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## A Controversial Way to Score Concert Tickets

### Emerging Secondary Market In 'Presale' Passwords Irks Dues-Supported Fan Clubs

 By **JOSEPH DE AVILA**  
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Stephanie Kendrid, a 31-year-old accountant in Los Angeles, could have paid \$29.99 to join Kelly Clarkson's fan club and gain special access to concert tickets. Instead, she placed an ad on Craigslist and paid \$4 for the "presale" password she needed, nabbing a pair of standing-room seats.

For the past few years, many musicians have been rewarding dues-paying fan-club members with access to presale passwords to purchase tickets before they are released to the general public. Now these codes, which can increase your chances of landing prime seats, are being sold on specialized Web sites and even eBay and Craigslist.



Getty Images

The Rolling Stones are battling the sale of presale passwords by requiring fan-club members to show ID.


us."

A site called [UltimatePresales.com](http://UltimatePresales.com)<sup>1</sup> sells memberships to gain access to presale passwords for several artists, such as Bon Jovi, the Killers and Beyoncé. A one-day pass for access to codes costs \$5.99; a one-year pass costs \$349.99, according to the Web site.

This practice irks fan-club managers, who want to ensure that only fan-club members benefit from the codes. But there appears to be little they can do to stop the practice, short of expelling members they catch selling the passwords and revoking tickets bought using someone else's code.

A variety of individuals -- both novices and professionals -- are behind the sale of these codes online, says Larry Peryer, president of UltraStar Entertainment LLC in Brooklyn, N.Y., which manages presale

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Sidestepping the fan clubs, says Ms. Kendrid, is "a great way to beat the system that is ultimately trying to stiff us more and more with each new trick they can think of to get more money out of

ticketing for artists such as the Rolling Stones, the Police and Sting. It may be a fan-club member trying to make extra money on the side. Or it may be a team of professionals employing an army of collaborators to join multiple fan clubs to gain access to several codes. These professionals may use the codes to buy prime tickets to resell, or may put the codes up for sale on sites such as eBay, Mr. Peryer says.

UltraStar checks its fan-club membership databases to look for red flags, such as people who join several of the fan clubs that it manages or use presale codes to purchase tickets for venues all across the country. Members caught selling their presale codes will be kicked out, Mr. Peryer says -- and any tickets bought with a sold password may be revoked.

Besides imposing penalties such as these, the fan clubs have few other options. Gary Adler, the legal counsel for the National Association of Ticket Brokers, says that he believes that no law exists that prohibits the sale or purchase of these codes.

UltraStar routinely patrols the Web to find which sites are selling their passwords, but this can be tricky, Mr. Peryer says, because sometimes the sale of codes occurs in quick frenzies on sites like Craigslist, and then the sellers disappear. "It's a game of Whac-a-Mole," he says. The problem is growing throughout the industry, Mr. Peryer says, and "I don't think anybody has created the magic bullet to stop it."

Ticket vendors like Ticketmaster and Tickets.com have begun to crack down on the practice, but only when it is requested by the artist or the venue. Joe Freeman, a Ticketmaster vice president and assistant general counsel, says that the company does everything it can to accommodate the wishes of the artists and the venues. "Ticketmaster is committed to do anything in its power to make sure fan-club presales are done in a fair and equitable manner."

When presale passwords started being used a few years ago, the codes were the same for everybody and could easily be passed on. Now, to ensure that presale codes go to fan-club members only, many artists require unique passwords that Ticketmaster can trace back to the purchaser, and with the help of the fan club, trace back to the fan-club member.

Some artists request extra security measures for their presale passwords. For a recent Rolling Stones concert, any person who ordered tickets with a presale password had to pick up the tickets at the venue and present identification that proved fan-club membership, says David Goldberg, an executive vice president at Ticketmaster. In order to gain admission to the concert, buyers had to wear wristbands that couldn't easily be removed.

For most of its concerts, the band Nine Inch Nails now prints fan-club members' names on their tickets, says Nathan Hubbard, chief executive of Musictoday, a subsidiary of LiveNation Inc. that manages fan clubs. During the concert, those members use a separate entrance where they have to present their tickets, identification and fan-club membership cards.

To penalize members who sell their passwords, many fan clubs terminate memberships and revoke tickets. Last year, tickets for shows in New York and St. Paul, Minn., that were allocated for members of Tom Petty and the Heartbreakers' fan club were either resold or acquired by scalpers in violation of the club's user policy. As a result, 800 tickets were canceled for Tom Petty's show at Madison Square Garden in New York, and around 500 tickets were canceled for his concert at the Xcel Energy Center in St. Paul, according to the artist's Web site.

Not all concertgoers are happy with the tickets they get from their presale passwords. Kurt Liestenfeltz, the 42-year-old managing director of a telescoping masts manufacturer who lives in Silver Spring, Md., says he bought unique passwords on Craigslist twice -- both times for \$20 -- and that the tickets available

weren't stellar ones.

Recently, he bought a password to purchase presale tickets to see the Police perform at the Verizon Center in Washington, D.C. The only presale seats available were priced at \$228. Mr. Liestenfeltz described them as "pretty good," but says that for the price, "they weren't fantastic."

Mr. Liestenfeltz ended up passing on those tickets and bought three tickets during the general sale for \$93 each. The seats weren't good, he says.

Still, Mr. Liestenfeltz hasn't been persuaded to join a fan club. "I didn't see a value in doing that," he says.

<b>Fan Booty</b>			
What three musician fan clubs offer their members.			
Artist	Annual fee	What you get	Ticketing policy
<b>Sting</b>	\$65 for premium-level membership	Access to advance ticket purchases, access to behind the scenes video clips, members-only contests, access to message boards and chat rooms.	Fan club can block access or cancel ticket orders at their discretion if the user is or is associated with a ticket broker, is using automated means to place ticket orders, or who exceeds the stated limit on a ticket order. Members may not sell tickets or presale codes purchased or acquired through a fan club presale, contest or sweepstakes.
<b>Red Hot Chili Peppers</b>	\$40 for gold-level membership	Member-only merchandise, your own blog space on the fan-club Web site, priority ticketing before the general public, access to message boards and chat rooms, and a Red Hot Chili Pepper baseball cap designed by a fan.	Fan club can block access or cancel ticket orders at their discretion if the user is or is associated with a ticket broker, is using automated means to place ticket orders, or who exceeds the stated limit on a ticket order. Members may not sell tickets or presale codes purchased or acquired through a fan club presale, contest or sweepstakes.
<b>John Legend</b>	\$30 for general membership	Ticket giveaways, access to a members-only Web site, an unreleased live CD and option to purchase specially reserved tickets on the Legend Network Web site.	Members can purchase four tickets per concert that are reserved for members. Ticket brokers cannot join the club. If a member is found selling tickets for profit, the membership will be canceled without return of the membership fee.

Source: the fan-club Websites

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(1) <http://UltimatePresales.com>

(2) <mailto:joseph.deavila@wsj.com>

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