

OWNING A YOUTH SPORTS CLUB

*Running a real business around amateur athletes:
structure, safety, and the paper that protects you*

BRANDON LEOPOLDUS, ESQ.

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**THE PAPER IS
NOT
BUREAUCRACY.
THE PAPER IS
THE PROTECTION.**

BRANDON LEOPOLDUS, ESQ.

Founder, Leopoldus Law, APC. Former professional baseball umpire.

AMATEUR SPORTS ARE NOT AMATEUR. THE PLAYERS ARE.

Everyone else in the building is getting paid: the coaches, the referees, the tournament host, the uniform vendor, the facility, the concession stand. Youth club sports is a multi-billion-dollar industry wearing a volunteer's jersey.

If you own a club, you own a real business, and the law treats it like one whether you do or not. That cuts both ways. On the upside, a well-run club is a durable, sellable, cash-flowing asset. On the downside, you are responsible for other people's children, you are plugged into a stack of governing bodies whose rules you must follow, and you carry exposures a rec league owner never thinks about until the day one lands.

This guide is about the difference between running a club and running a business that happens to be a club. Most of that difference is paper and process, and none of it is complicated. All of it matters the day something goes wrong.

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This guide is educational. It is not legal advice for your club, and reading it does not make Leopoldus Law your lawyer. Statutes, governing-body rules, and safety requirements change and vary by state and sport; confirm current requirements before you act.

**OWN IT AS A
BUSINESS, NOT
A HOBBY YOU**

**HAPPEN TO PROFIT
FROM.**

OWNING A YOUTH SPORTS CLUB

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CHAPTER ONE

THE BUSINESS HIDING INSIDE "AMATEUR"

Where the money really is, and the governing-body stack above you

SEE THE MONEY YOU ARE LEAVING ON THE TABLE

MOST OWNERS UNDERPRICE THEIR OWN OPERATION

Parents pay to play, and they pay a lot: a season of competitive club ball routinely runs into the thousands per athlete, and that is before travel, gear, and private lessons.

Around that core sit the other revenue lines most owners leave on the table — team and participation fees, tournament hosting and gate fees, private training at your facility, uniforms and branded merchandise re-bought every season, and sponsorships, which exist even in youth programs, and increasingly NIL.

Now the sober part. After expenses, a well-run club nets on the order of a hundred thousand dollars a year per program. That is real money, and it is not a windfall. It means margins are thin enough that one bad contract, one uninsured claim, or one misclassified coach can eat a full year of profit. The clubs that build wealth professionalize the operation and hold the asset long after the founder's own kids have aged out, because it keeps paying.



DID YOU KNOW?

A club with clean books, real agreements, and documented compliance is an asset a buyer can underwrite. A club run out of a shoebox is a liability someone might take off your hands. The paperwork you keep is the difference between the two.

WHERE YOUR CLUB SITS: THE GOVERNING-BODY STACK

COMPLIANCE IS THE LICENSE THAT LETS YOU SELL THE PRODUCT

Your club does not operate alone. Competitive, tryout-based travel programs almost always plug into a governing-body hierarchy, running from an international body down through a national governing body, then a regional or state association, and finally to your club. You are bound by the rules at every level above you.

This is not academic. The sanctioned tournaments your families pay to play in are the product. If your club or one of your coaches gets banned or suspended by the governing body, you lose access to that product overnight.

Sitting on top of all of it is child-safety compliance. National governing bodies operate under a federal child-protection regime built after the abuse scandals in Olympic sport, which imposes screening, training, and mandatory-reporting duties on the adults authorized to be around minor athletes.¹ The exact reach depends on your affiliation, but the direction of the law is one way only: more screening, more training, more reporting. Build for that.

**COMPLIANCE IS NOT A
FORMALITY YOU TOLERATE.
IT IS THE LICENSE THAT LETS
YOU SELL THE THING YOU SELL.**

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CHAPTER TWO

FORM THE ENTITY, THEN RESPECT IT

The right structure, and the discipline that keeps it real

THE ENTITY, AND KEEPING IT REAL

THE SHIELD ONLY HOLDS IF YOU TREAT IT AS REAL

Run the club through an entity, not through your personal name. A limited liability company is the usual home for a for-profit club. Formed and run correctly, it puts a wall between the business and you, and a member is generally not personally liable for the company's debts and obligations.² Some clubs organize as nonprofits instead, which can carry real tax and grant advantages but comes with its own governance rules. Which fits depends on your goals; decide it deliberately, not by default.

