

## College Football Teams Are Now Worth Billions - And Their Values Are Skyrocketing

This past January, the Indiana Hoosiers grabbed hold of college football’s ultimate bragging rights as national champions. But there’s one distinction that it cannot claim: being the most valuable team in college football.

According to an article in the Wall Street Journal, that title belongs to Texas.

Despite a disappointing season that began with a No. 1 ranking and finished without a playoff berth, the Longhorns lead the country with a \$2.2 billion valuation, according to an annual analysis by Ryan Brewer, an associate professor of finance at Indiana University Columbus. Brewer’s study examines industry trends, cash flows, revenue and broader economic shifts to calculate what every team would be worth if it could be bought and sold on the open market—just like a professional sports franchise.

These days, that’s closer to reality than ever. Schools can pay players while athletic departments are cutting deals with private-equity firms. And while some feared that this new landscape would damage the sport, Brewer actually found the opposite. Interest in college football is soaring—and so are the valuations.

“There’s more value in college football than there’s ever been,” Brewer says. “Even though they’re paying players and it’s more expensive, it’s also worth more.”

Brewer points to Indiana as proof. The Hoosiers are showing how nontraditional powers can emerge as huge attractions in this era. So while Indiana only ranks 28th on Brewer’s list at \$648 million, it remains a 67.9% increase over last year.

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### VMI Highlights:

Ed Wilusz, Katie Wilusz and Brandon Nelson attended the ESOP Association’s Professional Forum this past February in Charleston, SC.

Susan Wilusz will be attending the ESOP Association PA/DE Spring Conference as well as co-leading a women’s networking session in March.

Ed Wilusz, Susan Wilusz and Brandon Nelson will be attending the NCEO’s Annual Conference in Milwaukee, WI in April.

This year marks 35 years that Value Management Inc. has been in a business. We are proud and grateful to all of our friends and clients who have been apart of our journey. Cheers to 35 years more!

If your firm is interested in having VMI give a presentation on business valuations and/or mergers & acquisitions, please contact Susan Wilusz at [smw@valuemanagementinc.com](mailto:smw@valuemanagementinc.com).

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How Much Is Your Team Worth?

RANK	TEAM	ADJUSTED REVENUE	VALUATION
1	Texas	\$298,000,000	\$2,197,000,000
2	Texas A&M	\$218,000,000	\$1,593,000,000
3	Ohio State	\$185,000,000	\$1,547,000,000
4	Louisiana State	\$213,000,000	\$1,543,000,000
5	Georgia	\$195,000,000	\$1,472,000,000
6	Michigan	\$200,000,000	\$1,463,000,000
7	Notre Dame	\$170,000,000	\$1,418,000,000
8	Penn State	\$193,000,000	\$1,411,000,000
9	Alabama	\$192,000,000	\$1,407,000,000
10	Nebraska	\$197,000,000	\$1,236,000,000

And even though the new revenue-sharing may level the playing field, it doesn't mean that everyone is on equal ground. Texas became the first team to cross \$2 billion in the analysis, overtaking Ohio State (\$1.5 billion) for the top spot.

Overall, Brewer says that one reason valuations have surged is that the deeper pool of potential champions—created by the loosening of rules around player movement and compensation—has brought college football's competitive landscape closer to the richest league around.

In the NFL, it isn't uncommon for the fortunes of crummy teams to turn on a dime. Take the New England Patriots, who went from winning four games last season to 14 victories this year. But at the college level, the powerhouses typically remained the powerhouses while schools like Indiana were their doormats.

But with increased parity, Brewer believes that the sport is attracting new fans from programs that wouldn't typically be thought of as football schools. That, in turn, boosts revenues and television ratings.

Right now, the surprise team happens to be Indiana. What the Hoosiers have also shown, however, is that it could be practically anyone next year.

"It's interesting," Brewer says, "because different teams could ostensibly enter into that conversation in the future."

## Federal Move to Reclassify Marijuana to Schedule III

The federal move to reclassify marijuana to Schedule III has sharpened attention on the future of Internal Revenue Code §280E and its impact on cannabis valuations. Once the rescheduling is formally completed through the DEA rulemaking process, cannabis businesses would no longer be subject to 280E's prohibition on deducting ordinary and necessary business expenses—a change that could materially improve normalized earnings, cash flow, and tax-affecting assumptions in valuation analyses. However, industry and tax commentators emphasize that the executive order itself does not finalize rescheduling or immediately eliminate 280E.

**Prospective:** Relief is expected to apply only prospectively, beginning with tax periods after marijuana is officially placed in Schedule III, with no indication so far of retroactive tax relief for prior years. While historical results may still reflect 280E economics, the stocks of publicly traded cannabis companies surged after the announcement.

