

August 28, 2024

Mr. Jeremy Stoppelman Chief Executive Officer Yelp, Inc. 140 New Montgomery Street San Francisco, CA 94105

Dear Mr. Stoppelman:

On behalf of the nation's independent venues, festivals, and promoters, I urge you to stop empowering predatory ticket resellers from deceiving Yelp users. Your site redirects users from purchasing legitimate tickets at face value from small businesses and nonprofits, instead sending them to a Yelp-branded TicketNetwork website that is price gouging and selling fake tickets. These deceptive practices are to consumers', artists' and concert venues' detriment, but we know you can stop these practices. While our outreach has gone unanswered, we stand ready to dialogue to fix it.

NIVA is part of a national <u>coalition</u> working to end this type of wide-spread consumer abuse.

Hundreds of venues, festivals, and promoters nationwide have recently discovered that Yelp is placing buttons on their Yelp profiles that deceive consumers into believing they are buying tickets directly from the venue or promoter producing the show. However, those links actually redirect consumers to a Yelp-branded ticketing platform operated by a company with a long history of anti-competitive and predatory practices. They are selling resale "tickets" on Yelp that, in many cases, do not actually exist or are marked up two to four times the price of face value tickets that are often still available from the venue.

National, widespread instances on Yelp of predatory and fraudulent practices include:

- the sale of "tickets" for shows that do not exist or are being sold for the wrong date and/or wrong time; [Exhibits 1 & 2]
- the sale of "tickets" for seated shows that do not specify the section or exact seat the ticket grants them access to; [Exhibit 3]
- the sale of "tickets" that are speculative, not in the possession of the reseller, or fake; [Exhibit 4]
- the sale of tickets for shows that are regularly 2-15 times the face value of tickets still available directly from the venue/promoter ticketing platform organizing the show. [Exhibit 5]

Furthermore, the lack of accurate listings - or any listings at all - on a number of Yelp's predatory resale ticketing pages for venues is likely causing fans to miss out on shows. Yelp and TicketNetwork are deceiving fans into believing that the "tickets" they are selling include a comprehensive listing of all shows the venue or promoter is hosting. The widespread price gouging is misleading the public into thinking ticket prices are much higher than what independent stages actually charge, potentially discouraging them from buying tickets and harming our sales.

It is also troubling that Yelp is partnering with a company, TicketNetwork, to profit off fake tickets and price gouging when that company has been:

- sued and/or investigated by the Attorneys General of Arkansas<sup>1</sup>, Connecticut<sup>2</sup>, New Jersey<sup>3</sup>, and New York<sup>4</sup>;
- forced to reach a settlement with the Federal Trade Commission due to their fraudulent practices<sup>5</sup>;
- fined \$825,000 by Competition Bureau Canada for fraudulent practices and deceptive search engine advertising and required to enter a consent decree with the Canadian government to continue operating<sup>67</sup>; and
- sued for firing executives that legally cooperate with state and local investigations.8

In light of the deeply concerning practices detailed above, we implore Yelp to take immediate corrective action to protect consumers, uphold the integrity of independent stages, and maintain the trust of the millions of users who rely on Yelp for accurate and honest information. Every day these deceptive practices continue, the fabric of our communities is eroded, and the unique cultural experiences that independent stages provide are jeopardized.

We call on your company to immediately remove all "ticket" links to Yelp's and TicketNetwork's predatory resale sites from the Yelp profiles of independent venues, festivals, and promoters. By doing so, you will not only restore the confidence of your users and shareholders, but also demonstrate Yelp's commitment to ethical business practices and the well-being of the communities you serve. We also encourage you to urge Congress to pass the <u>Fans First Act</u> to ensure the deceptive ticket resale practices that are currently rampant across the country are made illegal.

We trust that Yelp will take this opportunity to do what is right and necessary.

Sincerely,

Stephen Parker Executive Director National Independent Venue Association

<sup>&</sup>lt;sup>1</sup> https://www.arkansasonline.com/news/2008/nov/20/ticket-broker-subject-state-law-judge-say-20081120/

https://portal.ct.gov/dcp/news-releases-from-the-department-of-consumer-protection/2014-news-releases/ticketnetwork-complaint-and-consent-orders?language=en\_US

<sup>&</sup>lt;sup>3</sup> https://www.nj.com/news/2009/05/nj\_attorney\_general\_files\_comp.html

<sup>&</sup>lt;sup>4</sup> https://ag.ny.gov/press-release/2019/attorney-general-james-announces-settlement-ticket-resale-companies-selling

https://www.ftc.gov/news-events/news/press-releases/2014/07/ticketnetwork-marketing-partners-ryadd-secure-box-office-settle-charges-deceptively-marketing-resale

https://www.billhartzer.com/pay-per-click/ticketnetworks-fine-exposes-dark-secrets-of-ticket-prices-unveils-deceptive-tactic s-and-the-scandal-search-engine-ads/

<sup>&</sup>lt;sup>7</sup> https://www.lexpert.ca/legal-insights/two-misleading-online-advertising-consent-agreements-to-finish-2023/384394

<sup>&</sup>lt;sup>8</sup> https://news.pollstar.com/2014/04/28/former-exec-sues-ticketnetwork/

