

119TH CONGRESS
2D SESSION

H. R. 8788

To prohibit vulture investors from investing in youth sports, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 2026

Mr. DELUZIO (for himself, Ms. JAYAPAL, Ms. CRAIG, and Mr. RYAN) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on Energy and Commerce, and Education and Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To prohibit vulture investors from investing in youth sports, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Let Kids Play Act”.

5 **SEC. 2. DEFINITIONS.**

6 In this Act:

7 (1) **ACQUIRED ENTITY.**—The term “acquired
8 entity” means any company or organization in which

1 a covered firm, directly or indirectly, holds an own-
2 ership interest, maintains a management or oper-
3 ational control agreement, or exercises control.

4 (2) AFFILIATE.—The term “affiliate” means an
5 entity that controls, is controlled by, or is under
6 common control with another entity.

7 (3) ASSISTANT ATTORNEY GENERAL.—The
8 term “Assistant Attorney General” means the As-
9 sistant Attorney General for the Antitrust Division
10 of the United States Department of Justice.

11 (4) CAPITAL DISTRIBUTION.—The term “cap-
12 ital distribution” means—

13 (A) a cash or share dividend;

14 (B) a share repurchase;

15 (C) a share redemption; or

16 (D) a share buyback.

17 (5) COMMISSION.—The term “Commission”
18 means the Federal Trade Commission.

19 (6) COMPANY.—The term “company” has the
20 meaning given the term in section 2 of the Invest-
21 ment Company Act of 1940 (15 U.S.C. 80a–2).

22 (7) CONTROL.—The term “control” has the
23 meaning given the term in section 2 of the Invest-
24 ment Company Act of 1940 (15 U.S.C. 80a–2).

1 (8) COVERED FIRM.—The term “covered firm”
2 means—

3 (A) a private equity fund; or

4 (B) a company that is owned or controlled
5 by a private equity fund.

6 (9) INVEST.—The term “invest” means to own,
7 operate, control, manage, or otherwise direct the op-
8 eration of the whole or any part of an entity or facil-
9 ity, including by entering into a management agree-
10 ment or operational control agreement with an enti-
11 ty or facility.

12 (10) OPERATIONAL CONTROL AGREEMENT.—
13 The term “operational control agreement” means
14 any formal or informal contract, agreement, or un-
15 derstanding, whether written or oral (including a
16 limited partnership agreement, side letter, or any
17 agreement between or among investors) through
18 which a covered firm obtains the authority to influ-
19 ence or determine key operational decisions of a
20 youth sports facility, or where such authority is con-
21 tractually delegated to the private equity fund by
22 other investors or parties, including decisions relat-
23 ing to—

24 (A) staffing and personnel;

25 (B) scheduling and programming;

1 (C) budgeting and financial management;

2 (D) use and maintenance of athletic facili-
3 ties; or

4 (E) terms of participation or membership.

5 (11) PRIVATE EQUITY FUND.—The term “pri-
6 vate equity fund” means a person who—

7 (A) would be an investment company, as
8 defined in the Investment Company Act of
9 1940, but for paragraphs (1) or (7) of section
10 3(e) of that Act (15 U.S.C. 80a–3); and

11 (B) directly, or through an affiliate, exer-
12 cises control of such company.

13 (12) VULTURE INVESTOR.—The term “vulture
14 investor” means any covered firm that—

15 (A) engages, or has previously engaged, in
16 vulture practices with respect to an entity that
17 was an acquired entity at the time of such en-
18 gagement; or

19 (B) has had 2 or more acquired entities
20 become financially insolvent or enter bank-
21 ruptcy proceedings within 5 years of acquisi-
22 tion.

