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NIL Revolution

The evolving legal landscape of college athletics

Champion Blue LLC: Kentucky's Play to Reshape College Athletics

By **Julia St. John** on May 9, 2025

Recently, the University of Kentucky took an interesting step in the context of collegiate athletics by converting its athletic department into a limited liability company (LLC), named Champions Blue LLC. This structure makes Kentucky the first university in the U.S. to restructure its athletic department in this manner. The move reflects a growing awareness among universities that the traditional model of collegiate sports may no longer be the most financially or legally sustainable model in the face of mounting pressures from name, image, and likeness (NIL) deals, antitrust litigation, and evolving NCAA regulations.

The University of Kentucky's transition of its athletic department to an LLC allows it to separate the commercial aspects of its athletic program from its academic and administrative arms. In doing so, the university likely hopes to gain more flexibility, possibly to pursue new business ventures that may have been harder to manage under its public institution framework. Given the looming \$2.8 billion NCAA antitrust settlement in the *House* litigation that would permit universities to directly compensate student-athletes, this kind of restructuring may offer a forward-looking solution.

Champions Blue LLC will remain under the broader control of the university, but the creation of a new oversight board — comprised of university personnel and external advisors with experience in professional sports and business — signals a shift

toward a model more in line with traditional corporate governance. This approach is consistent with the ever-changing landscape where colleges increasingly operate their athletic department in a hybrid world where amateurism overlaps with professional-level financial expectations and risks.

Critics of the move note that there is no clear precedent for such a restructuring in college sports, meaning the university is entering uncharted territory. The shift also raises important questions about the long-term implications of privatizing elements of public athletic departments, such as liability handling, public transparency requirements, and whether other universities will follow suit. However, supporters argue that the change is not only timely but essential.

The University of Kentucky's move appears to reflect broader trends across higher education and athletics. As legal and financial challenges continue to mount, more universities may begin to think and operate more like for-profit businesses while still looking to uphold their educational missions. Champions Blue LLC is one response to this new landscape, and one that could either become a blueprint for other institutions or a cautionary tale.

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