## Court Green-Lights Premium Multiplier in Michael Jordan IP Damages Case

A federal court refused to exclude a damages expert who used a hypothetical license framework and a "premium multiplier" to estimate damages arising from the unauthorized use of **Michael Jordan's** name, image, and likeness (NIL). The defendant challenged the expert's methodology under Rule 702, arguing that both the hypothetical license and the premium applied for unauthorized use were speculative and unreliable.

**Good to go:** The court disagreed, holding that hypothetical licensing is a well-accepted method for valuing intellectual property and publicity rights when actual licenses are unavailable. The expert anchored his analysis to a comparable Jordan licensing agreement and made reasoned adjustments for scope, timing, product mix, and lack of quality-control provisions. While the opposing side attacked the comparability of the benchmark license and the assumptions embedded in the adjustments, the court ruled those critiques went

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## Emotional Challenges of Selling The Business

*By Andrew Wilusz – Director of Mergers & Acquisitions*

How we feel about things can impact our actions. According to Merriam-Webster, an emotion is “a conscious mental reaction (such as anger or fear) subjectively experienced as strong feeling usually directed toward a specific object and typically accompanied by physiological and behavioral changes in the body.” Selling the business is often a once-in-a-lifetime event that causes owners to experience a wide range of emotions which may impact their behavior and/or decision making. For some, even casually thinking about selling gets their emotions flowing. When an owner is seriously considering a sale or has already determined that it is time to sell, it’s crucial that they keep their emotions in check.

Selling a business should be a goal-based process. Deciding to sell is the start of that process, and the beginning of possible waves of emotions that might wash over owners, potentially influencing their movements, actions, and reactions along the way. Owners would do well to recognize that there are numerous personal and business issues which arise during the sale process that could lead them to have feelings that might affect or alter their actions. Presented below is an emotional journey through the sale process.

### **Irrational Exuberance When Deciding to Sell**

People (including business owners) tend to overestimate the value of things that they are selling and underestimate the value of things that they are buying. Selling a business is a goal-based process and a big part of deciding to sell involves setting pricing goals. Owners would do well to ground their overly optimistic views of value with the reasonableness that a proper assessment and analysis will bring. You can’t get a great deal until you understand what constitutes a good deal. Setting achievable goals can be the best start to a successful sale process.

### **Personally Prepared for Life Changes**

Are you mentally prepared to assume a new role in life? Owners may confront new feelings of self-worth, personal pride, and/or fear of the unknown. Many owners spend decades playing the starring roles of business owner and boss, with all the benefits and concerns. For some, their identity is intertwined with being their own boss. It is important for owners to address what they would like to do and what they are willing to do after the sale. Some may consider and be okay with being an employee after the sale. Others may prefer to assume the role of trusted consultant and/or board member. Many are excited and

happy to retire and walk away, assuming their business allows for it and the buyers agree.

### **Family Friendly Feeling**

Everyone knows that families and family matters only generate positive feelings and emotions – NOT!!! Of course, in real life, many family-related issues can lead to emotionally charged experiences (positive and negative). Adding a business to family dynamics (or vice versa) requires identification and processing of the ensuing issues and related feelings. If there are multiple family member owners, differences of opinions and feelings about selling can cause familial tension and stress. If not addressed then, those feelings can become obstacles to a successful sale process down the road. Even if only one member of the family is an owner of the business, other family members are impacted. Some owners consider their employees like family and worry about their relative post-transaction situations. Owners would do well to examine, assess and address family (and business family) issues and related emotions to ensure a more harmonious sale process.

### **Keeping the Legacy Alive**

Founders and their heirs take pride in the family business. It’s not uncommon for immediate family members and other relatives to become shareholders. Siblings, spouses, children, grandchildren, nieces, nephews or some other relative of the original founders can be owners and/or impact the owner’s feelings about a sale. Second, third, or “Next Gen” owners, can experience many emotions when considering a sale, as do founders who may decide to sell rather than to pass it on/sell to family. Family bonds, pride in the family name, and concern over the legacy of the family and/or over the legacy of the business are common feelings family owners must address.

### **Shhh!! Keep it Quiet**

Confidentiality is very important to the sale process. It helps maintain the integrity of a company’s business by allowing management and employees to focus on daily operations. And if there are rumors of a sale inside the business, the rumors will likely spread beyond company doors. It is rarely good when rumors of a sale are being floated outside the business to or by vendors, competitors, and clients. Oddly enough, it’s often the owners who reveal the possibility of a sale. While excitement is sometimes the culprit, it is more likely that owners feel concern for and/or loyalty to trusted employees who they want to “protect from being blindsided” and take them into their confidence. Without good reason and a solid plan, it’s best not to disclose the possibility of a sale until it is definite, which typically is near or on the day of sale!