## Exhibit 1: Kishi Bashi "Tickets" for A Show at The Fox Theatre (Boulder) That Does Not Exist



The Fox Theatre Presents: The NO HANDS Tour

Joey Valence & Brae

**Venue** Fox Theatre

**On Sale** <u>On Sale Now</u>

**Ticket Prices** 

\$27.50 - \$29.50

## Exhibit 2: "Tickets" Listed for Shows That Do Not Exist

Below is a list of upcoming guarantee so you can purc Sort by Date ~	Grill Upcoming Events events at Crafthouse Stage & Grill. TicketNetwork hase with confidence.	offers a great worry-free	
Date	Event		Price
Wednesday August 21st 8:00 PM	The Collection Crafthouse Stage & Grill - Pittsburgh, PA	View Tickets	
Thursday August 22nd 8:00 PM	Chandler Leighton Crafthouse Stage & Grill - Pittsburgh, PA	View Tickets	
Friday August 23rd 8:30 PM	Right Now - Van Halen Tribute Crafthouse Stage & Grill - Pittsburgh, PA		View Tickets
Saturday August 24th 8:30 PM	Broadway Rave Crafthouse Stage & Grill - Pittsburgh, PA		View Tickets
Tuesday September 24th 7:00 PM	Vended Crafthouse Stage & Grill - Pittsburgh, PA		View Tickets
Thursday October 24th 6:00 PM	Atlus Crafthouse Stage & Grill - Pittsburgh, PA		View Tickets
Thursday November 7th 7:30 PM	<b>eaJ</b> Crafthouse Stage & Grill - Pittsburgh, PA		View Tickets
Monday May 26th TBD	Uli Jon Roth Crafthouse Stage & Grill - Pittsburgh, PA		View Tickets
Saturday October 11th 6:30 PM	Beasto Blanco Crafthouse Stage & Grill - Pittsburgh, PA	EVENTS ARE	View Tickets
Tuesday October 21st 7:30 PM	Hinder, Wayland & Blacktop Mojo Crafthouse Stage & Grill - Pittsburgh, PA	HAPPENING	View Tickets
Sunday November 9th 7:30 PM	Lynch Mob Crafthouse Stage & Grill - Pittsburgh, PA		View Tickets

**Exhibit 3:** "Ticket" Being Sold for A Section That Does Not Exist In the Venue and With A Policy That is Not The Venue Policy

The Collection Wednesday August 21st 2024 8:00 PM			powered by 🖉 ticketnetwork					
	change the quantity below. If orderin	-						
general public. These seats are	placed anywhere in a theater that y be adjacent to each other in two states and the states of the s	at the management r	ice seats that are not available for sale to the eserves. If two (2) or more tickets are purchased Tickets will be ready for delivery by Aug 20,					
Section	Quantity	Delivery	Price					
Floor Hs Row GAI7 NO IDEA WHAT THIS EVEN IS TICKET WISE	3 Tickets ✓ Your tickets will be together.	Email	\$184 each					
Subtotal	3 x \$184		\$552					
Disclaimer: Prices are set by third-party collers and may be above ar below face value. All cales are final								

Your seats are together unless otherwise noted.

 $\hfill\square$  I understand and agree to TicketNetwork's terms & conditions.

**Exhibit 4:** "Zone Tickets" That Promise Seats in a Particular Row or Section, But They Are Not In the Possession of the Predatory Reseller and Fans May Never Receive Them or Be Able to Sit in The Section Indicated



**Exhibit 5:** Four General Admission Comedy Gumbeaux "Tickets" for \$750 When Four General Admission Tickets Are Available from the Venue, Howlin' Wolf (New Orleans), for \$50.

yelp 🚼	things to do, nail salons, plumber New Orleans, LA Q				Yelp for Business V Write a Review	
	Restaurants 🗸	Home Services 🗸	Auto Services 🗸	More 🗸		
	Summar	y				
	<ul> <li>This ticket will be held for 4:44</li> <li>Your Contact Information Log in with your Yelp Account</li> </ul>				Your Order	Edit
					4 Comedy Gumbeaux, Thursday September 19th 2024 8:00 PM, S GENERAL ADMISSION, ROW: G	SECT:
	Full Name	Full Name				\$174.84
					1 Delivery	\$7.50
	Phone Number		Email Address		Tetel	\$74C 04
					Total	\$746.34
	Payment				Fulfilled by TicketNetwork	
	Credit Card	PayPal				
	Cart Summary       HowIIN WOLL         Comedy Gumbeaux         Thu Sep 19 2024         8:00 PM         Ages 18+         Howlin' Wolf         907 South Peters, New Orleans, LA, 70130			n <b>beaux</b> ns, LA, 70130		
		4 GA Seatin	g	\$40.00		
		SUBTOTAL		\$40.00	r	
		SERVICE FEE		\$10.08		
		TICKETFAST		\$0.00		
		TOTAL		\$50.08		
				n on the Payment page, y Purchase Policy and Priva Notic	icy	

I also understand and agree that all sales are final. There are no refunds unless the event is cancelled or postponed.

Your payment will be processed