

Helping a start-up founder become a professional sports team owner

The situation

Several years ago, the head of a prominent venture capital firm referred the founder of one of its portfolio companies to us. His initial goals were to buy a modest home for his wife, himself and the child they were expecting, and to start a new business.

We worked with the company's CFO to identify buyers and then helped in the negotiations, as our client sold a small portion of his stock in a private deal. We also identified his stock as qualified small business stock (QSBS), which saved several million dollars in taxes.

Two years later, his company was acquired by a Fortune 100 company for over \$1 billion. Besides focusing on the typical issues, we asked what his lifelong dreams were, and he said he wanted to own a professional sports team.

The strategy

When a professional sports team came up for sale, we explored what connections our team had to the two rumored buyers. Fortunately, we had a good relationship with one bidder's personal attorney and the other's estate planning attorney. We contacted both.

We arranged a meeting between the winning bidder and our client, and we advised our client on the structure and amount of his investment in the team, as well as several financing strategies. He eventually completed the purchase.

Our continuing relationship

We were thrilled to help our client fulfill his dream of becoming a co-owner, and the professional sports team has been successful.