# MERGERS & ACQUISITIONS

## **Skeletons in the Closet**

Just as in life, things can sometimes go wrong in business. Owners can feel nervous or embarrassed about discussing negative business events/issues from the past (e.g.: injuries, theft, mistakes, damage, waste, negative client experiences, etc.). Owners may believe that these events are isolated events not likely to occur again and consequently may prefer not to mention them to buyers. However, this is not acceptable nor prudent. Buyers have the right to know everything about the business, good and bad. If something is hidden, or not disclosed, and later it becomes known, the resulting loss of credibility to the buyer will do more damage to the sale than if the event/issue were disclosed at the right time and in the appropriate manner. Buyers have the right to know what happened and why. When they do, they can make their own decisions about the relative significance to their decision to purchase the company. Normally, when such negative events are properly disclosed, buyers assess for any existing or contingent impact and then save in a file where they are largely forgotten.

## **Stay in Your Lane**

Owners are used to worrying about and being involved with most aspects of the business. They are also used to being in control. But just as they know that it's productive to trust and delegate duties inside the company, it's critical when selling a business that owners allow their professionals to do their jobs. Negotiations can get heated. Comments can be misinterpreted. Repeated requests for similar data from various members of the buyer's due diligence team can be frustrating. For M&A professionals, this is business as usual. Owners should stay on good terms with buyers. There will likely be continued interaction with the buyer after the deal closes (e.g. post-transaction employment or consulting, redeeming equity interests, payment of earn-outs, return of escrow for working capital and indemnifications). When owners interact with buyers as part of the sale, it should be mainly to help the buyers understand how the business operates. Discussions with buyers about the financial and legal terms of the transaction should be trusted to their investment bankers and lawyers. Staying in your lane helps keep the deal on track for a successful closing and facilitates a more peaceful post-transaction life with the buyers.

## **Don't Take it Personally**

Buyers are investors trying to determine if a business which is a possible acquisition target is the right investment for them. Whether they are buying for strategic or financial purposes, they will perform their due diligence with a critical eye. They will scrutinize performance, ask for explanations, request back-up

data and additional supporting documentation and schedules, and then question sustainability. That doesn't make them bad people, just thorough buyers. They're not doubting what they're told about the business or implying that there's something wrong with how things are done. They are trying to understand it, and to verify that what is said and presented to them is accurate. It's normal for people to become defensive when they are questioned and their actions are analyzed. But don't take it personally, there is no need to take offense. It's all part of the process.

## **(Good) Business as Usual**

During the sale process, owners should continue working as if no sale were planned. This can be challenging, because a sale is a big deal to owners. A sale can generate anxiety, excitement, fear, and anxiousness in owners. It's hard not to think about such a major event. Sometimes owners wonder if they should alter some of their planned business activities or actions because of the sale. Generally, the answer is no. However, any improvements that help the business would also likely improve appeal to a buyer. It's always good to improve procedures and documentation.

## **Patience is a Virtue, Hold on to the Bar**

It takes time to successfully sell a business. Including preparation, it typically takes 6 to 18 months to sell a company, but it could be as quick as 3 months and as long as 24 months. A good sale process will start before an owner decides to sell. It will help an owner understand whatever is needed for them to be able to decide if they want to sell. It will help them understand the process, start to finish, so that they can know what to reasonably expect during all steps of the process. A good process will help them set goals and make plans to achieve those goals. This takes time, and great patience, as does courting buyers and helping them through due diligence. At times, the process can feel as if it's getting off track. Owners need not be nervous. With reasonable goals and well-thought plans to achieve those goals, patience is an important part of reaching closing day successfully. Hold on to the bar and ride it out.

It's impossible for owners not to have feelings about selling the business. It is important to be aware of the range of emotions that might confront them, potentially influencing their decisions and actions. The more that owners are comprehensively prepared on what to expect when selling the business, the more likely they are to achieve their sale goals. Emotional preparation and strength can be key to help owners get to the finish line successfully. Feel free to contact Andrew Wilusz at [amw@ValueManagementInc.com](mailto:amw@ValueManagementInc.com) to confidentially discuss the sale process as it relates to your situation.

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to weight, not admissibility, and were properly addressed through cross-examination.

Also, the court upheld the expert's use of a premium multiplier to reflect the economic impact of unauthorized use. Unlike multipliers courts have rejected as "made up," this premium was supported by evidence comparing authorized and unauthorized Jordan transactions and by testimony regarding Jordan's tightly controlled brand standards. The court emphasized that damages experts may adjust benchmark licenses upward or downward as long as the adjustments are grounded in evidence rather than speculation. As a result, the expert's testimony, including contextual opinions explaining why unauthorized use commands a premium, was allowed to go to the jury, subject to appropriate limits to avoid legal conclusions.