23 (13) VULTURE PRACTICE.—The term “vulture
24 practice” means any practice, term, condition, tactic,
25 instrument, method, or act that causes harm or cre-

1 ates long-term risk of harm to an acquired entity in
2 order to extract profit, assets, or other value for the
3 benefit of a covered firm or its affiliates, including—

4 (A) imposing any debt on an acquired enti-
5 ty to generate profit, finance the acquisition or
6 other business activity, or otherwise create
7 value for a covered firm;

8 (B) transferring to a covered firm the own-
9 ership or control of an acquired entity's assets
10 or rights to the intellectual property or data
11 generated by an acquired entity;

12 (C) shielding a covered firm from liability
13 for legal infractions or financial obligations it
14 benefits from or directly or indirectly causes;

15 (D) employing roll-up strategies through
16 serial acquisitions or investments to consolidate
17 control over local providers, including by acquir-
18 ing, controlling, managing, financing, advising,
19 or exercising governance rights;

20 (E) converting an acquired entity into a
21 high-risk, high-margin business by increasing
22 prices, adding junk fees, reducing quality or
23 safety, cutting jobs, wages, or benefits, or oth-
24 erwise degrading operations to maximize profit;

1 (F) imposing operational costs on an ac-
2 quired entity such as management fees, leases
3 for seized assets, capital distribution, or other
4 burdensome or unnecessary charges; or

5 (G) imposing one-sided terms on an ac-
6 quired entity, or its customers, workers, clients,
7 buyers, or others that lock them into exclusive
8 dealings with entities controlled by the covered
9 firm, or that otherwise exploit or restrict choice.

10 (14) YOUTH SPORTS.—The term “youth
11 sports” means any organization, asset, service, or
12 activity associated with organized athletic participa-
13 tion, instruction, or competition for individuals
14 under the age of 18, including the following:

15 (A) All leagues, clubs, associations, and
16 teams at the recreational, travel, and elite lev-
17 els.

18 (B) All youth sports facilities, physical as-
19 sets, and infrastructure.

20 (C) All associated technology and intellec-
21 tual property, including registration platforms,
22 scheduling software, scoring systems, propri-
23 etary training methods, performance metric
24 technology, and related data collection and algo-
25 rithms.

1 (D) All youth sports training camps, tour-
2 naments, and showcases.

3 (E) All nonprofit and for-profit entities
4 that provide or facilitate any aspect of the ac-
5 tivities described in subparagraphs (A) through
6 (D).

7 (15) YOUTH SPORTS ENTITY.—The term
8 “youth sports entity” means any person, company,
9 partnership, corporation, association, affiliate, or or-
10 ganization (whether for-profit or nonprofit) that pro-
11 vides, operates, manages, or facilitates youth sports.

12 (16) YOUTH SPORTS FACILITY.—The term
13 “youth sports facility” means a field, court, stadium,
14 sports complex, gymnasium, or similar athletic facil-
15 ity that is used for recreational, competitive sporting
16 activities or to provide ancillary services for partici-
17 pants under the age of 18, including as a part of a
18 school-sponsored team, recreational league, or com-
19 munity-based program.

20 (17) YOUTH SPORTS FUND.—The term “Youth
21 Sports Fund” means the fund established under sec-
22 tion 8.

1 **SEC. 3. PROHIBITION ON VULTURE INVESTMENT IN YOUTH**
2 **SPORTS.**

3 (a) VULTURE INVESTOR PROHIBITION.—It shall be
4 unlawful for any vulture investor to invest in a youth
5 sports entity.

6 (b) VULTURE PRACTICE PROHIBITION.—It shall be
7 unlawful for any covered firm to engage in vulture prac-
8 tices in connection with investment in a youth sports enti-
9 ty, including by doing any of the following:

10 (1) Consolidating control over youth sports by
11 rolling up multiple youth sports entities, or acquir-
12 ing, controlling, managing, financing, advising, exer-
13 cising governance rights for, or investing in more
14 than 1 entity that—

15 (A) exclusively serves multiple youth sports
16 entities; or

17 (B) supplies products or services that are
18 essential or mandatory for participation in
19 youth sports.

20 (2) Creating an integrated network of activities,
21 services, partnerships, tournaments, apparel, or tech
22 platforms, where participation in one requires, di-
23 rectly or indirectly, the use of others owned or con-
24 trolled by the covered firm or offered by a third-
25 party partner of the covered firm.

