

# Private Equity Deal Structures in College Sports

Capital Flow Diagrams for Six Emerging Models

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September 2026 | For Discussion Purposes Only  
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\$500M+

Utah / Otro target

\$2.4B

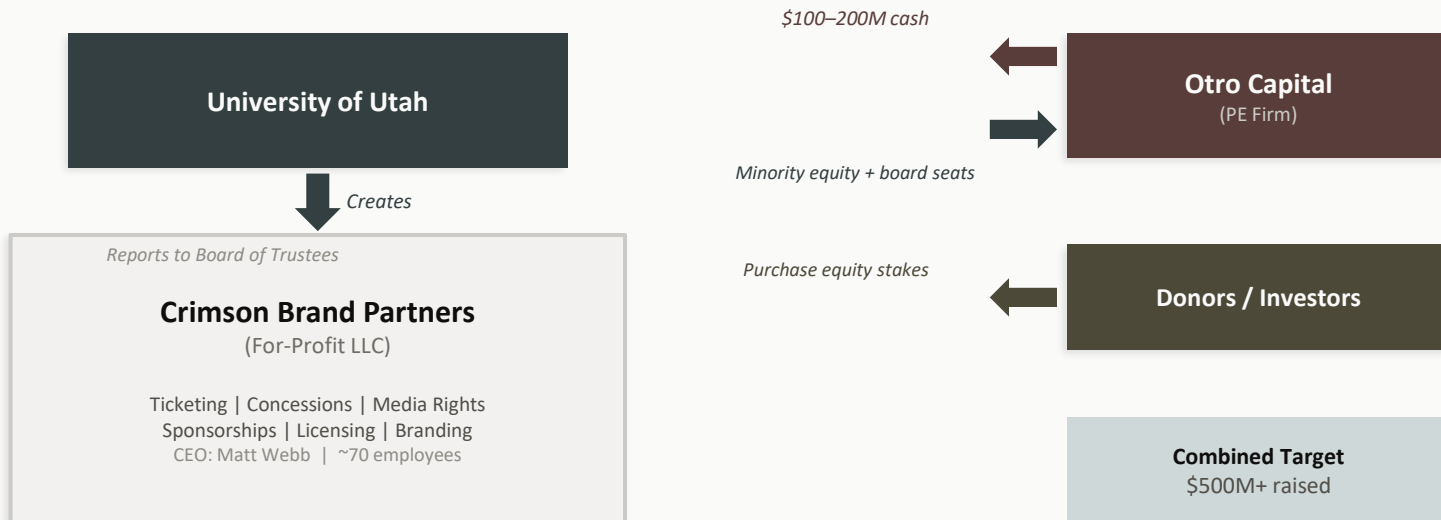
Big Ten / UC proposal

\$12.5M

Big 12 / CAS infusion

# School-Level For-Profit Spinoff

Utah / Otro Capital | Launched July 1, 2026



## Key Terms

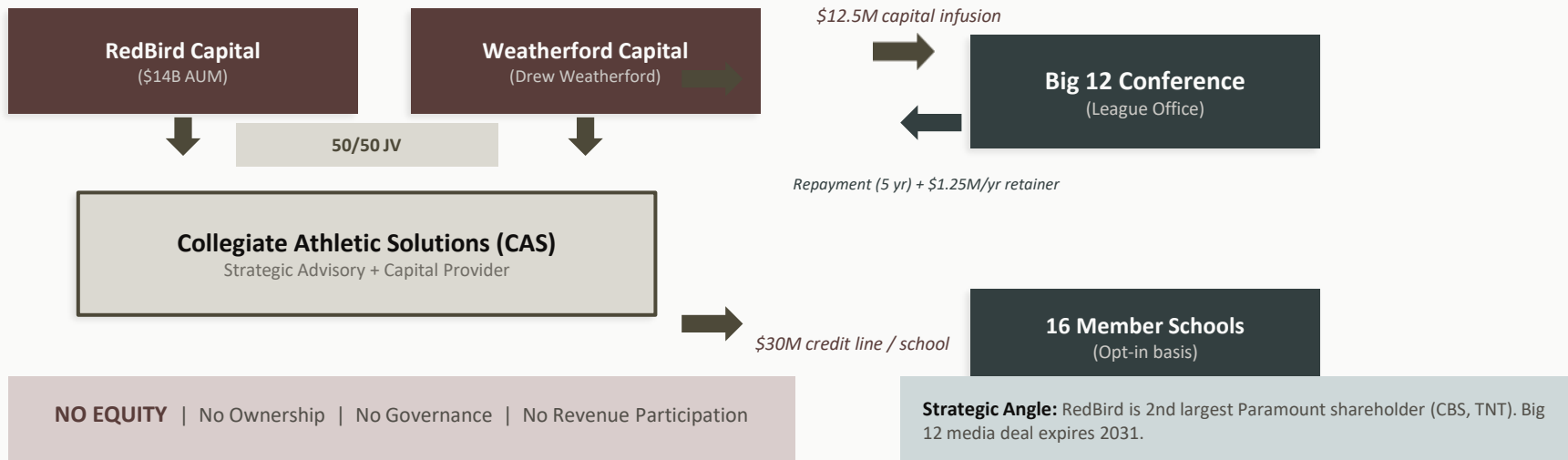
**Ownership:** University retains majority + control of coaching, recruiting, scheduling, compliance

**Exit:** University has right to repurchase Otro's stake in 5–7 years