## 20-Year Enforcement Project Against ESOPs Ends

The Employee Benefits Security Administration at the Department of Labor announced that it is ending the National Enforcement Project against ESOPs, which had been in place since 2005. This change marks the end of more than two decades of heightened scrutiny that created a real chilling effect on ESOP formation.

## Discovery, Diligence, and Discounted Shares: Delaware Says 'No' to Fishing Expeditions for Valuation Data

*Visnic v. Seegrid Corp.*, 2025 Del. Ch. LEXIS 264; 2025 LX 452741 (Oct. 29, 2025) was an important reminder that valuation and forensic conclusions must rest on actual evidence, not assumptions about what "should" exist. The plaintiffs argued that Seegrid must have prepared financial projections for an acqui-hire transaction (a transaction motivated solely by the desire to hire the founders of a recent acquisition) that appeared to imply a much higher per-share value than the company later used to repurchase its stock. But the Delaware Court of Chancery refused to compel a forensic audit, emphasizing that mere skepticism about missing valuation materials was not enough—there must be concrete indications

that documents exist or were withheld. This case reinforced that courts will not manufacture valuation inputs when companies did not create them and experts cannot anchor opinions on industry practice alone. For forensic specialists, it underscored that intrusive audits require real evidence of spoliation or discovery misconduct. The decision highlighted a broader theme in Delaware jurisprudence: Valuation disputes turn on contemporaneous, produced evidence—not hindsight, suppositions, or the "ought to have" school of valuation theory.

## Kravitz v. Samson Energy Co., LLC (In Re Samson Res. Corp.)

2025 U.S. Dist. LEXIS 204997; 2025 LX 446644 (Oct. 17, 2025)

This case was a pointed reminder that courts often trust real-world market behavior over retrospective expert valuations — especially in leveraged buyouts and solvency disputes. The Delaware District Court held that Samson's 2011 deal price, backed by extensive diligence from KKR, co-sponsors, lenders, engineers, and advisors, was more persuasive evidence of fair market value than the trustee's NAV-based, hindsight-driven valuation critiques. The court emphasized contemporaneous assumptions, known-or-knowable conditions, capital availability, stress testing, and industry-standard practices in shale transactions, while discounting expert models built a decade later for litigation. The decision underscored the limits of attacking historical deal values without demonstrating that the market itself materially erred—an increasingly common challenge in fraudulent-transfer and solvency litigation.

## When Your Private Fund Turns \$1 Into 60 Cents

For all fund investors, NAV is supposed to stand for "net asset value." For some, however, it's turning out to mean "not actual value."

That's the hard lesson recently learned when some funds that invest in private assets have sought to become publicly traded. Prices that investors expected to be stable have collapsed as soon as the portfolios were exposed to public markets.

These transitions from private to public cast doubt on Wall Street's narrative that investors can have their cake and eat it, too. You can have the mild price

fluctuations of nontraded assets, or you can have access to your money whenever you want—but it’s turning out that you can’t have both.

And this situation bolsters arguments that asset values in private-markets funds don’t always reflect reality.

On Dec. 16, 2025, what used to be a nontraded portfolio called Bluerock Total Income+ Real Estate Fund began trading on the New York Stock Exchange as the Bluerock Private Real Estate Fund. With a stated net asset value of \$24.36 a share, the fund closed at a market price of \$14.70—a 39.7% discount from NAV. For every dollar the fund manager said your shares were worth at 9:30 a.m., the stock market was willing to pay you only 60 cents by 4 p.m.

On Nov. 13, 2025, another nontraded investment, FS Specialty Lending Fund, listed on the NYSE at a net asset value of \$18.67—and closed the day at \$14, a 25% discount from NAV.

Meanwhile, other private portfolios seeking to list publicly have gotten stymied.

You don’t need a class in economics to know the most fundamental fact about prices: Any asset is

only worth what you can get someone else to pay you for it.

That’s why these recent deals are such a shock to the system. All these funds started out as nontraded entities—meaning that investors could sell only at specific times, as with Bluerock or Priority Income. Or investors could sell only limited amounts until the managers created a future “liquidity event.”

From a valuation perspective, these types of discounts highlight why a limited partnership interest in a Family Limited Partnership or a member interest in a Limited Liability Company may be worth significantly less than its underlying asset value.

These switches from private to public highlight a deeper risk. As Leyla Kunimoto, an individual investor who blogs about private funds at AccreditedInsight.com, says, private-fund valuations are often “a figment of imagination.” The fund managers say their valuations of private assets are accurate and fair. When these funds hit the markets, though, investors are getting a shocking lesson in how subjective valuations can be.

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