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## NFL's 32 Equity investing in Jones-backed company

By **Eric Fisher**, Staff Writer

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The NFL is investing in Blue Star Sports, the Texas-based software and technology company partially backed by Dallas Cowboys owner Jerry Jones that is seeking to consolidate the youth sports business.

The NFL's 32 Equity arm is joining majority partner Genstar Capital, original backer Jones, Providence Equity Partners, and Blue Star Sports chief executive Rob Wechsler as investors in the company. Financial terms of the NFL's involvement were not disclosed, but it follows prior investments for 32 Equity such as virtual reality outfit Strivr, licensed apparel giant Fanatics, and hospitality partner On Location Experiences.

The deal is believed to be the first of its type in which the NFL has invested directly in an entity co-owned by one of its team owners, though the league and some other NFL teams have done business with Legends Hospitality, partially owned by the Cowboys.

The NFL's investment in Blue Star Sports was small enough that it fell within the operating parameters of 32 Equity and did not require full owner approval. But Kevin LaForce, the NFL's senior vice president of corporate investment, said he conferred with a smaller working group of several unnamed team owners on the deal.

For Blue Star Sports, the deal follows an initial financial backing of \$100 million primarily from Providence, Jones and Wechsler. A subsequent equity deal three months ago worth an even-larger, undisclosed, nine-figure sum saw Genstar become the company's lead investor.

Blue Star Sports, meanwhile, is also acquiring Stack, which produces Stack Magazine and stack.com focusing primarily on youth athletes. The NFL investment is separate from the acquisition of Stack, but the two deals collectively further Blue Star Sports' aim to be a complete, one-

### Blue Star Sports

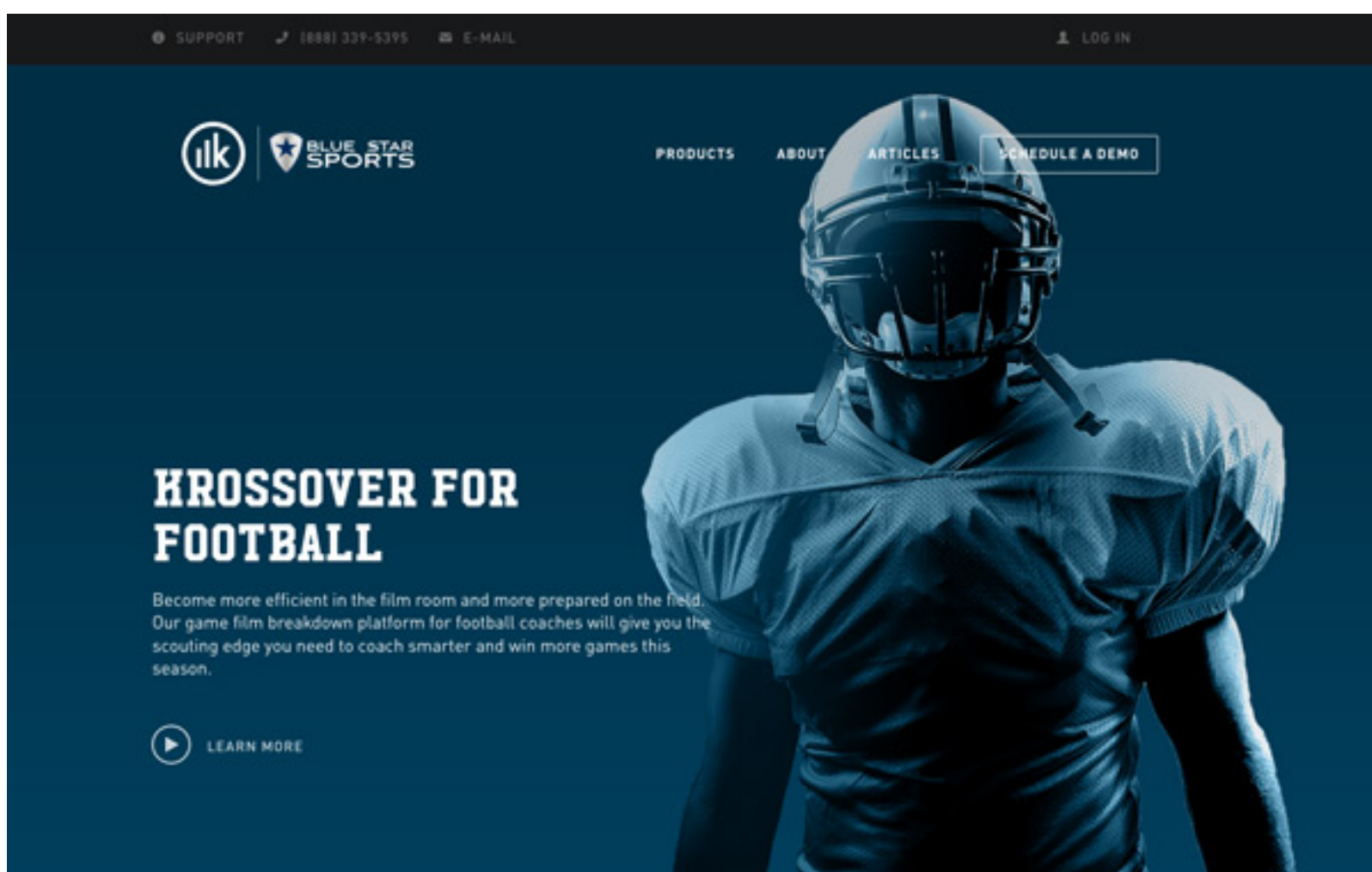
- **Founded:** 2016
- **Headquarters:** Frisco, Texas
- **Chief executive:** Rob Wechsler
- **Companies acquired:** Bigfoot Hoops, Bonzi, CaptainU, Goalline, GroupNet Solutions, Krossover, League Lineup, Pointstreak Technologies, PrimeTime Sports, RaceWire, SDI Camps and Races, SportsTG, Stack, Student Sports
- **Key partnerships:** AAU, USA Football