**Governance risk:** State auditor + House committee inquiries pending

# Conference-Level Capital Partnership, No Equity

Big 12 / RedBird–Weatherford CAS | Approved April 2026



## Key Terms

**Structure:** Debt / credit facility model — no equity, no revenue share, no governance rights

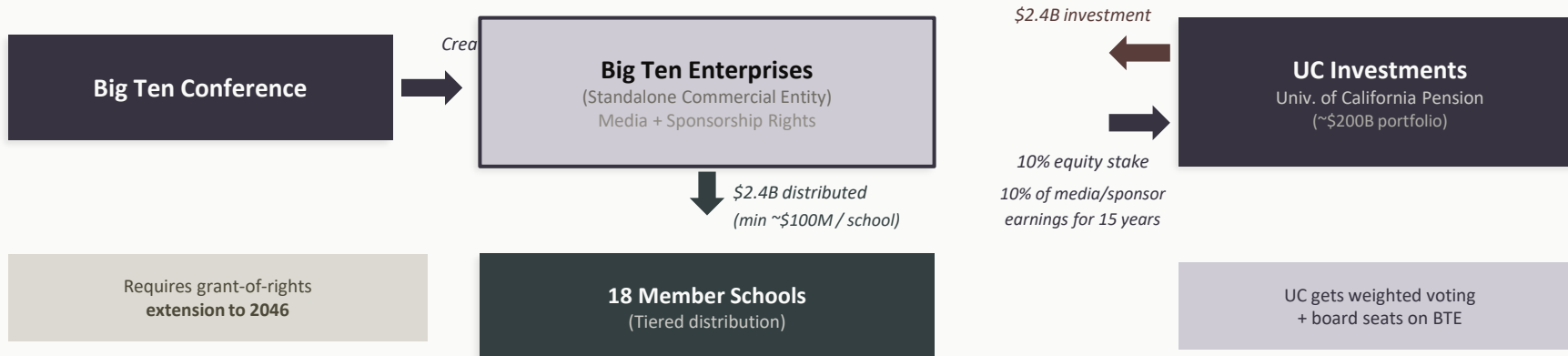
**Non-competes:** RedBird agrees not to pursue other Power 5 conference deals

**Advisory:** CAS provides sponsorship and future media rights strategy

# Conference-Level Equity Investment

Big Ten / UC Investments | Proposed Nov. 2025

PAUSED



**STATUS: PAUSED** — Michigan and USC opposed on governance/autonomy grounds. UC Investments said it would wait for “unity.”

