tickets at inflated prices that they acquire
17 directly from the venues. We heard this example
18 many times before today, but here is again the
19 hypothetical example of how it can work let's say
20 with Justin Bieber again. Let's say Justin Bieber
21 plays at MSG. It is a big event with lots of
22 hype, but MSG doesn't tell anyone that only ten
23 percent of the tickets will be sold to the general
24 public. Instead Bieber's operation will scalp a
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2 portion of the tickets after the ten percent that
3 went to the general public sell out. Bieber can
4 then jack up the prices of the held back tickets
5 as he scalps them. That allows venues like MSG to
6 in turn charge Bieber more for renting the venue.
7 The ticket buying public subsidizes MSG and Bieber
8 by paying higher prices for tickets. And this
9 scenario is almost exactly how a recent Bieber
10 concert in Nashville, Tennessee worked. Holdbacks
11 are very common. It is now a standard industry
12 practice for big shows. MSG of course is also the
13 beneficiary of the most notorious tax breaks in
14 the state. James Dolan enjoys an exemption from
15 paying any property taxes on MSG. This tax
16 giveaway which was written into state law in 1982
17 will cost the city about 17 million dollars this
18 coming year alone. The public does not support
19 these practices. A recent Zogby poll shows that
20 78 percent of New Yorkers agree that publically
21 subsidized venues should disclose to consumers how
22 many tickets are available to the general public
23 and how many are held back at the time they go on
24 sale. In other words the public supports Intro
25 247-A. Meanwhile, I would be remiss not to

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2 explain that Dolan is also the city's most
3 notorious union buster. The NLRB has issued two
4 massive complaints against him and Cablevision for
5 personally threatening workers with retribution of
6 they supported CWA. 22 workers were fired
7 illegally. Cablevision spies on workers regularly
8 and does surface bargaining, the term of art for
9 bad faith negotiations. These are violations of
10 Cablevision's New York City franchise. New York
11 shouldn't be doing any favors for Dolan. That
12 includes letting MSG hide the number of tickets it
13 is selling to the general public as opposed to
14 hold backs for insiders. We commend the bill's
15 sponsors, and we urge you to pass this
16 legislation. Thank you.

17 CHAIRPERSON GARODNICK: Thank you
18 very much. Mr. Dolan taking it on the chin in two
19 different venues here at City Hall today. Ms.
20 Greenberg, I had a couple of quick questions for
21 you, and by the way, many of us agree very
22 strongly with the points that you just made about
23 the negotiations between the union and Cablevision
24 and the subject of what is going on in Brooklyn in
25 particular, so we hear you and we are very

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2 sympathetic to that. Ms. Greenberg, a couple of
3 questions in response to your testimony. You
4 noted the FOIL request, which was able to reveal
5 that 90 percent of the tickets were being held
6 back in the Bieber context. Who was in the
7 position to be able to respond to a FOIL request
8 in that situation because one of the points that
9 we just heard from the city's Department of
10 Consumer Affairs was well, we don't know who
11 actually should be able to respond, who has the
12 access to that information. Can you help us
13 understand that?

14 SALLY GREENBERG: I may need to do
15 a little digging around to find out who it was,
16 but I think Nashville is less complicated than New
17 York City because you have got Lincoln Center, you
18 have got a bunch of venues that are part of
19 Lincoln Center, so I think the venue provided that
20 information. I think this is particularly--it was
21 again with taxpayer subsidies that this venue was
22 built. I testified in Minnesota on a similar bill
23 and the Target Center there, taxpayer money which
24 gave the legislature the hooks to be able to ask
25 the questions and get responses, and I think it is

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2 just critically important that taxpayers have
3 access to this information if they are helping to
4 build these venues. So I don't know what the tax
5 status is of Lincoln Center or any of the venues
6 that we have cited. Once again, we are focused
7 more on concerts than we are on plays and opera
8 because the problems are much worse in the concert
9 situations where we see the heavy duty scalping
10 going on, but I believe it was the venue in
11 Nashville. I might have to ask one of my
12 colleagues.