1 (3) Conditioning eligibility to participate in any
2 aspect of youth sports on the use of a designated
3 travel agent, hotel or lodging accommodation, or
4 transportation entity.

5 (4) Imposing junk fees or other hidden or un-
6 fair charges in connection with youth sports partici-
7 pation, including any fee or additional cost that—

8 (A) is not clearly and conspicuously dis-
9 closed before a youth registers, commits, or
10 makes a payment to participate in youth sports,
11 including any late-stage fee added after an ini-
12 tial price is presented or paid;

13 (B) is mandatory or effectively unavoidable
14 as a condition of participation after a youth
15 registers, commits, or makes a payment;

16 (C) penalizes a youth participant or family
17 for declining to purchase goods or services;

18 (D) is unnecessary such that it incurs
19 nominal or no cost to provide;

20 (E) is excessive such that it is dispropor-
21 tional to the cost to provide; or

22 (F) duplicates, overlaps with, or is bundled
23 with other fees or charges such that the cost is
24 obscured or incurred more than once for the
25 same or similar goods or services.

1 (5) Imposing any of the following terms:

2 (A) Exclusivity, non-compete, or right of
3 first refusal requirements that directly or indi-
4 rectly limit activities, services, partnerships,
5 tournaments, apparel, or tech platforms in
6 youth sports to those controlled or owned by
7 the covered firm or their third-party partners.

8 (B) Multi-year, non-cancelable commit-
9 ments binding youth sports participants or enti-
10 ties for 2 or more seasons without early termi-
11 nation rights.

12 (C) Bans or restrictions, direct or indirect,
13 on participating in competing tournaments or
14 other non-affiliated athletic events offering
15 within 150 miles.

16 (D) Bans or restrictions, direct or indirect,
17 on using competing tech platforms, including
18 non-affiliated scheduling, registration, or ana-
19 lytics tools.

20 (6) Claiming, securing, transferring, or licens-
21 ing by or to a covered firm, an entity affiliated with
22 or controlled by a covered firm, or any third party
23 unaffiliated with youth sports, the intellectual prop-
24 erty rights to any of the following:

1 (A) Record, broadcast, report, attend, por-
2 tray, share, or otherwise capture any aspect of
3 youth sports.

4 (B) Any athlete biometric, performance, or
5 family financial data, including but not limited
6 to heart rate, global positioning system track-
7 ing, injury history, scouting reports, or parental
8 payment records.

9 (C) Any technology or algorithms, includ-
10 ing software, models, or predictive systems de-
11 veloped in connection with any aspect of youth
12 sports.

13 (7) Violating any provision of the Protecting
14 Young Victims from Sexual Abuse and Safe Sport
15 Authorization Act of 2017 (36 U.S.C. 220541 et
16 seq.).

17 (8) Engaging in any other practice, term, con-
18 dition, tactic, instrument, method, or act that the
19 Commission or Assistant Attorney General has de-
20 termined to be a vulture practice and has published
21 notice thereof in the Federal Register without regard
22 to the requirements under section 553 of title 5,
23 United States Code.

24 **SEC. 4. VULTURE INVESTOR DESIGNATION.**

25 (a) DESIGNATION.—

1 (1) PRESUMPTIVE DESIGNATION FOR EXISTING
2 INVESTMENT AS OF THE DATE OF ENACTMENT OF
3 THIS ACT.—Any covered firm that is invested in a
4 youth sports entity as of the date of enactment of
5 this Act shall be presumed to be a vulture investor
6 for all purposes under this Act.

7 (2) AUTOMATIC DESIGNATION FOR EXISTING
8 INVESTMENT AFTER THE DATE OF ENACTMENT OF
9 THIS ACT.—Any covered firm that is invested in a
10 youth sports entity as of the date of enactment of
11 this Act shall be automatically designated as a vul-
12 ture investor 91 days after the date of enactment of
13 this Act unless certified under subsection (b).