*Note: UC Investments insists it is “not private equity” but a public university pension system.*

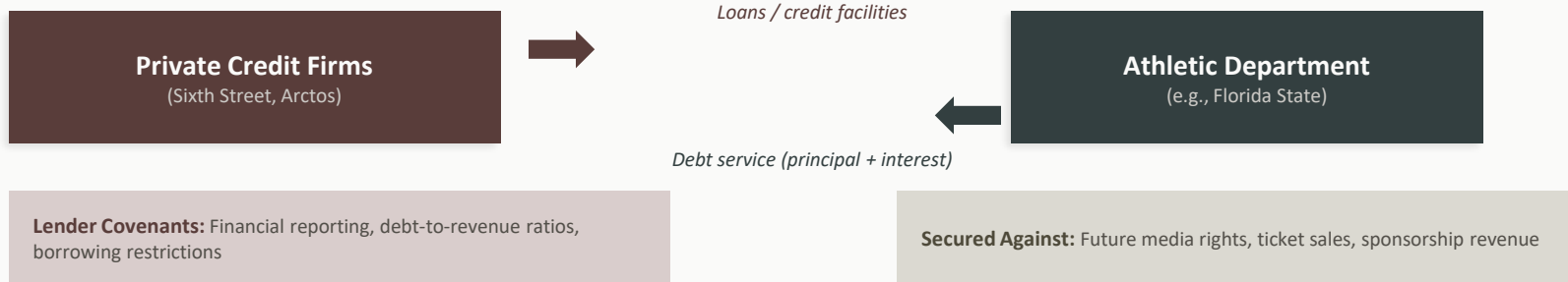
## Key Terms

**Equity:** 10% of Big Ten Enterprises with 15-year revenue participation, then option to sell

**Governance:** Weighted voting + board representation. Michigan/USC see autonomy risk.

# Private Credit / Lending

Sixth Street, Arctos Partners | Explored 2024



**NO EQUITY** | No Ownership | No Revenue Participation | Simplest Structure

**See also:** Big 12/CAS deal includes opt-in \$30M credit lines per school at double-digit interest rates — a lending component within Model 2.

## Key Terms

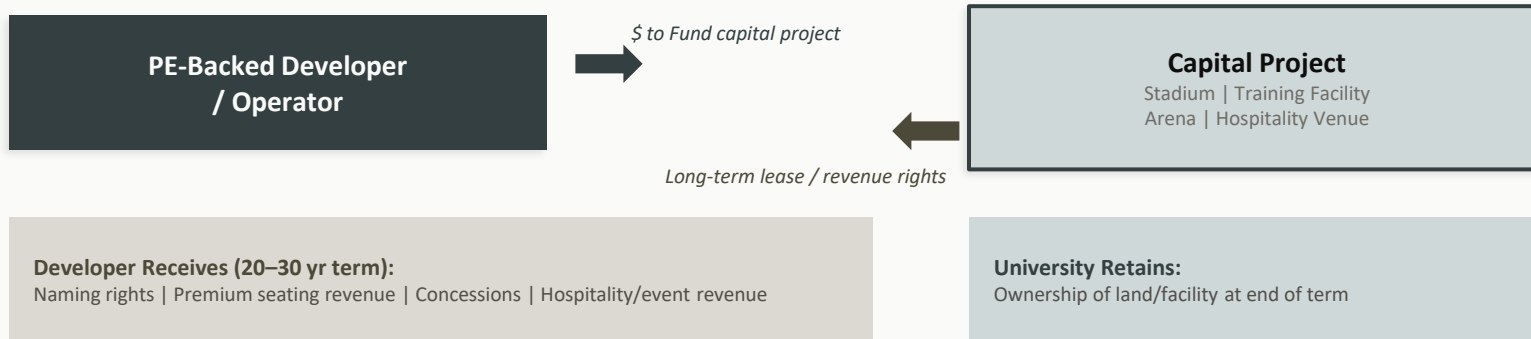
**Structure:** Simplest model — standard secured lending against future revenue streams