13 CHAIRPERSON GARODNICK: If you
14 could just to confirm for us, we would like to
15 follow up with you on that. You have also noted
16 that you worked on issues like this in other
17 states. If you could say a little more about
18 that, also help us understand whether or not you
19 have seen a local law like this passed in other
20 jurisdictions, and if so, what that looks like.

21 SALLY GREENBERG: We were in
22 Minnesota just a couple of months ago, and the
23 first go around the bill didn't make it out of
24 committee. I don't think it was--I am trying to
25 recall exactly what happened 'cause I testified

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2 and then I left town. It was not reported out of
3 committee. It was a very close vote. My
4 experience you all know a lot more about
5 legislating than I do, but my experience as an
6 advocate is you have to introduce these issues,
7 and it takes a year or two or three for folks to
8 understand exactly how the marketplace works, and
9 so we testified in New Jersey, Arkansas,
10 California, I mean there is bills pending to
11 create opportunities for transparency in a number
12 of these states. We can also give you a list of
13 what sort of the status is, but I think my
14 experience is that it is very surprising to
15 members of the legislature when they hear the
16 degree to which the market is being manipulated
17 and the degree to which consumers do not have a
18 broad access to tickets, the holdbacks at 90
19 percent or 80 percent is a real eye opener for
20 many members of the legislature. So why don't I
21 try to provide you a status report on that? We
22 are testifying and working in a number of states
23 to try to get this transparency working for us.

24 CHAIRPERSON GARODNICK: Okay.

25 Thank you very much. Thanks to both of you. Our

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2 next panel is Alyssa Verilli [phonetic], Tony
3 Fangle [phonetic] and Kimberly Knox. We welcome
4 you. I should note that we have been joined by
5 Council Member Nelson and thank you all for
6 coming. As soon as you are comfortable and
7 settled you can go right ahead and get started.
8 Do you want to kick it off?

9 ALYSSA VERILLI: Sure. My name is
10 Alyssa Verilli. I live on the Upper East Side. I
11 have lived in New York for about six years now. I
12 would say I am a millennial, so my friends and I
13 definitely have a lot of experience purchasing
14 tickets online for in demand concerts, and I
15 recently had an experience, which is not
16 completely similar to some of the examples that
17 were mentioned, but I recently tried to go to
18 Governor's Ball Music Festival on Randall's
19 Island. It was just two weeks ago. I definitely
20 would say the ticking process was completely
21 unclear. As many concerts and especially music
22 festivals have been doing lately, the tickets were
23 released in batches, so you had the early, early
24 bird, and then the early bird, and then the
25 regular, and all of this is done essentially to

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2 build hype around the concert and make sure that
3 as a consumer you are sitting there at your
4 computer ready to click at 12:01 pm and get your
5 discounted ticket and make sure that you have a
6 spot at the concert. I had attended the festival
7 the year before. I gathered a group of maybe ten
8 people. We were all ready to buy our early bird
9 tickets. We sat at our desks, some of us at work
10 maybe, and we were ready to go and purchase our
11 tickets. At perhaps, 12 pm and 30 seconds, we all
12 sat there as our computer screens had the swirling
13 blue circle, and maybe we were frozen on that
14 screen for five minutes and by the time the screen
15 moved on to where we would be confirmed in our
16 purchases, the tickets had sold out. We were sent
17 back to a home screen, which showed that a second
18 level of early bird tickets had been released, so
19 most people then attempted to purchase the next
20 level and had the same experience where the screen
21 froze for about five minutes and by the time you
22 were returned to the home page with the bad news
23 that sorry, those were also sold out. You were
24 just basically out of luck. So my friends and I
25 all purchased full price tickets, which were close

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2 to 300 dollars assuming that within five to ten
3 minutes those tickets would also sell out. That
4 was not the case and the tickets were on sale for
5 the next maybe four months, and I can definitely
6 say that had I known that this was going to happen
7 or had I know that there were holdbacks or had any
8 sort of knowledge about how ticketing works, I
9 definitely would not have made my purchase on that
10 day. I would have waited. I would have weighed
11 my options, maybe purchased a one day pass, maybe
12 a two day pass. So I definitely agree with the
13 opinions we have heard today that increased
14 transparency in this process would be extremely
15 beneficial for me as a young person, as a
16 consumer, as a music listener, so thank you for
17 letting me voice my opinion. I support this
18 legislation.