14 (3) DESIGNATION FOR PROSPECTIVE INVEST-
15 MENT AFTER THE DATE OF ENACTMENT OF THIS
16 ACT.—A covered firm that is seeking to invest in a
17 youth sports entity on or after the date of enactment
18 of this Act shall be designated a vulture investor for
19 all purposes under this Act and shall not initiate or
20 proceed with any such investment unless and until
21 certified under subsection (b).

22 (b) CERTIFICATION.—

23 (1) REQUIREMENTS.—A covered firm may
24 rebut the designation under subsection (a) only by
25 submitting to the Commission a sworn certification,

1 executed under penalty of perjury and subject to
2 strict liability for any material misstatement or
3 omission, by each general partner or equivalent indi-
4 vidual with management authority over the covered
5 firm, attesting that—

6 (A) the covered firm and any affiliate,
7 predecessor, successor, or entity under common
8 control has never engaged in a vulture practice;

9 (B) not more than 1 acquired entity of the
10 covered firm, including all affiliated or com-
11 monly controlled entities, has become financially
12 insolvent or entered bankruptcy proceedings
13 within 5 years of acquisition; and

14 (C) the covered firm will not engage in any
15 vulture practice at any time.

16 (2) TIMING OF CERTIFICATION SUBMISSION.—

17 (A) COVERED FIRMS INVESTED AS OF THE
18 DATE OF ENACTMENT OF THIS ACT.—Not later
19 than 60 days after the date of enactment of
20 this Act, a covered firm invested in a youth
21 sports entity as of the date of enactment of this
22 Act may submit a certification under paragraph
23 (1).

24 (B) COVERED FIRMS SEEKING TO INVEST
25 AFTER THE DATE OF ENACTMENT OF THIS

1 ACT.—A covered firm seeking to invest in a
2 youth sports entity after the date of enactment
3 of this Act shall submit a certification under
4 paragraph (1) not less than 60 days prior to
5 initiating such investment.

6 (3) EFFECT ON OPERATIONS.—A certification
7 under paragraph (1) shall have no force or effect un-
8 less and until approved by the Commission, and no
9 certification submission, pendency, or review shall
10 stay, delay, or otherwise affect any designation or
11 obligation under this Act.

12 (4) DISPOSITION OF CERTIFICATION.—Any cer-
13 tification under paragraph (1) not approved on or
14 before the date that is 31 days after the date of sub-
15 mission shall be deemed denied by operation of law.

16 (5) TERMINATION OF CERTIFICATION.—The
17 Commission or the Assistant Attorney General may
18 terminate a certification at any time by notifying the
19 covered firm and publishing a notice in the Federal
20 Register, and, effective on the date of publication,
21 the covered firm shall be automatically designated as
22 a vulture investor for the purposes of this Act.

23 (c) FALSE CERTIFICATION.—

24 (1) CIVIL PENALTY.—Any covered firm that
25 submits a certification under subsection (b) that

1 contains a material misstatement or omission shall
2 be liable for a civil penalty of not less than
3 \$1,000,000 per certification, which shall—

4 (A) be assessed separately for each false
5 certification submitted under subsection (b);

6 (B) be imposed jointly and severally on the
7 covered firm and each individual who executes
8 such certification, including each general part-
9 ner or equivalent individual with management
10 authority over the covered firm, without right of
11 indemnification, reimbursement, insurance, or
12 contribution from any covered firm, affiliate, or
13 other person, and any agreement to the con-
14 trary shall be void as against public policy;

15 (C) apply by operation of law upon submis-
16 sion of such certification and may be enforced
17 by the Commission or the Assistant Attorney
18 General; and

19 (D) be deposited into the Youth Sports
20 Fund.

21 (2) CRIMINAL LIABILITY.—Any individual who
22 knowingly or willfully executes or submits a certifi-
23 cation under subsection (b) that contains a material
24 misstatement or omission shall be fined under title
25 18, United States Code, imprisoned for not more

1 than 1 year, or both, and may be prosecuted under
2 this subsection, section 1001 of title 18, United
3 States Code, or both.

