How the North American Soccer League (NASL) can truly win against the United States Soccer Federation (USSF),

through a complimentary lawsuit, and completely eliminate the arbitrary Professional League Standards (PLS) while substantially reducing the monopolistic power of the USSF



North American Soccer League VS



United States Soccer Federation

Key:

The 50 United States of America, all US clubs, leagues, associations and players, and the founders of USSF in 1913 Dear members of the NASL, the Kessler law team from Winston & Strawn, and all the US clubs, leagues, investors, and fans who are negatively affected by the USSF Professional League Standards,

I write to share with you all valuable information and a perspective which may be overlooked that can greatly help you win your case against the USSF. I have thoroughly read the present lawsuit (NASL vs USSF: <u>https://www.scribd.com/document/359361983/Anti-Trust</u>). As a league, the NASL has a compelling argument which can lead to a favorable result. However, this particular case needs some extra weight to fully turn the tide in your favor and to crack things wide open for good. Solution: <u>Discrimination, not only against the NASL</u>, but against the United States of America as a whole as well as all US soccer leagues and clubs. With this, the Kessler team is going to have to partner with US Attorneys from different points of the country, as well as the Equal Employment Opportunity Commission (EEOC) and the US Securities and Exchange Commission (USSEC), in addition to other US clubs and leagues, and together go all the way to the US Supreme Court if need be.

<u>Goal</u>: My objective in this document is not to make your entire case for you, as you have done in part, but to provide you with a solid complimentary outline / foundation for which you can deeply elaborate upon with your own words and design and ultimately win.

Explanation: In the NASL vs USSF lawsuit, the claim is made that the USSF is shielding MLS from another rival D1 league from rising, by setting the USSF Professional League Standards (USSF PLS) too high for any other to obtain. The most recent 2014 and proposed 2015 USSF PLS require a D1 league to be compliant with the following:

	USSF Professional League Standards					
	2014	2015				
1	Minimum of 12 teams to apply. By year three, a minimum of 14 teams.	Minimum of 16 teams.				
2	Location in the Eastern, Central, and Pacific time zones in the continental United States.	US-based teams must be located in at least three different times zones in the continental United States.				
3	Playing surfaces for all teams must be at least 70 yards by 110 yards and be FIFA approved.	Playing surfaces for all teams must be at least 70 years by 110 yards and be FIFA approved.				
4	All league stadiums must have a minimum seating capacity of 15,000.	All league stadiums must have a minimum seating capacity of 15,000.				
5	75 percent of the league's teams must be in metropolitan areas with at least 1 million persons.	75 percent of the league's teams must be in metropolitan areas with at least 2 million persons.				
6	Principal owner with an individual net worth of at least \$40 million USD	Principal owner with an individual net worth of at least \$40 million USD				
7	Combined owner net worth of at least seventy million US Dollars.	Combined owner net worth of at least eighty million US Dollars.				

The NASL and the Kessler team are making their individual case that the USSF Standards are arbitrary and have been changed for various years while stifling the growth of the NASL (as a singular league).

Granted, there is an Anti-Trust issue from a one league standpoint to contest. That said, to win and win big, a separate case with larger ramifications must be made by yourselves and a partnership of US Attorneys from different states, the Equal Employment Opportunity Commission (EEOC), the US Securities and Exchange Commission (USSEC), as well as other US clubs and leagues:

New Specific Claims

- <u>Count 1</u>: The USSF Professional League Standards discriminate against states and cities across the country through the Equal Footing Doctrine / Equality of States, the Tenth Amendment (States' Rights and the Commerce Clause), and the Sherman Act (Anti Trust).
- #5 (2014) 75 percent of the league's teams must be in metro areas with at least 1 million persons.(2015) 75 percent of the league's teams must be in metro areas with at least 2 million persons.
- #2 (2014) Location in the Eastern, Central, and Pacific time zones in the continental United States. (2015) US-based teams must be located in at least three different times zones in the continental United States.
- #1 (2014) Minimum of 12 teams to apply. By year three, a minimum of 14 teams.(2015) Minimum of 16 teams.
- #4 (2014 & 2015) All league stadiums must have a minimum seating capacity of 15,000.
- <u>Count 2</u>: The USSF Professional League Standards discriminate against companies, entrepreneurs, and workers across the country through the Equal Protection Clause, Civil Rights Act, the Jobs Act, and the Sherman Act.
- #6 (2014 & 2015) Principal owner with an individual net worth of at least \$40 million USD.
- #7 (2014) Combined owner net worth of at least seventy million US Dollars.(2015) Combined owner net worth of at least eighty million US Dollars.