Whatever you form, the shield only holds if you treat the entity as real. That means its own bank account, its own books, contracts signed in the company's name, and a clean line between club money and your money. The fastest way to lose the protection you paid for is to run the club's finances out of your personal checking account.

Put your assets in the right places, too. If the club owns or leases a facility, understand who holds the lease and who signs the personal guarantee, because that guarantee can reach around the entity straight to you. Structure the real estate and the operating business as separate pieces where it makes sense, so a claim against one does not automatically consume the other.

**SEPARATENESS ON PAPER
MEANS NOTHING
IF YOU COMMINGLE IN PRACTICE.**

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CHAPTER THREE

CHILD SAFETY IS THE WHOLE BALLGAME

The duty to screen, the system to build, and the winning-coach trap

YOU HAVE A LEGAL DUTY TO SCREEN

IF YOU TAKE ONE SECTION SERIOUSLY, TAKE THIS ONE

This is settled in California. A youth sports organization has a special relationship with the children in its programs and a duty to require and conduct criminal background checks on the coaches and volunteers who have contact with them.³ The reasoning is blunt: predators are drawn to youth sports, that risk is foreseeable, and the burden of a background check is minimal against the harm it prevents. A club that skips screening has breached a duty a court has already recognized.

The broader rule sits behind it. Whether you owe a duty to protect a child from a third party turns on whether you have a special relationship with that child, and a club that takes custody of minors at practices, games, and on the road plainly does.⁴ You are, in the law's words, a quasi-parent while those kids are in your care. Act like one.



DID YOU KNOW?

California went further and wrote the duties into statute: background checks, abuse-prevention training, and mandated reporting for administrators and coaches.⁵ Mandated means mandatory. There is no discretion, and no exception for your best coach.

SCREENING, TRAINING, REPORTING: BUILD THE SYSTEM

TURN THE LAW INTO A ROUTINE, AND KEEP THE RECORDS

This is not box-checking. The point is to hit the problem before it reaches a child, and to be able to prove you tried.

CLEAR EVERYONE BEFORE CONTACT

Every coach, trainer, staffer, and event volunteer clears a background check and the required safety training before contact with a child. No exceptions, no "we will get to it."

RUN THE ANNUAL BAN-LIST SCREEN

Once a year, run your full roster against the national ban list. Put a date on the calendar and keep the results.

TRAIN EVERY ADULT ON REPORTING

Train every adult on the mandatory-reporting duty, and document that they were trained.

KEEP THE SCREENING RECORDS

The paper trail is what converts a negligent-hiring lawsuit into a documented defense.

I have run a club's roster through the annual screen and had a name come back banned for life. The move there is simple: do not hire her. That one check is the difference between a quiet save and a catastrophe with your club's name on it.

THE WINNING-COACH TRAP, AND TWO ROAD RULES

THE TEST THAT ACTUALLY BREAKS OWNERS

The coach producing your best results is the one you least want to lose, and someday one of those coaches will be the problem. Owners who look the other way because "he gets everybody to the podium" are the ones who eat their words a decade later, in a deposition. You do not want to be the creepy-gym owner. Turn him in. The results are not worth the child, and they are not worth the club.

Two rules cost nothing and prevent the accusation you can never disprove. First, no coach is ever one-on-one with a minor in a private space. Build your facility, your practices, and your travel around that. Second, nobody on your staff drinks around the athletes on the road, ever, regardless of age. You cannot disprove a false accusation after the fact, so you remove the opportunity for it. Have the soda. Get through the weekend.

**NOTHING ELSE YOU GET RIGHT
SURVIVES A CHILD-SAFETY
FAILURE.**

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CHAPTER FOUR

THE WAIVER AND THE FIELD

What a release actually protects, and the coach liability standard

THE WAIVER THAT ACTUALLY HOLDS

THE FLOOR, NOT THE CEILING

Every club uses a waiver. Most clubs misunderstand exactly what it does, and that misunderstanding shows up at the worst possible time.