4 (d) **LIMITATION ON REVIEW.**—Any determination by
5 the Commission or the Assistant Attorney General under
6 this section, including the approval, denial, or termination
7 of a certification, shall not stay, enjoin, or otherwise delay
8 the application of any requirement under this Act, includ-
9 ing through temporary restraining order, preliminary in-
10 junction, or other equitable relief.

11 **SEC. 5. DIVESTITURE AND REMEDIES.**

12 (a) **DIVESTITURE.**—Not later than 2 years after the
13 date of enactment of this Act or after designation as a
14 vulture investor, a vulture investor shall cure any violation
15 of this Act by—

16 (1) divesting or unwinding any ownership
17 stakes, acquisitions, rights, agreements, contracts,
18 terms, and exclusivity arrangements related to the
19 ownership, operation, control, management, or other
20 direction of any youth sports entity;

21 (2) returning, transferring, or assigning owner-
22 ship of all assets, real estate, and intellectual prop-
23 erty, including trademarks, copyrights, patents, and
24 related rights acquired by a vulture investor from a
25 youth sports entity or generated by its activities, or,

1 in the event of a non-reversible sale of a physical
2 asset or real estate to an unaffiliated third party,
3 the vulture investor shall pay the youth sports entity
4 the full proceeds the vulture investor received from
5 the sale or the market value at the time of sale,
6 whichever is higher; and

7 (3) at the time of designation as a vulture in-
8 vestor, removing any individuals installed by the vul-
9 ture investor from any management, senior execu-
10 tive, or board position within any youth sports enti-
11 ty.

12 (b) DIVESTITURE PROCESS.—

13 (1) GUIDANCE.—Not later than 30 days after
14 the date of enactment of this Act, the Chair of the
15 Commission shall issue guidance specifying mile-
16 stones for divestment within the deadline established
17 under subsection (a) by publishing notice thereof in
18 the Federal Register without regard to the provi-
19 sions under section 553 of title 5, United States
20 Code.

21 (2) PENALTIES FOR FAILURE TO COMPLY.—
22 For any entity subject to divestiture under sub-
23 section (a) that does not comply with the milestones
24 specified under paragraph (1), except in cases in
25 which divestiture is blocked under paragraph (5),

1 the Chair of the Commission or the Assistant Attor-
2 ney General shall cause 10 percent of all revenue re-
3 ceived by the vulture investor attributable to the
4 youth sports entity to be transferred into escrow on
5 a monthly basis, which shall be—

6 (A) returned to the vulture investor if di-
7 vestment occurs by the deadline under sub-
8 section (a); or

9 (B) deposited into the Youth Sports Fund
10 if divestment does not occur by the deadline
11 under subsection (a).

12 (3) REPORTING PERIOD.—Any divestment re-
13 quired under subsection (a) shall be reported to the
14 Commission and the Assistant Attorney General
15 under section 7A of the Clayton Act (15 U.S.C. 18a)
16 without respect to the thresholds under subsection
17 (a)(2) of that section.

18 (4) REVIEW OF DIVESTITURE.—With respect to
19 each divestiture undertaken pursuant to subsection
20 (a), in addition to any applicable review under sec-
21 tion 7A of the Clayton Act (15 U.S.C. 18a), the
22 Commission and the Assistant Attorney General
23 shall review the effect on competition, financial via-
24 bility, and the public interest—

25 (A) of the divestiture; and

1 (B) of the subsequent acquisition of the di-
2 vested entity by the acquiring person.

3 (5) BLOCKING DIVESTITURE.—The Commission
4 and the Assistant Attorney General, jointly or sepa-
5 rately, may bring a civil action in any court of com-
6 petent jurisdiction to block any divestiture that
7 would constitute a violation of this Act or harm com-
8 petition, result in financial insolvency, or result in a
9 conflict of interest to the detriment of the public in-
10 terest.

11 (6) TRUSTEE.—If divestiture does not occur by
12 the divestiture deadline under subsection (a), a di-
13 vestiture trustee appointed by the Chair of the Com-
14 mission or the Assistant Attorney General and paid
15 for in full by the vulture investor subject to divesti-
16 ture shall oversee the required divestiture and shall
17 have the authority to sell the youth sports entity to
18 which the divestiture requirement applies.