One thing is for a league / a for-profit business to setup their own in-league standards (calling various tiers Division 1, Division 2, Division 3, etc), and another is for a representing national governing body / a non-profit organization (which aims to work closely with the USA via the national team and the US Olympic Committee, and is supposed to simply provide equal assistance to all clubs and participants in the US) to create and impose <u>arbitrary and **discriminatory**</u> standards for everyone.

<u>Count 3</u>: The USSF professional league standards and the USSF United States Open Cup discriminate against leagues and clubs across the country by forcing <u>non</u>-Major League Soccer (MLS) teams to be viewed as inferior and to obligatorily participate in the tournament during the first rounds, while MLS teams are viewed as superior and enter last - ultimately making an unfair competition for a national title / championship, which goes against the Sherman Act (AntiTrust).

- <u>Count 4</u>: The USSF professional league standards imposing rule that all professional teams, not including every single amateur team in the US (over 9000+), must participate in the unfairly designed USSF United States Open Cup is a violation of the Sherman Act (AntiTrust).
- <u>Count 5</u>: The USSF professional league standards and the USSF United States Open Cup discriminate against leagues and clubs across the country giving three CONCACAF Champions League berths (towards international cup competition) to MLS, and one to the US Open Cup, which goes against the Sherman Act (AntiTrust).
- **Count 6:** The USSF professional league standards enormous requirements and imposed fees towards investors and the USSF's proclamation of MLS as D1 via the standards, while working closely with MLS via SUM, is a violation of the Securities and Exchange Commission (SEC), under the Investment Advisers Act of 1940, and Investment Company Act of 1940 (also see *Jones v. Harris Associates: 559 U.S. 335)*.
- <u>Count 7</u>: The USSF professional league standards requirement that no owner can own more than one team in a division, while simultaneously allowing a single-entity league / company / business / club such as MLS to do so is a violation of the Sherman Act (AntiTrust) and US Business and Corporate Laws.
- **Count 8:** The USSF's claim to exert absolute control over professional soccer in the US, as a fiefdom, by honorable virtue bestowed unto them by a foreign entity known as the Fédération Internationale de Football Association (FIFA), which operates out of Switzerland, and the artificial right to tell US states, metro areas, cities, investors, leagues, clubs, and fans that they are valued less (than D1) by arbitrary fiat, as well as that they have to pay USSF fees to host professional matches is against the Emoluments Clause of the Constitution of the USA and the Sherman Act (AntiTrust).
- **Count 9:** The USSF's claim to control international competition by professional soccer leagues and clubs in the US by virtue of a foreign entity known as FIFA and the artificial right to tell states, metro areas, cities, investors, leagues, and clubs what they can do, who they can play, and how much must be paid to USSF for compensation (through coercion) to allow the hosting of a match goes against the Commerce Clause of the United States Constitution, the Sherman Act (AntiTrust), and US Coercion laws: 5 U.S. Code § 6385 -Prohibition of coercion; 18 U.S. Code § 610 - Coercion of political activity; 25 CFR 11.406 - Criminal coercion; 42 U.S. Code § 3617 - Interference, coercion, or intimidation; and US Racketeering laws (RICO Act).
- **Count 10:** The USSF is suppressing the potential financial growth of professional and amateur clubs by way of the USSF PLS, which goes against the Sherman Act (AntiTrust), as well for the latter against the Stevens Act and the US Olympic Committee Charter which states: "*To support U. S. Olympic and Paralympic athletes in achieving sustained competitive excellence while demonstrating the values of the Olympic Movement, thereby inspiring all Americans.*"

Elaboration of the New Claims

Count 1

Laws

I. Under the Equal Footing Doctrine, all states in the United States of America are treated as equals, or enter on equal footing.

II. Under the Tenth Amendment, states have individual rights including the right to commerce.

III. Under the Sherman Antitrust Act, monopolies can not be nefariously formed, and a fair competitive marketplace must be preserved.

Problem IA

A) reference #5 (2014 & 2015) - Population Size requirement by USSF

This USSF PLS population size requirement **discriminates** against states in the United States of America. It is unconstitutional.