THE RULE

A release that waives ordinary negligence for the risks that come with the activity is generally enforceable. But a release that tries to waive gross negligence is void as against public policy — you cannot contract your way out of a minimal standard of care.⁶ The law will not let you shelter aggravated misconduct behind a signature.⁷ So the waiver protects you when a kid turns an ankle running a normal drill. It does nothing for you when the injury came from something reckless.

THE TRAP

When an organization provides something closer to child care than sport, a release of its own negligence can be void entirely, because caring for children is treated as a matter of public interest you cannot sign away.⁸ Courts decide this by looking at the nature of the transaction against a set of public-interest factors, not at how the injury happened.⁹ If you run all-day camps, drop-off programs, or anything resembling supervision-for-hire, your waiver is thinner than you think.



THE MOVE

Use a real waiver, drafted for your sport and your state, inside a participation agreement that also handles fees, conduct, media, and consent. Then build everything else in this guide, because the waiver is the floor, not the ceiling.

WHO GETS HURT ON THE FIELD: THE COACH STANDARD

COACH HARD. COACH SAFE. DOCUMENT IT.

Kids get hurt playing sports. That alone is not a lawsuit you lose, and the reason is a doctrine called primary assumption of risk. When someone chooses to play an active sport, they accept the risks inherent in it, and coparticipants and operators owe no duty to protect them from those inherent risks.¹⁰ A pulled hamstring in a sprint, a collision in a game played by the rules: those are assumed, and they do not create liability.

The standard for your coaches is protective. A coach is liable to a student athlete only for intentionally injuring the student, or for acting recklessly in a way totally outside the range of ordinary coaching. Pushing an athlete to work hard is not liability, it is coaching. What a coach may not do is increase the risks already inherent in learning the sport.¹¹ That line, between challenging an athlete and needlessly endangering one, is where your exposure lives.

**THE DOCTRINE PROTECTS THE CLUB
THAT STAYS INSIDE THE LINES,
AND ONLY THAT CLUB.**

A man in a dark suit and light shirt is smiling and gesturing with his right hand while holding a tablet in his left. In the foreground, a hand is holding a pen over a document. The background is a dimly lit office or meeting room.

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CHAPTER FIVE

COACHES, PAPER, AND INSURANCE

Classification, the document suite, and the coverage that pays the claim

YOUR COACHES: EMPLOYEE OR INDEPENDENT CONTRACTOR

ONE OF THE MOST EXPENSIVE MISTAKES IN THE BUSINESS

Most clubs pay their coaches as independent contractors. Many of them are wrong to. California uses the ABC test: a worker is an independent contractor only if the club proves all three of these, and the burden is on you — the worker is free from your control, performs work outside the usual course of your business, and runs an independently established trade of the same nature.¹² Read prong B again. Coaching is the usual course of a coaching business. That prong alone reclassifies a lot of coaches as employees, no matter what the agreement calls them.

Getting this wrong is not a paperwork ticket. Misclassification exposes you to back wages, overtime, payroll taxes, penalties, and workers'-compensation gaps, any one of which can swallow a year's profit. Some roles genuinely are contractor roles, a visiting specialist who runs one clinic and coaches for three other clubs. Your head coach who runs your program all season usually is not.



THE MOVE

Get the classification right for each role, paper it correctly, and keep both an employment agreement and an independent-contractor agreement on hand so you can match the document to the reality.

THE PAPER SUITE EVERY CLUB NEEDS

A PROFESSIONAL CLUB CARRIES A PROFESSIONAL SET

DOCUMENT	WHAT IT DOES	THE RISK IT BLUNTS
PARTICIPATION AGREEMENT	Sets membership terms, fees, code of conduct, media and NIL permissions	Fee fights, ejections, image-use disputes
LIABILITY WAIVER / RELEASE	Releases ordinary negligence for the inherent risks of the sport	Routine injury suits (but never gross negligence)
TRAVEL AGREEMENT	Road-trip rules, supervision terms, parental consent	Chaperone claims and travel-incident exposure
COACH EMPLOYMENT / IC AGREEMENT	Defines the role, classification, conduct standards, and safety compliance	Misclassification, wage claims, negligent-hiring exposure
PRIVATE-TRAINING AGREEMENT	Terms for lessons and one-on-one instruction at the facility	One-on-one and premises-liability claims

None of this is exotic, and it does not have to be expensive. It has to be real: drafted for your sport, your state, and your governing body, and actually signed before the season starts. Done right, a parent looking at your paperwork sees a serious organization, not a weekend hobby.