19 (c) REMEDIES IN CONNECTION WITH DIVESTI-
20 TURE.—

21 (1) IN GENERAL.—As a condition of or in con-
22 nection with any divestiture under this section, the
23 Commission or the Assistant Attorney General may
24 impose, require, supervise, and enforce such restric-

1 tions and remedies as are necessary to cure, miti-
2 gate, or prevent any violation of this Act.

3 (2) DIVESTITURE COMPLIANCE.—No divestiture
4 required under this section shall be considered com-
5 plete or in compliance with this Act unless and until
6 the Commission or the Assistant Attorney General
7 determines that all such remedies have been satis-
8 fied.

9 (3) TYPES OF REMEDIES.—The Commission or
10 the Assistant Attorney General may require a vul-
11 ture investor to—

12 (A) cease and desist from any violation of
13 this Act;

14 (B) disgorge any revenue, fees, special divi-
15 dends, or other forms of profit extracted from
16 a youth sports entity through vulture practices,
17 including any pre-judgment and post-judgment
18 interest;

19 (C) refund all junk fees charged directly or
20 indirectly to customers;

21 (D) forgive and void in full any debts or
22 outstanding payments owed by the youth sports
23 entity, the local community, and any employees,
24 families, participants, or customers that were

1 related to or resulted from vulture practices
2 under this Act;

3 (E) fund any scholarship or financial aid
4 programs that existed at the acquisition, includ-
5 ing during the 1-year period before the date of
6 acquisition, at the pre-acquisition funding level
7 for a minimum period of 5 years;

8 (F) pay the youth sports entity any pro-
9 ceeds the vulture investor received from leasing,
10 licensing, or granting access rights to any asset,
11 real estate, or intellectual property the youth
12 sports entity owned, controlled, generated, pro-
13 cured, or paid for prior to or during the period
14 of investment;

15 (G) transfer all data, algorithms, software,
16 licenses, platforms, and other technology nec-
17 essary to operate the business effectively to the
18 youth sports entity, and relinquish any past,
19 present, or future ownership or rights thereto;

20 (H) disgorge or delete any proprietary cus-
21 tomer, participant, or operational data acquired
22 or collected during the period of investment, as
23 directed by the Commission or the Assistant At-
24 torney General;

1 (I) compensate for any asset transfers or
2 transactions that diminished the value or viabil-
3 ity of the youth sports entity; and

4 (J) provide any other relief necessary to
5 restore the financial viability, operational inde-
6 pendence, and competitive position of the youth
7 sports entity.

8 (d) POST-DIVESTITURE JURISDICTION.—The Com-
9 mission and the Assistant Attorney General shall retain
10 jurisdiction for a period of not less than 1 year following
11 the completion of any divestiture under this section to—

12 (1) monitor compliance with this Act and any
13 conditions or remedies imposed under this sub-
14 section;

15 (2) impose additional conditions or remedies as
16 necessary;

17 (3) modify or terminate previously imposed con-
18 ditions or remedies; and

19 (4) require additional transfers, payments, or
20 operational changes to ensure compliance with this
21 Act and the effectiveness of the divestiture.

22 (e) ADMINISTRATIVE AUTHORITY.—

23 (1) IN GENERAL.—The authority under this
24 section may be exercised without any requirement to
25 prove a violation in court and may be based on des-

1 ignation as a vulture investor or a failure to obtain
2 or maintain certification under section 4, or the ap-
3 plication of this section.

4 (2) ORDERS.—The Commission or the Assist-
5 ant Attorney General may issue such orders as are
6 necessary to carry out this section, including orders
7 requiring compliance with any condition or remedy
8 imposed under this subsection.

9 (3) ESCROW.—The Commission or the Assist-
10 ant Attorney General may require that funds, pro-
11 ceeds, or other assets be placed in escrow or other-
12 wise withheld pending satisfaction of the divestiture,
13 or any condition or remedy imposed under this sec-
14 tion.

