

# New York Yankees

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## **JOINT PUBLIC HEARING ON TICKET SALES FOR LIVE EVENTS IN NEW YORK STATE**

### **Statement by New York Yankees**

We appreciate the opportunity to present testimony in this Joint Public Hearing on Ticket Sales for Live Events in New York State.

While there are myriad of issues surrounding the ticketing laws in New York State, specifically in relation to Article 25 of the Arts and Cultural Affairs law, today we seek to address issues surrounding unlicensed brokers who resell tickets to live events.

Specifically, Sec. 25.13(1) expressly prohibits anyone from reselling tickets to live events without first being registered with the Secretary of State. In part, the current law reads:

“No person, firm or corporation shall resell or engage in the business of reselling any tickets to a place of entertainment or operate an internet website or any other electronic service that provides a mechanism for two or more parties to participate in a resale transaction or that facilitates resale transactions by the means of an auction, or own, conduct or maintain any office, branch office, bureau, agency or sub-agency for such business without having first procured a license or certificate for each location at which business will be conducted from the secretary of state.”

While there are many good actors who do what is required under the law, as well as resale platforms, such as StubHub and Ticketmaster’s resale sites, which enable brokers to provide their license numbers received from the NYSDOS, all too often there are those who do not comply with the law and act in bad faith when reselling tickets to events. Currently on Ticketmaster’s website, there are 60 brokers’ license numbers listed and on StubHub’s there are 24. More importantly, as of April 19, 2021, there are only 48 licensed ticket resellers identified on the NYSDOS, Division of Licensing Services website and no ticket reseller branch offices. We know with certainty that there are far more unlicensed ticket resellers clandestinely doing business in New York State directly or through strawmen.

The problem is that these unlicensed ticket resellers operate outside the scrutiny, supervision and regulation of the Secretary of State under Sec. 25.17 simply because they are unlicensed. Moreover, being unlicensed, these resellers avoid the \$5,000 application fee required under Sec. 25.13(1), resulting in revenue loss for New York State. Unlicensed resellers also avoid Sec. 25.15’s bonding requirements, thus leaving consumers without recourse against them. Furthermore, these resellers are under no obligation to provide price lists which show the established price and the resale price required under Sec. 25.23(1), maintain any records relating to resold tickets required under Sec. 25.25(1) or provide any required reports under Sec. 25.25(2). The bottom line is that these unlicensed resellers are able to engage in predatory practices with impunity while leaving disheartened consumers with no recourse other than complaining to and wrongly blaming the venue operators who are forced to rectify the situation.

Thus, while the current law certainly contains significant regulations for those resellers who comply, there does not appear be any enforcement or mechanism by which a venue operator can deter and prevent

unlicensed brokers from purchasing tickets, who can be easily identified based on the sheer volume of the tickets they purchase and resell.

So if the lack of registration is the problem, then what is the solution? The issue becomes one of enforcement. Currently, pursuant to Sec. 25.10(4), the Attorney General has jurisdiction to enforce the provisions of this law. While we understand the constraints of the Attorney General's office and the fact that enforcement in these situations may be challenging, the reality is the impact of this type of rampant unlicensed behavior is far reaching and the lack of enforcement creates a Wild West situation that hurts well-intentioned fans who end up losing money while leaving venue operators being the subject of scorn. Additionally, the State is regularly losing money in the unpaid application/registration fees that could be realized. None of these are desirable outcomes.

In conclusion, we appreciate the opportunity to point out some of the challenges which exist with the current law that governs the sale of tickets to live events. We realize not all of the issues presented herein require a legislative solution, but rather enforcement of the existing law. Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alan Chang', with a stylized, cursive script.

Alan Chang