	USA States and Territories discriminated by USSF professional league standards under population size						
	2014 standards (ur	2015 standards (u	under 2 million)				
#	States & Territories (10)	Population size in 2016	ze in States & Territories Population (18) 2016				
1	Delaware	952 thousand	Nebraska	1.91 million			
2	South Dakota	865 thousand	West Virginia	1.83 million			
3	North Dakota	758 thousand	Idaho	1.68 million			
4	Alaska	742 thousand	Hawaii	1.43 million			
5Vermont625 thousandNew Hampshire1.34 million							
6	Wyoming	586 thousand	Maine 1.33 million				
7	Guam	161 thousand	Rhode Island	1.06 million			
8	US Virgin Islands	104 thousand	Montana	1.04 million			
9	American Samoa	54 thousand	Delaware	952 thousand			
10	Northern Marian Islands	52 thousand	South Dakota	865 thousand			
11			North Dakota	758 thousand			
12			Alaska	742 thousand			
13			Vermont	625 thousand			
14			Wyoming	586 thousand			
15			Guam	161 thousand			
16			US Virgin Islands	104 thousand			
17			American Samoa	54 thousand			
18			Northern Marian Islands	52 thousand			

Point IA1

a) Under the 2014 USSF PLS, 6 states and 4 territories (for a total of 10 areas) are discriminated

against from obtaining USSF D1 or being viewed as D1. None of the 6 states or 4 territories have cities or metro areas that meet the discriminatory USSF D1 standards.

b) Under the 2015 USSF PLS, 14 states and 4 territories (for a total of 18 areas) are **discriminated** against from obtaining D1 or being viewed as D1. None of the 14 states or 4 territories have cities or metro areas that meet the discriminatory D1 standards.

What this means is that these places can't be recognized as or have, by USSF standards, USSF division 1 leagues or division 1 clubs on their own within their boundaries. It also means that these places are viewed as less in value by USSF. This in turn triggers lack of investments and loss of potential jobs, earnings or revenue streams for these areas from investors who would otherwise invest with the availability of the arbitrary USSF D1 label or not invest with the lack thereof. This goes against the Equal Footing Doctrine where all states should be treated and viewed equally.

USA Metropolitan Areas discriminated by USSF professional league standards under population size						
	2014 standards ((under 1 million)	2015 standards	(under 2 million)		
#	Metropolitan Statistical Areas (329)	Population size in 2016	Metropolitan Statistical Areas (348)	Population size in 2016		
1	Urban Honolulu, HI	992,605	San Jose-Sunnyvale- Santa Clara, CA	1,978,816		
2	Tulsa, OK	987,201	Nashville-Davidson– Murfreesboro– Franklin, TN	1,865,298		
3	Fresno, CA	979,915	Virginia Beach- Norfolk-Newport News, VA-NC	1,726,907		
4	Bridgeport-Stamford- Norwalk, CT	944,177	Providence-Warwick, RI-MA	1,614,750		
5	Worcester, MA-CT	935,781	Milwaukee-Waukesha- West Allis, WI	1,572,482		
6	Omaha-Council Bluffs, NE-IA	924,129	Jacksonville, FL	1,478,212		
7	Albuquerque, NM	909,906	Oklahoma City, OK	1,373,211		
8	Greenville-Anderson- Mauldin, SC	884,975	Memphis, TN-MS-AR	1,342,842		
9	Bakersfield, CA	884,788	Raleigh, NC	1,302,946		
10	Albany-Schenectady- Troy, NY	881,839	Louisville/Jefferson County, KY-IN	1,283,430		
11	Knoxville, TN	868,546	Richmond, VA	1,281,708		
12	New Haven-Milford, CT	856,875	New Orleans-Metairie, LA	1,268,883		
13	McAllen-Edinburg- Mission, TX	849,843	Hartford-West Hartford-East	1,206,836		

			Hartford, CT	
14	Oxnard-Thousand Oaks-Ventura, CA	849,738	Salt Lake City, UT	1,186,187
15	El Paso, TX	841,971	Birmingham-Hoover, AL	1,147,417
16	Allentown-Bethlehem- Easton, PA-NJ	835,652	Buffalo-Cheektowaga- Niagara Falls, NY	1,132,804
17	Baton Rouge, LA	835,175	Rochester, NY	1,078,879
18	Columbia, SC	817,488	Grand Rapids- Wyoming, MI	1,047,099
19	Dayton, OH	800,683	Tucson, AZ	1,016,206
20	North Port-Sarasota- Bradenton, FL	788,457	Urban Honolulu, HI	992,605
21	Charleston-North Charleston, SC	761,155	Tulsa, OK	987,201
22	Greensboro-High Point, NC	756,139	Fresno, CA	979,915
23	Little Rock-North Little Rock-Conway, AR	734,622	Bridgeport-Stamford- Norwalk, CT	944,177
24	Stockton-Lodi, CA	733,709	Worcester, MA-CT	935,781
25	Cape Coral-Fort Myers, FL	722,336	Omaha-Council Bluffs, NE-IA	924,129
26	Colorado Springs, CO	712,327	Albuquerque, NM	909,906
27	Akron, OH	702,221	Greenville-Anderson- Mauldin, SC	884,975
28	Boise City, ID	691,423	Bakersfield, CA	884,788
29	Lakeland-Winter Haven, FL	666,149	Albany-Schenectady- Troy, NY	881,839
30	Winston-Salem, NC	662,079	Knoxville, TN	868,546
31	Syracuse, NY	656,510	New Haven-Milford, CT	856,875
32	Ogden-Clearfield, UT	654,417	McAllen-Edinburg- Mission, TX	849,843
33	Madison, WI	648,929	Oxnard-Thousand Oaks-Ventura, CA	849,738
34	Wichita, KS	644,672	El Paso, TX	841,971
35	Deltona-Daytona Beach-Ormond Beach, FL	637,674	Allentown-Bethlehem- Easton, PA-NJ	835,652
36	Des Moines-West Des Moines, IA	634,725	Baton Rouge, LA	835,175
37	Springfield, MA	630,283	Columbia, SC	817,488
38	Toledo, OH	605,221	Dayton, OH	800,683
39	Provo-Orem, UT	603,309	North Port-Sarasota-	788,457