15 **SEC. 6. ENFORCEMENT.**

16 (a) IN GENERAL.—The Commission or the Assistant
17 Attorney General may enforce this Act, including any di-
18 vestiture, condition, restriction, or remedy imposed under
19 section 5, by—

20 (1) exercising the administrative authorities
21 provided under this Act; or

22 (2) bringing a civil action in an appropriate dis-
23 trict court of the United States.

24 (b) POWERS OF THE COMMISSION.—

1 (1) IN GENERAL.—The Commission shall en-
2 force this Act or an order, requirement, guidance,
3 rule, process, or procedure authorized under this Act
4 in the same manner, by the same means, and with
5 the same jurisdiction, powers, and duties as though
6 all applicable terms and provisions of the Federal
7 Trade Commission Act (15 U.S.C. 41 et seq.) were
8 incorporated into and made a part of this Act.

9 (2) UNFAIR OR DECEPTIVE ACTS OR PRAC-
10 TICES; UNFAIR METHODS OF COMPETITION.—A vio-
11 lation of this Act or an order, requirement, guid-
12 ance, rule, process, or procedure authorized by this
13 Act shall also constitute a violation of section 5(a)
14 of the Federal Trade Commission Act (15 U.S.C.
15 45(a)) regarding unfair methods of competition or a
16 rule defining an unfair or deceptive act or practice
17 under section 18(a)(1)(B) of the Federal Trade
18 Commission Act (15 U.S.C. 57a(a)(1)(B)).

19 (3) PRIVILEGES AND IMMUNITIES.—Any person
20 who violates this Act or an order, requirement, guid-
21 ance, rule, process, or procedure authorized by this
22 Act shall be subject to the penalties and entitled to
23 the privileges and immunities provided in the Fed-
24 eral Trade Commission Act (15 U.S.C. 41 et seq.).

25 (c) ACTIONS BY STATE ATTORNEYS GENERAL.—

1 (1) IN GENERAL.—If the attorney general of a
2 State has reason to believe that an interest of the
3 residents of the State has been or is being threat-
4 ened or adversely affected by a practice that violates
5 this section, the attorney general of the State may,
6 as *parens patriae*, bring a civil action on behalf of
7 the residents of the State in an appropriate district
8 court of the United States.

9 (2) RULE OF CONSTRUCTION.—For purposes of
10 bringing a civil action under this subsection, nothing
11 in this Act shall be construed to prevent an attorney
12 general, official, or agency of a State from exercising
13 the powers conferred on the attorney general, offi-
14 cial, or agency by the laws of such State to conduct
15 investigations, administer oaths and affirmations, or
16 compel the attendance of witnesses or the production
17 of documentary and other evidence.

18 (d) PRIVATE RIGHT OF ACTION.—Any individual or
19 class of individuals adversely affected by a covered firm’s
20 violation of this Act, or a regulation promulgated there-
21 under, may bring a civil action in any court of competent
22 jurisdiction against the covered firm.

23 (e) AWARD.—In a civil action brought under this Act
24 in which the plaintiff prevails, the court may award—

25 (1) damages in an amount equal to—

1 (A) 3 times the amount of actual monetary
2 damages incurred as a result of the violation; or

3 (B) in the event of a willful violation, an
4 amount determined appropriate by the court,
5 but in no case shall such amount be less than
6 the amount described in subparagraph (A);

7 (2) restitution or other appropriate equitable
8 relief;

9 (3) reasonable attorney's fees and litigation
10 costs;

11 (4) any condition, restriction, or remedy de-
12 scribed in section 5; and

13 (5) any other relief that the court determines
14 appropriate.

15 (f) RIGHT TO JURY TRIAL.—Either party, upon re-
16 quest, shall have the right to a jury trial.

