

# SEATS

September 9, 2020

Dear Chairman Filler and Members of the Judiciary:

SB 384 > neutral  
SB 385

Thank you all for your hard work during this time.

My name is Michael O'Neil, and I am the Director of Public Policy and Community Engagement for Vivid Seats.

This legislation is an excellent step forward to modernizing Michigan event ticketing for consumers across the state. We applaud efforts to fully disclose activity, and the emphasis on transparency.

Before discussing the state of the ticket marketplace today, it is important to note how far we have come. As I am sure many of you will remember, the ticket landscape looked very different before Vivid Seats and companies like it began offering convenient and trustworthy online resale marketplaces for fans. Back then, tickets typically were available only from two sources—a primary seller or a potentially unsafe, unknown resale channel. As remains the case today, fans who tried to purchase tickets from primary sellers often found that sales were restricted to an “on sale” period that was held weeks or months before the event and provided limited seating options.

Fans who were not fortunate enough to get a ticket through the primary seller had no safe and convenient way to obtain tickets, and fans who had tickets but could not use them had no safe and convenient way to sell them. As a result, many fans had to resort to unsecure sources, like unverified internet listings such as online classified ads, websites, or on-the-street and back-alley sales, where counterfeit tickets were - and are still - too common, where it was near impossible to shop around for the best values, and where there was nobody to call, email, or chat with for help if an issue arose. Before online marketplaces, there was no way to solve your ticketing issues, which online marketplaces have solved today. Simply put, buying a ticket was risky and cumbersome, as there was no good way to safely and securely match buyers with sellers.

Vivid Seats was created to solve this problem by providing fans with a secure, safe, and convenient place to buy and sell tickets to a wide variety of events. Today, if a fan wants to buy a ticket at the last minute, our platform allows her to do that. If a fan wants a ticket to a “sold out” event, our platform allows that fan to find one, and chances are good that we will have options available for her no matter how popular an event might be. If a fan wants to search among various ticket options – comparing tickets in different sections on different dates at different prices, in different cities – our platform allows her to do that, too. And if a fan has a ticket that she cannot use – maybe something came up at work, a sudden illness or other unanticipated conflicts – the fan can sell the ticket on our platform or others like it.

When fans buy tickets on our platform, they do so with peace of mind. Every ticket sold on Vivid Seats' platform is backed by our industry-leading 100% Buyer Guarantee – a promise that the fan will receive valid tickets that match the description of the tickets for which they paid and those tickets will be delivered on time for the event – or else the fan gets their money back. And if the fan has any questions or encounters any issues, we'll quickly provide a response from our call center that operates daily from 9:00 a.m. until 9:00 p.m. and typically connects fans with live support in less than a minute.

Our commitment to putting fans first is evident. Newsweek recently recognized Vivid Seats' commitment to deliver great, reliable experiences for fans, naming us to its list of America's Best Companies for Customer Service and ranking us #1 in the ticketing industry. And because of our

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track record as a safe, secure, and reliable platform, Vivid Seats has been chosen as the official ticketing partner for a host of well-known teams and brands, including ESPN, Rolling Stone, the

Notre Dame Fighting Irish, the Chicago Bears, the Green Bay Packers, the San Francisco 49ers, and many more. Vivid Seats has become one of the most popular and trustworthy online ticket marketplaces in the world, sending thousands of fans to live sporting events, concerts, and theater performances across the country every day.

We are against deceptive trade practices. We support consumer protection initiatives— a safe ticketing environment is essential to our business. But recent suggested edits to the current legislation to ban speculative ticketing would have unintended consequences and would hinder your ability to go after bad actors. We have sought the counsel of consumer advocates, and time again clear, transparent disclosures have been described by experts as the ideal path for consumer protection.

Fans have a right to know what they are buying, and they have a right to get what they paid for. **That is why Vivid Seats supports this legislation - like that enacted in California, New York, Tennessee, and Maryland - that would make undisclosed speculative ticket sales unlawful.** It also is why we prohibit this type of speculation on our platform. We have an aggressive enforcement team that looks for unauthorized speculative ticket sales, and when we find them, we stop them. Sellers who violate our rules by listing unauthorized speculative tickets can face fines, suspensions, or even bans from our platform. We take our rules on unauthorized speculative ticket sales very seriously because we believe that undisclosed speculative sales lead to bad experiences for fans, and they reflect poorly on the marketplace.

Vivid Seats also recognizes that some fans want the opportunity to make informed purchases from reliable sellers who will procure tickets on their behalf. This option is valuable for fans who want to be certain that they will have tickets to a high-demand event, just as a consumer might pre-order a popular toy during the holidays or a book by a popular author. In these instances, the buyer knows that the store does not have the item in stock at the time the order is placed, but the seller commits to obtain the item for and deliver the item to the customer.

Vivid Seats offers this option through our Zone Program, which provides ticket availability, access, and convenience for fans by allowing them to purchase a ticket for an event within a specified zone, after which the seller will obtain and deliver a ticket in the selected zone (or sometimes a better zone). Vivid Seats restricts participation in the Zone Program to pre-approved sellers who have a track record of delivering value for fans, and all sellers in the Zone Program must abide by Vivid Seats' Zone Seller Agreement, which includes important protections for fans. All tickets listed in our Zone Program are prominently designated as such, and all sales in the Zone Program—just like all other sales on Vivid Seats' website—are backed by our 100% Buyer Guarantee. In fact, nearly 20% of our customers are repeat purchasers of tickets featured on our popular zone program.

Our request is to pass this bill with robust consumer protections as included by the Senate in Subsection 5. This legislation is a recognized step forward to modernizing Michigan event ticketing for consumers across the state. Elimination of the Senate-passed language is not only a step back for consumers but is also a step back for business and e-commerce.

We continue to support the overall goal of creating a safe marketplace for consumers, and the need for transparency and disclosures to protect consumers, as well as go provide the ability to go after "bad actors". The legislation as written will help achieve those goals.

Thank you and I'll be happy to answer any questions.