October 5, 2012

Mr. Michael Rapino  
President and Chief Executive Officer  
Live Nation Entertainment, Inc.  
C/o Michael Rowles, General Counsel  
9348 Civic Center Drive  
Beverly Hills, CA  90210

Dear Mr. Rapino:

We, the undersigned Attorneys General, write to express our significant concerns with certain anti-consumer and potentially anti-competitive practices in the live event promotion and ticketing industry. These practices have the potential to mislead consumers about the availability of tickets, to harm consumers by substantially undermining their ability to access tickets that are made available by promoters and venues, to diminish the value of tickets once acquired by consumers, and to reduce or eliminate choice when consumers seek to buy or sell tickets in the resale marketplace.

As Live Nation is the country’s largest concert promoter and Ticketmaster is the country’s largest primary ticket seller and a very large ticket reseller, we are asking your assistance as we seek to learn more about these practices.

I. Box Office Availability of Tickets: With regard to the availability of face-value tickets at the box office, we have several concerns:

1. We understand that event producers and promoters often pre-sell thousands of tickets to fan clubs, premium credit card members and other VIPs, severely reducing the number of tickets available to the general public and resulting in very rapid sellouts which encourage consumers to turn to secondary ticket markets.
   - We believe that consumers have a right to know how many tickets to a particular event are actually being made available to the general public, before those tickets initially go on sale. The lack of accurate public on sale information leads to a deception of the market demand for any event, which undermines consumers’ ability to make informed decisions about their purchases.
2. We also understand that in some cases (and perhaps frequently), hundreds or thousands of tickets to events are allocated by producers or ticket agents to resale brokers, or are otherwise earmarked for sale directly through secondary markets, and are never made available for public sale through the box office.
   - We believe that this practice enables tickets to be deceptively marketed as consumer-to-consumer or broker-to-consumer resales, when actually they are primary sales at substantially higher than face value.
   - We also believe that this practice takes advantage of consumers harmed by apparent “sellouts” that occur because of the pre-sales and the broker/reseller allocations, by making high-priced tickets readily available to consumers at the very moment they are excited about the public on sale and seeking to purchase tickets.

3. We appreciate that compounding the quick sellout problem may be ticket brokers’ use of automated robotic software programs (“bots”) designed to buy up large numbers of premium seats in the first few moments of a public sale, for the purpose of reselling those tickets at inflated prices. That, too, is concerning to us, and we understand that it would violate several states’ “anti-bot” laws and perhaps federal and state anti-hacking laws. We are hopeful that through productive conversations, and information that your company, other ticket issuers and major resellers can provide our offices, we will learn more about these challenges and take appropriate action.

4. We also understand that some resellers may be intentionally misleading consumers by giving their resale websites the appearance of official box office websites. We believe that consumers have a right to know whether they are purchasing from the box office or a reseller, and that disclosure by resellers should be clear and prominent. We would like to learn more about this.

II. Nontransferable and Restricted-transfer Tickets: We understand that some primary ticketers are selling so-called “paperless tickets” as a means of inhibiting the business of professional ticket resellers, and perhaps also to accomplish other goals. It is our understanding that paperless tickets do not involve any physical manifestation of a consumer’s right to be admitted, or a digital e-ticket, or any evidence of authority to enter the event except an email receipt and a transaction confirmation number. Moreover, we understand that the only acceptable evidence of a consumer’s authorization to be admitted is presentation of the purchasing credit card and a matching photo ID by the purchaser.

We are concerned that the practice of selling nontransferable “paperless tickets,” without significant disclosures and very prominent notice to consumers, can have a deleterious effect on consumers. We believe that in their excitement to purchase event tickets consumers often ignore “fine print.” As a result, we believe that novel and unexpected admission requirements such as these must be prominently, and perhaps repeatedly, displayed throughout the purchasing process. We would like to learn more about the practices of selling nontransferable paperless tickets so that we can consider appropriate action.

Additionally, we are afraid that when the transferability of paperless tickets is unduly limited, consumers are often locked into the primary ticketer’s affiliated resale market. Consumers choosing to re-sell their tickets are denied the option of handing the tickets to a friend, using
Mr. Michael Rapino  
October 5, 2012

classified ads or another means of transacting the resale without any service fees, or using competing ticket exchanges or a local broker. We also understand that affiliated resellers are often limiting consumers’ ability to determine pricing when reselling tickets they have purchased, including by imposing price floors, price ceilings, or both. We would like to learn more about how the paperless ticketing resale process works to ensure that consumer choice is not being eliminated, and competition within the resale market is not impeded or excluded.

Our offices regularly litigate consumer protection and antitrust cases, and it seems plain that certain of the practices described above are potentially in violation of any number of laws and regulations intended to protect consumers, including by protecting marketplace competition. Given our obligation to protect consumers within our states, we request to meet with you as soon as possible learn more about these practices. We look forward to your response no later than October 26, 2012. If you have any questions regarding this letter, please contact Linda Fitzgerald at (775) 684-1112.

Respectfully,

Catherine Cortez Masto  
Nevada Attorney General

JACK CONWAY  
Kentucky Attorney General

JON BRUNING  
Nebraska Attorney General