19 TONY FANGLE: Hello. My name is
20 Tony Fangle. I live in the East Village and I
21 have lived in New York for about seven years now.
22 I am going to tell you a little bit about an
23 experience I had last year when trying to get
24 tickets to see The Killers, which is a pretty
25 famous hard rock band. So on August 29th, I tried

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2 to get tickets. They went on sale at 10 a.m. I
3 did not get tickets. I went on right as soon as
4 they went on sale online as many people have said,
5 but they were unavailable. I thought no big deal,
6 this was just the presale, so I will try two days
7 later when they go on for the general public. So
8 two days later, I went on right when they went on
9 sale at noon, and I didn't get tickets again.
10 They were completely sold out immediately when
11 they went on sale. A week or so later, they
12 announced that they would be playing a show at
13 Madison Square Garden, so I thought great, this is
14 a bigger venue than the previous venue, so I will
15 be sure to be able to see them. So I tried again
16 September 20th, 11 a.m. went online for the pre-
17 sale, no luck. The next day was the general
18 public sale, it went on at noon, again, no
19 tickets. I don't understand how it is possible
20 that tickets can be sold out every time they go on
21 sale exactly the moment they go on sale. This
22 isn't something that has been new to me because I
23 have actually tried to see The Killers four times
24 in New York since 2006 and every single time, the
25 box office was sold out immediately when they went

1 on sale. I am not somebody that is new to this.
2 I have actually--I am kind of a concert fiend. I
3 have been to 161 concerts, many of them in New
4 York and buying tickets is something very common
5 that I do very regularly, so if I can't get
6 tickets to see The Killers, I imagine that people
7 that are just finding out about this band the
8 first time, they are probably not able to get
9 tickets either. So for the most recent show I was
10 curious because I have seen a rise in reselling on
11 Stubhub and various sites afterwards, so I
12 followed the tickets on Stubhub as they were on
13 sale through the online from Ticketmaster, so
14 before tickets even went on sale through
15 Ticketmaster, there was already 129 tickets on
16 Stubhub for the show before the pre-sale even
17 began. Within one hour of the pre-sale beginning,
18 there was 1300 tickets on Stubhub and before the
19 general public sale began, there were already 2200
20 tickets on Stubhub for The Killers show, so
21 clearly this sort of holdback and people selling
22 tickets is happening a lot. The problem with this
23 is that the most expensive tickets for the show
24 after fees were \$80.35, but on Stubhub they went
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2 between \$215 and \$604 per ticket, so that is
3 almost a 800 percent markup. One person I saw was
4 selling ten tickets in a row in one row at Madison
5 Square Garden even though the limit for buying
6 tickets online was eight at a time, so clearly
7 someone that was holding back, and the problem
8 with this again is like was discussed earlier, all
9 of this money that is made from these secondary
10 sites goes to the person selling the tickets. The
11 venue doesn't sell that, or maybe as people were
12 discussing earlier, the venue is holding those
13 back and selling them for even more profit. The
14 problem is for me as a consumer I never know what
15 is happening because I don't see how many tickets
16 are available, and that is part of the reason I
17 really support this legislation that if I am going
18 online or going to the venue I have no idea
19 whether there is zero tickets or more tickets will
20 be released later. Sometimes venues will say oh,
21 if we have more tickets, we will release them
22 later, but I just never know, so essentially I am
23 told I need to go back and repeatedly ask for
24 tickets until I find them or don't. so I really
25 think this needs to change, and I think publishing

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2 just the amount of available would be very
3 helpful. If I knew during the pre-sale that only
4 100 tickets were going to go on sale for 5,000
5 seats, maybe I would say, okay, I am not going to
6 go out of my way to go online and take off of work
7 or whatever to try to find these tickets.