INSURANCE: THE LAYER THAT PAYS THE CLAIM

THE ENTITY WALLS OFF, THE WAIVER CAPS, INSURANCE PAYS

The entity walls off your assets. The waiver sets the floor. Insurance is the layer that actually writes the check when something goes wrong, and for a youth club it is not optional.

GENERAL LIABILITY

The base layer for premises and operations claims.

PARTICIPANT ACCIDENT COVERAGE

For the injuries the sport produces on its own.

SEXUAL ABUSE AND MOLESTATION COVERAGE

The line you cannot skip. Many general policies exclude it, and it is precisely the catastrophic exposure a youth organization faces. Confirm you carry it, and read the limits.

DIRECTORS AND OFFICERS COVERAGE

For claims against the people running the club, especially if you are organized as a nonprofit with a board.

**MATCH THE COVERAGE TO THE EXPOSURES,
NOT TO THE CHEAPEST CERTIFICATE A BROKER CAN PRODUCE.**



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CHAPTER SIX

BUYING, GROWING, AND SELLING THE CLUB

Building the asset, the honest warning, and what to do next

THE CLUB AS AN ASSET, FROM DAY ONE

THREE BUSINESSES INSIDE ONE CLUB

Think of the club as an asset from day one, not a hobby you happen to profit from. There are really three businesses inside one club: running it, maximizing what it earns, and eventually preparing it for sale. Each is its own discipline, and each adds value to the last.

Clean structure is what makes a club sellable. A buyer underwrites documented revenue, real agreements with families and coaches, proof of compliance, and insurance in force. Everything this guide asks you to build is also the due-diligence file a buyer will demand. You are not doing paperwork. You are building the thing you will one day sell, and raising its price while you own it.

On growth, understand where the industry is going. The NIL era is pulling clubs and representation together: programs that recruit top young athletes are increasingly monetizing brand interest in those athletes early, and the club and the agency start to look like one business. There is real opportunity there, and real regulatory complexity, worth planning deliberately rather than stumbling into.



ONE HONEST WARNING

A lot of people buy or start a club for the wrong reason: the belief that owning the team guarantees their own kid a roster spot or a scholarship. It usually backfires. Own it as a business, run for the families you serve and the asset you are building. That is the version that lasts, and the version worth selling.

WHAT TO DO NEXT

EACH ITEM IS CHEAPER TO DO NOW THAN TO FIX AFTER A CLAIM

- 1** Form the right entity, open its own bank account, and run the club's money separately from yours.
- 2** Confirm your governing-body affiliation and get current on every compliance requirement above you.
- 3** Build the child-safety system: screening, training, mandatory reporting, and the annual ban-list check, all documented.
- 4** Replace your downloaded paperwork with a real suite: participation agreement, waiver, travel agreement, coach agreements, and a private-training agreement.
- 5** Classify every coach correctly under the ABC test, and paper each role to match reality.
- 6** Put the right insurance in force, and make sure sexual abuse and molestation coverage is inside it.
- 7** Keep clean books and a clean compliance file, because that file is also your sale price.

Do these, and you are not running a club and hoping. You are running a business built to protect the kids in your care, the families who trust you, and the asset you are building. That is the whole game.

A portrait of Brandon Leopoldus, Esq., a man with short brown hair and a slight smile, wearing a dark blue button-down shirt. He is positioned in front of a blurred background that appears to be a computer monitor displaying a website with blue and white text.

— ABOUT THE AUTHOR

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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.

