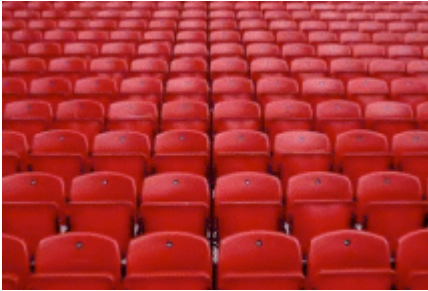


## “Equity Seat Rights” – Turning seats into cash

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If you could lock in the price of a season ticket to your favorite team for an extended period of time – perhaps even for life – would you do it?

Lou Weisbach is betting a lot of fans will. Weisbach is CEO of Stadium Capital Financing Group, a company backed by Morgan Stanley that has developed a product called [“Equity Seat Rights.”](#)

You may have seen the sign that says simply “Equity Seat Rights” on the camera wall next to the Marlins’ dugout at Dolphin Stadium. It’s also on the tarp covers at the New York Mets’ Shea Stadium and at the Colorado Rockies’ Coors Field. Weisbach hopes you’ve wondered what it means.

The idea is relatively simple: fans lock in their price for an individual seat for a long period and Stadium Capital uses that commitment to turn over potentially hundreds of millions of dollars to the team to use as it wishes: to boost payroll, pay down debt, build a new stadium or arena.

“Our product locks in the price for the fan, who pays that fixed amount for an extended period of years,” Weisbach says. “Our product is so totally beneficial to the fan. We think we’ve found the perfect balance between the team and the fan, while at the same time providing capital for the team in a debt-free fashion.”

The concept differs from a Personal Seat License (PSL) -- where fans put down a fee for the right to buy a seat for a period of years -- because the payment is for the seat and it is fixed for the life of the contract. Weisbach, who calls the idea the “PSLs of the 21st century,” wouldn’t disclose the costs or lengths of contracts, but said they would be for “much longer than 10 years,” and that fans could transfer or re-sell their seats and could even re-sell the seats on an individual or annual basis. The fan would buy the actual seat, which Weisbach said would be nicer than your average seat, perhaps with a cushion and built-in access to replays and Internet connections.

Weisbach says pro sports teams would need to turn over no more than 10 percent of their venue's seats and in turn would receive a debt-free revenue stream that could be worth as much as the value of the team. "We are able to monetize these commitments for the team," Weisbach said.

The team can use the money to "make improvements, to build a new stadium, to refurbish a stadium, to pay off debt," Weisbach said. "It could be used to buy out limited partners, it could be in small market situations where they could in order to get greater attendance, perhaps buy some free agent players. The beauty of this is it's extraordinarily flexible."

The question is whether teams be willing to give up control of a portion of their seats. While teams have not yet signed a contract with Stadium Capital, Weisbach said he's close to announcing a deal. He said the company is in talks with teams in all four major sports, as well as with universities and soccer teams in South America and England. He said the concept can also be applied to entertainment venues.

While the product could help the Marlins, who have been seeking a stadium for years, the team has only an advertising deal for the camera well sign.