**Governance:** Least intrusion, but covenants may constrain operations and additional borrowing

**Status:** Multiple schools explored; no major standalone public deal closed

# Infrastructure / Public-Private Partnership

P3 Framework | Potential Future Structure



**NO EQUITY IN ATHLETIC PROGRAM** | Revenue participation tied to specific asset only

**Public Universities:** Triggers state procurement law, public bidding requirements, and open-records obligations

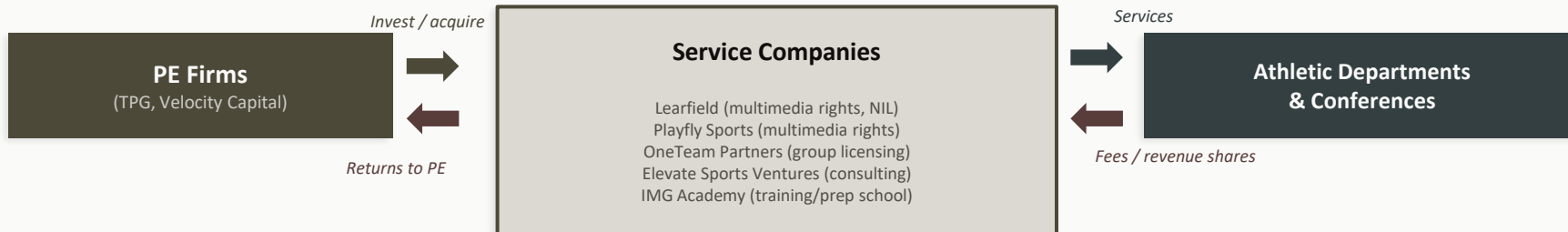
## Key Terms

**Structure:** Project-specific; familiar P3 legal framework from higher ed dorms, parking, dining facilities

**Status:** Not yet deployed in college athletics PE specifically, but P3 framework is well-established

# Ecosystem / Middleware Investment

TPG, Velocity Capital, Weatherford | Active + Growing



**EQUITY IS IN THE SERVICE COMPANY** — not in the school or conference

## Least Regulatory Friction:

No Title IX, tax-exempt, or public-entity concerns

**Examples:** TPG took controlling stake in Learfield (2026); Elevate backed by Velocity Capital; Weatherford owns IMG Academy

## Key Terms

**Structure:** PE controls the middleware/infrastructure layer of college sports economics

**Advantage:** Indirect exposure without nonprofit/public-entity regulatory burden

**Status:** Active and growing — multiple closed deals across the sector

# Comparison Summary

Six Models of Private Equity Engagement in College Sports



|                        | 1. School Spinoff               | 2. Conference Capital          | 3. Conference Equity          | 4. Private Credit                 | 5. Infra / P3                   | 6. Ecosystem Middleware         |
|------------------------|---------------------------------|--------------------------------|-------------------------------|-----------------------------------|---------------------------------|---------------------------------|
| Deal Type              | School-level for-profit spinoff | Conference capital partnership | Conference equity investment  | Secured lending / credit facility | Project-specific P3 partnership | Investment in service companies |
| Capital                | \$100-200M (Otro)               | \$12.5M + \$30M lines          | \$2.4B                        | Varies; no public deal closed     | Project-specific                | Varies; multiple deals          |
| Equity?                | Yes (minority)                  | No                             | Yes (10%)                     | No                                | No                              | Yes (in svc co, not school)     |
| Governance?            | Board seats (commercial entity) | None                           | Weighted voting + board seats | Covenants only                    | Lease terms only                | None over school/ conference    |
| Revenue Participation? | Via equity in LLC               | Fixed-rate repayment           | 10% of media rev (15 yr)      | Interest on loans only            | Named asset revenue             | Fees / revenue shares           |
| Key Risk               | Governance concerns; auditor    | Conflict of interest (media)   | Autonomy loss; opposition     | Debt burden; covenant constraints | Procurement law; public bidding | Indirect exposure; less control |
| Status                 | Active (July 2026)              | Active (Apr 2026)              | Paused (Nov 2025)             | Explored; none closed             | Potential future                | Active + growing                |