17 (g) INVALIDITY OF PRE-DISPUTE ARBITRATION
18 AGREEMENTS AND PRE-DISPUTE JOINT ACTION WAIV-
19 ERS.—

20 (1) DEFINITIONS.—For purposes of this sub-
21 section:

22 (A) PRE-DISPUTE ARBITRATION AGREE-
23 MENT.—The term “pre-dispute arbitration
24 agreement” means any agreement to arbitrate a

1 dispute that has not arisen at the time of the
2 making of the agreement.

3 (B) PRE-DISPUTE JOINT-ACTION WAIV-
4 ER.—The term “pre-dispute joint-action waiv-
5 er” means an agreement, whether or not part
6 of a pre-dispute arbitration agreement, that
7 would prohibit or waive the right of 1 of the
8 parties to the agreement to participate in a
9 joint, class, or collective action in a judicial, ar-
10 bitral, administrative, or other related forum,
11 concerning a dispute that has not yet arisen at
12 the time of the making of the agreement.

13 (2) INVALIDITY.—Notwithstanding any other
14 provision of law, no pre-dispute arbitration agree-
15 ment or pre-dispute joint action waiver shall be valid
16 or enforceable with regard to a dispute arising under
17 this Act.

18 (3) APPLICABILITY.—Any determination as to
19 whether or how this subsection applies to any dis-
20 pute shall be made by a court, rather than an arbi-
21 trator, without respect to whether such agreement
22 purports to delegate such determination to an arbi-
23 trator.

1 **SEC. 7. JOINT AND SEVERAL LIABILITY.**

2 Notwithstanding any other provision of law, or the
3 terms of any contract or agreement, a vulture investor,
4 including any control person or affiliate, shall be held
5 jointly and severally liable with the youth sports entity for
6 all liabilities incurred by the youth sports entity during
7 the period of the vulture investor's control, including—

8 (1) all debt obligations assumed by the youth
9 sports entity;

10 (2) legal judgments;

11 (3) pension-related obligations; and

12 (4) any legal, regulatory, or safety infractions
13 including, but not limited to, child safety, labor vio-
14 lations, and facility code failures.

15 **SEC. 8. YOUTH SPORTS FUND.**

16 Any money disgorged pursuant to an action under
17 this Act without a specified recipient shall be deposited
18 in a youth sports fund created and distributed under
19 terms set by the Commission to be put to use in the inter-
20 est of serving the youth sports needs of the harmed com-
21 munity or communities, including by—

22 (1) providing funds to youth sports entities to
23 reduce or eliminate participation costs for families;

24 (2) supporting free community access to youth
25 sports facilities;

26 (3) increasing financial aid or scholarships; or

1 (4) otherwise providing any necessary funding
2 to ensure a divested youth sports entity can operate
3 at a safe and effective level.

4 **SEC. 9. AUTHORITY TO IMPLEMENT THIS ACT.**

5 The Commission shall have the authority to issue or-
6 ders, requirements, guidance, rules, processes, or proce-
7 dures necessary to implement this Act by publishing notice
8 thereof in the Federal Register without regard to the pro-
9 visions under section 553 of title 5, United States Code.

10 **SEC. 10. PREEMPTION.**

11 Nothing in this Act shall be construed to restrict or
12 preempt any State or local law that—

13 (a) provides protection against vulture practices or a
14 covered firm that are greater than those set forth in this
15 Act;

16 (b) imposes civil or criminal sanctions or penalties
17 greater than those imposed by this Act; or

18 (c) creates any public or private right of action relat-
19 ing to vulture practices or a covered firm.

20 **SEC. 11. ANTI-EVASION.**

21 (a) IN GENERAL.—It shall be unlawful for any per-
22 son to structure, restructure, or otherwise arrange any
23 transaction, relationship, or agreement for the purpose of
24 evading the requirements of this Act.

1 (b) SUBSTANCE OVER FORM.—For purposes of de-
2 termining compliance with this Act, the Commission and
3 the Assistant Attorney General may disregard the form
4 of any transaction and consider its substance.

5 (c) TREATMENT AS A COVERED FIRM.—Any entity
6 created, reorganized, or utilized for the purpose of avoid-
7 ing designation under this Act shall be deemed to be a
8 covered firm.

○