

BUYING AND

SELLING

A TEAM

*How franchise ownership really works: league approval, structure, diligence, and the deal*

---

**BRANDON LEOPOLDUS, ESQ.**

*Current as of mid-2026. Ownership and private-equity rules change quickly; confirm before you act.*

# BUYING A TEAM IS NOT LIKE BUYING A COMPANY.

When you buy a business, you buy its assets and its cash flow, and if you have the money, it is yours. When you buy a team, you are applying to join a private club, and the members get to vote on whether they want you. The money is necessary. It is not sufficient. The league is the gatekeeper, and it is looking at you as much as at your checkbook.

I learned this early, buying and selling minor league baseball teams before I ever built one from scratch, and it holds at every level of professional sport. A franchise is a license to participate in a shared enterprise, closer to a McDonald's franchise than to a company, except the product is competition itself and your partners are the same people you compete against on the field. That structure drives every rule in this guide.

This is a map of how it actually works: what you are buying, how the league decides whether to let you in, the money rules, where private equity now fits, the deal itself, and how it all runs in reverse when you sell. It moves fast, especially on the money side, so treat the specifics as current-as-of and confirm before you act.

THE WHOLE GUIDE, IN ONE LINE

**THE MONEY IS THE EASY PART.  
THE PARTNERS ARE THE HARD  
PART.**

# WHAT YOU ARE ACTUALLY BUYING

## A MEMBERSHIP INTEREST IN A JOINT VENTURE

The teams in a league are separately owned businesses that agree to cooperate to produce a product none of them could make alone, and the Supreme Court has said exactly that: the clubs are independent economic actors, not a single company. When you buy in, you are buying a seat at that table, and the table has rules. Read the constitution before you fall in love with the franchise.

FEATURE	ORDINARY BUSINESS	SPORTS FRANCHISE
WHAT YOU GET	The assets and the cash flow	A membership seat in a league joint venture
WHO APPROVES	Regulators, sometimes	The other owners, by supermajority vote
WHAT THEY VET	Financing and antitrust	Character, compatibility, net worth, and funding
CAN YOU BE TURNED DOWN	Rarely, and for cause	Yes, and courts have upheld it
ONGOING CONSTRAINTS	Few	Debt limits, control rules, and consent to transfer

You do not just buy a team. You buy into a contract with thirty other owners, and you agree to be bound by it before you ever cut the check.

# THE LEAGUE IS THE GATEKEEPER

## NO SALE CLOSES WITHOUT A VOTE

In most leagues a transfer of control needs a supermajority of the other owners, and that vote is not a formality. It is the moment the club decides whether it wants you in the room for the next thirty years.

What they are vetting is not just whether you can pay. It is character and compatibility. Each league weighs it differently, and the differences are real. One league will quietly bounce a candidate over personal conduct or a public-image problem. Another cares most about whether the existing owners like and trust you personally, which is why a serious buyer expects to sit down, one on one, with owner after owner, over dinner, before a vote is ever called. A third is focused on growing the game and prizes an owner who brings new markets or international reach over one who simply writes the biggest check. You are not buying a team so much as auditioning to be a partner.

And here is the part prospective buyers hate to hear: the league can say no, and the law lets it. When rejected buyers have sued, courts have held that a league's refusal to approve an owner is not an antitrust violation, because the applicant was trying to become a partner, not a competitor, and the rejection did not harm competition. You have no right to be admitted. You have the right to make your case.

**YOU HAVE NO RIGHT TO BE ADMITTED. YOU HAVE THE RIGHT TO MAKE YOUR CASE.**

# THE MONEY RULES

## BEING ABLE TO BUY THE TEAM IS NOT THE SAME AS BEING ABLE TO OWN IT

Leagues impose financial requirements that have nothing to do with whether you are personally rich, and everything to do with whether the franchise will be stable. Expect a designated controlling owner who must hold a minimum equity stake and be the single accountable decision-maker; net-worth and liquidity thresholds well beyond the purchase price; and a league-wide limit on how much debt the team may carry. Even a buyer who could pay all cash still has to prove they can fund operating losses and run the team within those limits.

### CONTROLLING OWNER

Minimum equity stake, single accountable decision-maker.

### NET WORTH & LIQUIDITY

Thresholds well beyond the purchase price.

### DEBT LIMIT

A league-wide cap on how much the team may carry.

These capital rules are under real strain, because franchise values have climbed faster than the pool of people who can satisfy them. That pressure is exactly what opened the door to the change in the next section. But the principle has not moved: the league is protecting itself against an owner who buys a team and then cannot afford to run it, because a failing franchise damages everyone else's investment.