Sources: Public filings, media reports, conference announcements (as of September 2026)

# Legal & Regulatory Risk Map

Key Legal Considerations Across Six PE Deal Models | For Discussion Only — Not Legal Advice

## Model 1: School-Level Spinoff — Utah / Otro Capital

- **Tax-Exempt Status:** Transfer of revenue assets to for-profit LLC raises UBIT questions; could jeopardize university tax exemptions
- **Governance:** State Auditor warned entity is "intentionally structured so the university does not legally control it"
- **Congressional Scrutiny:** House committee requested briefing from Utah president on deal motives
- **Title IX:** PE incentive to maximize football/MBB revenue could pressure disinvestment from women's/non-revenue sports
- **State Law:** Public university procurement, open-records, and board approval requirements

## Model 3: Conference Capital Partnership — Big 12 / RedBird CAS

- **Conflict of Interest:** RedBird's Paramount stake (CBS/TNT) creates conflict when Big 12 negotiates future media rights
- **Antitrust:** Conference-level collective dealing with a capital partner
- **Debt Service:** Fixed-rate repayment over 5 years; double-digit interest on school credit lines
- **Non-Compete:** Exclusivity clause restricts RedBird from partnering with other Power 5 conferences

## Model 5: Infrastructure / P3 — Public-Private Partnership

- **Procurement:** Public universities must comply with competitive bidding and public notice statutes
- **Public-Entity:** Open-records obligations, legislative oversight, board approval requirements
- **Long-Term Lock-In:** 20–30 year lease/revenue terms may become unfavorable if market shifts
- **Title IX:** Facility improvements concentrated on revenue sports could trigger equity concerns
- **Reversion:** Complex facility ownership vs. control mechanics at end of term

## Model 2: Conference Equity — Big Ten / UC Investments

- **Antitrust (Sherman Act §1):** Competing schools collectively negotiating with investor may constitute horizontal agreement
- **Governance Dilution:** Weighted voting + board seats for outside investor in conference commercial entity
- **Grant-of-Rights Lock-In:** Extension to 2046 constrains member school autonomy
- **Member Consent:** Michigan/USC opposition raises required-approval-threshold questions
- **Congressional:** Sen. Cantwell requested clarity on tax-exempt status of college sports financial activities

## Model 4: Private Credit / Lending — Sixth Street, Arctos Partners

- **Debt Burden:** Loan repayments strain already-deficit athletic budgets
- **Covenants:** Financial reporting, debt-to-revenue ratios, borrowing restrictions may constrain AD operations
- **Secured Revenue:** Lender could claim media rights on default — novel and untested in this context
- **Public Univ. Limits:** State law may restrict public institutions' ability to pledge future revenues

## Model 6: Ecosystem / Middleware — TPG, Learfield, Playfly, OneTeam

- **Lowest Direct Friction:** PE invests in private companies, not public/nonprofit entities
- **NIL Compliance:** Service cos. must navigate evolving NCAA rules, state NIL laws, and House settlement restrictions
- **Antitrust:** Dominant market positions (e.g., Learfield) could face scrutiny over sponsorship/media control
- **Data Privacy:** Athlete data collected by service companies raises privacy and consent issues
- **PROTECT Act:** Broad definition of "private capital firm" could potentially reach ecosystem investments

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