8 Similarly, if there was something where I knew how
9 many people were trying to get tickets if there
10 was a line system where I knew there was 10,000
11 people trying to get 5,000 tickets, at least I
12 would feel that if I didn't get tickets, it was a
13 fair process, but now I just don't feel like it's
14 fair, and that is part of the reason that I
15 support this. I really think that we need to make
16 this change and it would help people just feel
17 better about the process even if they don't get
18 tickets in the end.

19 KIMBERLY KNOX: Good afternoon,
20 Chair Garodnick and members of the Consumer
21 Affairs Committee. My name is Kimberly Knox, and
22 I have been a live event producer for over 14
23 years. my main reason for pursuing that
24 profession has been my love of the live show. I
25 have created and produced event marketing concepts

1
2 working with major recording artists, music
3 labels, corporations and charities. Over the
4 course of my career, I have had the pleasure of
5 working with organizations such as Keep a Child
6 Alive, Toyota Scion, Trace Magazine, Afro Punk,
7 BAM [phonetic] and a myriad of others including
8 Harlem Stage, Gen Art, Littlefield [phonetic].
9 Growing up in New York City I have been blessed
10 with seeing some of the most amazing concerts that
11 have truly shaped my passion for presenting
12 artists. For my first concert seeing Menudo at
13 the age of nine in Madison Square Garden. I have
14 seen everyone from Janet Jackson to Tina Turner,
15 Black Crows, Lenny Kravitz, Whitney Houston,
16 Prince, et cetera. I have always been a fan
17 first. In recent years I have noticed the shift
18 in the concert going experience, and I feel that
19 it is quite tragic. The live arena is the last
20 true bastion of direct contact between an artist
21 and their fan base. The concert has always been
22 the reward to the fan for supporting an artist's
23 career. Unfortunately, due to rampant ticket
24 holdbacks and exorbitant fees, competition from
25 automated bots and unrealistic will call only

1
2 rules, the regular consumer at large is either
3 priced out or made to jump through all kinds of
4 hoops to partake in the live concert or sporting
5 event experience. I believe transparency is very
6 necessary so that people are aware that for the
7 most part, the cards are stacked against them.
8 Hopefully this will force the ticketing giants,
9 concert promoters, artist management and industry
10 executives to play fair so that the fan does not
11 always come away with the short of the stick.
12 That is all.

13 CHAIRPERSON GARODNICK: Great.

14 Thank you. Thanks to all of you. I think that
15 the frustration that you expressed is the real
16 motivation behind all of this, which--it doesn't
17 mean that anyone has a right to get a ticket at a
18 particular moment for a particular event. It's
19 just that you need have a sense of what you are
20 getting yourself into. I think we gave that
21 example at the last hearing on this subject where
22 somebody who endeavors to sit down at midnight and
23 keep clicking refresh on their browser to be able
24 to have that chance, if you knew that only 100 of
25 the 5,000 were available, you might actually call

1
2 it a night and take a different route, and that is
3 really what this is about. So we thank you all
4 for your testimony.

5 COUNCIL MEMBER COMRIE: What is a
6 millennium?

7 ALYSSA VERILLI: I don't know what
8 the exact limit on age is. It might be between 20
9 and 29. I think if you are born like... 1985 maybe.

10 COUNCIL MEMBER COMRIE: Okay. Got
11 it. Thank you.

12 ALYSSA VERILLI: Apparently we are
13 very lazy, unmotivated, narcissistic. There are
14 plenty of great articles about us.

15 COUNCIL MEMBER COMRIE: Thank you
16 for coming then.

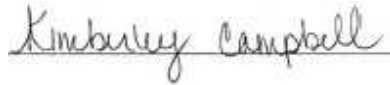
17 CHAIRPERSON GARODNICK: All
18 evidence today to the contrary. Thank you very
19 much for being here to testify. With that, that
20 is our last panel for the day. We thank everybody
21 for their interest in this subject, everybody who
22 came to testify and certainly we look forward to
23 pursuing this issue further. With that, this
24 hearing is adjourned. Thank you.

25 [gavel]

C E R T I F I C A T E

I, Kimberley Campbell certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

Handwritten signature of Kimberley Campbell in cursive script, written over a horizontal line.Date 7/13/13