### THE RULE

Come in over-capitalized, not barely qualified.

# PRIVATE EQUITY ENTERS THE GAME

## A LIMITED PARTNER, NOT A CONTROLLING OWNER

For most of their history, the major leagues kept institutional money out. That has changed fast. Leagues now permit private-equity funds to hold minority, non-controlling stakes, subject to firm limits: the NFL opened the door in 2024, the NBA loosened its rules further in 2026, and the other major leagues allow minority private-equity investment as well. The common thread is that private equity can be a limited partner, not a controlling owner, and only within caps, from approved funds, and often with required holding periods.

For a buyer, this matters two ways. It is a new source of capital to help you reach the price and satisfy the funding requirements, and it is a new set of rules to navigate, because how you bring an institutional partner in has to fit the league's framework exactly. For a seller, it widens the pool of buyers and creates partial-sale options that did not exist a few years ago. This is the fastest-moving area in team ownership, and the specifics are genuinely a confirm-before-you-act matter.



### DID YOU KNOW?

What is permitted this year may be expanded or tightened next year. Private-equity rules vary league by league and are being rewritten in real time. Confirm current terms with league counsel before structuring any deal around institutional money.

# THE DEAL ITSELF

GET THE ORDER RIGHT AND THE SURPRISES ARE SMALLER

---

1

## LETTER OF INTENT

The price and the big terms, usually with exclusivity so you are not bidding against a moving target while you spend money on diligence.

---

2

## DUE DILIGENCE

The real work. You are buying more than a roster: the stadium or arena lease, media and broadcast rights, sponsorships, debt, litigation, and front-office contracts. Often the lease and the media rights, not the team on the field, are where the value and the risk actually sit.

---

3

## PURCHASE AGREEMENT

Reps and warranties about what you are buying, indemnities if those turn out to be wrong, escrow to back them, and the conditions to closing, the first of which is league approval.

---

4

## LEAGUE APPROVAL

The vote, and the vetting that leads to it, which runs in parallel with the deal and gates the close.

---

5

## CLOSING

Funds move, control transfers, and you take on the constitution and every obligation in it.

---

### ONE MORE GATE: ANTITRUST CLEARANCE

For large deals, an acquisition above the statutory size thresholds triggers a federal premerger notification and a waiting period before you can close. It is usually a process rather than a fight, but it is a real gate on the calendar, and it has to be built into the timeline from the start.

“

**YOU ARE NOT  
BUYING A TEAM.  
YOU ARE EARNING  
A SEAT THAT IS  
HARD TO GET.**

---

**BRANDON LEOPOLDUS, ESQ.**

*Founder, Leopoldus Law, APC*

# GOVERNANCE AND THE CONTROL STACK

## ALMOST NO TEAM IS ONE PERSON WRITING ONE CHECK ANYMORE

It is a stack: a controlling owner and a group of limited partners, held through an entity whose operating agreement is its own negotiation. Understand what the pieces actually get.

### CONTROLLING OWNER

Runs the team and casts its vote in the league. The league insists on that single accountable person for a reason.

### LIMITED PARTNERS

Put in capital and share in the upside, but typically get little control. Their exit is boxed in by rights of first refusal, transfer restrictions, and the league's consent.

If you are coming in as a minority partner, go in clear-eyed: you are buying an economic interest and a great seat, not a say in how the team is run, and not an easy exit. Get the operating agreement's control, distribution, and transfer terms right on the front end, because that document, not your enthusiasm, defines what your investment actually is.

### THE DOCUMENT THAT DEFINES YOU

The operating agreement, not your enthusiasm, defines what your investment actually is.

# SELLING

EVERYTHING IN THIS GUIDE RUNS IN REVERSE

Including the league's role. A sale of control needs the same supermajority approval on the way out that it did on the way in, and your buyer has to clear the same character, capital, and debt hurdles you did. A seller who lines up a buyer the league will not approve has not made a deal. They have made a delay.

So sell the way a professional sells any valuable asset. Keep clean books and a clean corporate structure, because a buyer, and the league, will underwrite documented revenue, real contracts, a clear lease and media-rights picture, and a tidy cap and ownership table. The same discipline that makes a youth club sellable makes a franchise sellable, just with more zeros and a league vote at the end.

**BUILD THE FILE LONG BEFORE  
YOU NEED IT. READINESS EARNS  
THE PRICE.**

# WHAT TO DO NEXT

IF YOU ARE LOOKING AT BUYING, OR SELLING, A TEAM

---

- Read the league constitution and bylaws before anything else. That is the deal behind the deal.