Leopoldus Law is a sports and entertainment boutique in Culver City, California. Brandon's work spans athletes, teams, leagues, unions, facilities, and ownership groups, including the buying and selling of teams, the building of new leagues, and interim general counsel work for a Major League Soccer club. He sits on the board of the Sports Lawyers Association and teaches Sports Law at Loyola Law School. He brings major-league-grade contracts and structure down to the youth clubs that have never had access to them.

The firm works with the sports world and the people who build it. Sports clients only. No exceptions.

SOURCES & DISCLOSURES

A NOTE ON HOW TO USE THIS GUIDE

This guide is educational. It explains how youth sports clubs are commonly structured and protected, and it is written to make you a sharper operator, not to replace counsel. It is not legal advice for your club, and reading it does not make Leopoldus Law your lawyer. Statutes, governing-body rules, and safety requirements change and vary by state and sport, and the right answer depends on facts this guide cannot know. Confirm the current requirements and work the specifics with your own attorney and insurance advisor before you act. If you would like that attorney to be us, reach out.

ENDNOTES

1. The Protecting Young Victims from Sexual Abuse and Safe Sport Authorization Act of 2017, Pub. L. No. 115-126; see 34 U.S.C. § 20341 (mandatory reporting of suspected child abuse by covered adults authorized to interact with minor or amateur athletes). Covered entities and duties are defined by statute; confirm application to your organization.
2. Cal. Corp. Code § 17703.04 (a member of a limited liability company is not personally liable for the debts or obligations of the company).
3. *Doe v. U.S. Youth Soccer Ass'n*, 8 Cal. App. 5th 1118, 1130-31, 1140-41 (2017) (a youth sports organization has a special relationship with its minor participants and a duty to require and conduct criminal background checks of coaches and volunteers who have contact with children).
4. *Brown v. USA Taekwondo*, 11 Cal. 5th 204, 209, 213 (2021) (whether a defendant owes a duty to protect against third-party harm turns on a special relationship or comparable circumstance, limited by the Rowland policy factors).
5. Assemb. Bill No. 506 (2021-2022 Reg. Sess.); Cal. Bus. & Prof. Code §§ 18975-18981 (youth sports organization background-check, training, and policy requirements); Cal. Penal Code § 11165.7 (administrators and coaches of youth sports organizations are mandated reporters of suspected child abuse). Confirm current requirements.
6. *City of Santa Barbara v. Superior Court*, 41 Cal. 4th 747, 750-51, 776-77 (2007) (a release of liability for future gross negligence in a recreational program is void as against public policy, though releases of ordinary negligence are generally enforceable in that setting).
7. Cal. Civ. Code § 1668 (contracts that purport to exempt a party from responsibility for fraud, willful injury, or violation of law are against the policy of the law).
8. *Gavin W. v. YMCA of Metro. L.A.*, 106 Cal. App. 4th 662, 665, 673-76 (2003) (a release purporting to exculpate a child care provider from its own negligence is void as against public policy under the Tunkl factors).
9. *Tunkl v. Regents of Univ. of Cal.*, 60 Cal. 2d 92, 98-101 (1963) (six-factor test for when an exculpatory agreement affects the public interest and is therefore unenforceable).
10. *Knight v. Jewett*, 3 Cal. 4th 296, 315-16 (1992) (primary assumption of risk; coparticipants and operators owe no duty to protect a participant from risks inherent in an active sport).
11. *Kahn v. East Side Union High Sch. Dist.*, 31 Cal. 4th 990, 996, 1005-06 (2003) (a coach or instructor is liable to a student athlete only for intentionally injuring the student or acting recklessly, in a manner totally outside the range of ordinary coaching, and owes a duty not to increase the risks inherent in learning the sport).
12. *Dynamex Operations W., Inc. v. Superior Court*, 4 Cal. 5th 903, 955-57 (2018); Cal. Lab. Code § 2775 (the ABC test for classifying a worker as an employee rather than an independent contractor; the hiring entity bears the burden on all three prongs).

DISCLOSURES

This guide has been prepared by Leopoldus Law, APC for educational purposes and is written for club owners and operators. It is current as of mid-2026; governing-body rules and child-safety requirements change and vary by sport and state. It is not legal advice for your club, and reading it does not make Leopoldus Law your lawyer.

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