stop destination for youth sports.

Since the formation of Blue Star Sports last year, it has acquired 14 companies (see chart) covering disparate areas such as registration services, statistics, video analysis, camps, and event management. Acquisitions have included several other well-known youth sports players such as Student Sports, Krossover, and Pointstreak Technologies.

The long-term goal for Blue Star Sports through all the various units is to become a national player driving all aspects of the youth sports experience, from registering for leagues and following game action, to attending elite tournaments and celebrating athlete success.

“The vision for Blue Star Sports has always been to transform all aspects of youth sports through the entire value chain,” Wechsler said. “Now with the acquisition of Stack and the support of the NFL, we are positioned to accelerate our growth and make an even bigger impact on the youth sports ecosystem.”



The 12-year-old Stack will form a key component of a new youth sports content

Blue Star Sports, which counts Dallas Cowboys owner Jerry Jones as an investor, has acquired youth sports tech- and software-related companies such as Krossover (above) and Student Sports (below), and is now adding magazine and website publisher Stack.

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development strategy for Blue Star Sports, and Stack chief executive Nick Palazzo will become Blue Star Sports' chief digital officer. The Stack brand name, team of 15 employees, and offices in New York, Cleveland and Silicon Valley will all remain intact.

“This marketplace for youth sports historically has been so fragmented, so to have everything in one place creates so much potential,” Palazzo said. “The missing piece for us before was distribution, so this opens up all sorts of possibilities to get content to other parts of the Blue Star portfolio.”

That consolidation also applies to advertising and sponsorship, as Stack’s relationships with marketing partners such as Gatorade will now gain wider exposure within the larger Blue Star Sports umbrella.

The NFL worked on the Blue Star Sports investment with Providence Equity Partners, which formed a partnership with the league in 2013 to invest in sports and entertainment companies. LaForce said the primary attraction was Blue Star Sports’ emerging efforts to aggregate far-flung components of the youth sports space.

“We’ve been looking at the youth sports space for a while, and the question for us was whether we could help make some of the inefficiencies in that segment more efficient,” LaForce said. “This one felt right. Blue Star is bringing a lot of different technology to the table and serving numerous constituencies.”

Blue Star Sports will not be formally tied to any of the NFL’s ongoing youth participation efforts, such as the Play 60 campaign. But some league content will be distributed through the Blue Star Sports portfolio, in turn helping expand the NFL’s reach to the coveted youth audience. And the NFL and Blue Star Sports each have relationships with USA Football, the national governing body for amateur football.

“The investment opportunity is a separate thing from any our marketing and outreach activities, but working with Blue Star does provide some exciting new avenues for content distribution,” said Natara Holloway, NFL vice president of youth football.

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