---

  - Confirm the current ownership requirements: controlling-owner equity, net worth, liquidity, and debt limits.

---

  - Map the approval path early, and start building relationships with the owners who will vote on you.

---

  - Line up your capital, and if private equity is part of it, structure it to fit the league's current rules exactly.

---

  - Run real diligence on the lease, the media rights, the debt, and the contracts, not just the team.

---

  - Negotiate the purchase agreement and the operating agreement for control, transfers, and exit, and build in league approval and antitrust clearance.

---

  - If you are selling, get your books and structure clean well ahead of time, and vet your buyer against league standards before you sign.
- 

**RESPECT THE LEAGUE. DO THE  
RELATIONSHIP WORK. GET THE  
DOCUMENTS RIGHT.**



— ABOUT THE AUTHOR

# BRANDON LEOPOLDUS, ESQ.

*Founder, Leopoldus Law, APC*

**Brandon Leopoldus umpired in professional baseball before he ever practiced law.** Five leagues. Seven playoff series. Two All-Star games. One championship series. One infamous appearance on SportsCenter. That path, through the minor leagues and an Olympic family, is the lens he brings to every matter at Leopoldus Law, APC.

**100+**

ATHLETES ADVISED

**25+**

SPORTS

**3**

LEAGUES LAUNCHED

**6**

PRO TEAMS

**4**

GOVERNING BODIES

Leopoldus Law is a sports and entertainment boutique in Culver City, California. Brandon has bought and sold professional teams, helped build new leagues, and served twice as interim general counsel for a Major League Soccer club, and he advises ownership groups on franchise purchases, sales, and governance.

He sits on the board of the Sports Lawyers Association and teaches Sports Law at Loyola Law School. The firm works with the sports world and the people who build it. Sports clients only. No exceptions.

## **A NOTE ON HOW TO USE THIS GUIDE**

This guide is educational and current as of mid-2026. League ownership rules, capital requirements, and private-equity policies are set by each league and change frequently, and specifics stated here may have changed by the time you read this. It is not legal advice for your situation, and reading it does not make Leopoldus Law your lawyer.

Confirm the current requirements for the specific league and structure the transaction with your own counsel. If you would like that counsel to be us, reach out.

**REACH OUT**

**BRANDON LEOPOLDUS, ESQ.**

Leopoldus Law, APC · Culver City, California

[www.leopoldus.com](http://www.leopoldus.com)

[brandon@leopoldus.com](mailto:brandon@leopoldus.com)

+1 323 682 0511

---

## ENDNOTES

- 
- 1 *American Needle, Inc. v. National Football League*, 560 U.S. 183, 195-203 (2010) (the member teams of a professional league are separate, independently owned economic actors, so their joint decisions are concerted action subject to Section 1 of the Sherman Act and are generally judged under the rule of reason).

---

  - 2 *Levin v. National Basketball Ass'n*, 385 F. Supp. 149, 152-53 (S.D.N.Y. 1974) (a professional league's refusal to approve prospective purchasers of a franchise did not violate the antitrust laws, because the applicants sought to become partners rather than competitors and the exclusion had no anticompetitive intent or effect).

---

  - 3 League ownership requirements, including the designation of a controlling owner, minimum-equity and net-worth thresholds, and franchise debt limits, are set by each league's constitution and bylaws and change over time. Confirm the current requirements for the specific league.

---

  - 4 Professional leagues have recently authorized limited, non-controlling private-equity investment: the NFL approved private-equity investors in 2024, and the NBA further loosened its private-equity rules in 2026, with MLB, the NHL, MLS, and the NWSL permitting minority private-equity stakes subject to caps, approved-fund lists, and holding periods. These rules are evolving rapidly; confirm current terms with league counsel.

---

  - 5 15 U.S.C. § 18a (Hart-Scott-Rodino Antitrust Improvements Act; premerger notification and a waiting period for acquisitions above statutory size thresholds).
- 

*This publication has been prepared by Leopoldus Law, APC for educational purposes only. It is general information, not legal advice for any particular person or situation, and it does not create an attorney-client relationship. Attorney advertising. Brandon Leopoldus is licensed to practice law in California. © 2026 Leopoldus Law, APC. All rights reserved.*



# THE SAFEST CALL IN SPORTS.

---

10736 Jefferson Boulevard, #920

Culver City, California 90028

[www.leopoldus.com](http://www.leopoldus.com)

+1 323 682 0511

Attorney advertising. This guide is educational and does not constitute legal advice, nor create an attorney-client relationship. © 2026 Leopoldus Law, APC. All rights reserved.