			Bradenton, FL	
40	Augusta-Richmond County, GA-SC	594,919	Charleston-North Charleston, SC	761,155
41	Jackson, MS	579,229	Greensboro-High Point, NC	756,139
42	Palm Bay-Melbourne- Titusville, FL	579,130	Little Rock-North Little Rock-Conway, AR	734,622
43	Harrisburg-Carlisle, PA	568,033	Stockton-Lodi, CA	733,709
44	Durham-Chapel Hill, NC	559,535	Cape Coral-Fort Myers, FL	722,336
45	Spokane-Spokane Valley, WA	556,634	Colorado Springs, CO	712,327
46	Scranton–Wilkes- Barre–Hazleton, PA	555,225	Akron, OH	702,221
47	Chattanooga, TN-GA	551,632	Boise City, ID	691,423
48	Youngstown-Warren- Boardman, OH-PA	544,746	Lakeland-Winter Haven, FL	666,149
49	Modesto, CA	541,560	Winston-Salem, NC	662,079
50	Lancaster, PA	538,500	Syracuse, NY	656,510
51	Portland-South Portland, ME	529,657	Ogden-Clearfield, UT	654,417
52	Fayetteville- Springdale-Rogers, AR-MO	525,032	Madison, WI	648,929
53	Lexington-Fayette, KY	506,751	Wichita, KS	644,672
54	Santa Rosa, CA	503,070	Deltona-Daytona Beach-Ormond Beach, FL	637,674
55	Lafayette, LA	491,528	Des Moines-West Des Moines, IA	634,725
56	Pensacola-Ferry Pass- Brent, FL	485,684	Springfield, MA	630,283
57	Lansing-East Lansing, MI	475,099	Toledo, OH	605,221
58	Port St. Lucie, FL	465,208	Provo-Orem, UT	603,309
59	Visalia-Porterville, CA	460,437	Augusta-Richmond County, GA-SC	594,919
60	Springfield, MO	458,930	Jackson, MS	579,229
61	Reno, NV	457,667	Palm Bay-Melbourne- Titusville, FL	579,130
62	Corpus Christi, TX	454,726	Harrisburg-Carlisle, PA	568,033
63	Asheville, NC	452,319	Durham-Chapel Hill, NC	559,535
64	Huntsville, AL	449,720	Spokane-Spokane Valley, WA	556,634

65	Myrtle Beach- Conway-North Myrtle Beach, SC-NC	449,295	Scranton–Wilkes- Barre–Hazleton, PA	555,225
66	Santa Maria-Santa Barbara, CA	446,170	Chattanooga, TN-GA	551,632
67	York-Hanover, PA	443,744	Youngstown-Warren- Boardman, OH-PA	544,746
68	Shreveport-Bossier City, LA	441,767	Modesto, CA	541,560
69	Vallejo-Fairfield, CA	440,207	Lancaster, PA	538,500
70	Killeen-Temple, TX	435,857	Portland-South Portland, ME	529,657
71	Salinas, CA	435,232	Fayetteville- Springdale-Rogers, AR-MO	525,032
72	Fort Wayne, IN	431,802	Lexington-Fayette, KY	506,751
73	Brownsville- Harlingen, TX	422,135	Santa Rosa, CA	503,070
74	Salem, OR	418,139	Lafayette, LA	491,528
75	Mobile, AL	414,836	Pensacola-Ferry Pass- Brent, FL	485,684
76	Reading, PA	414,812	Lansing-East Lansing, MI	475,099
77	Beaumont-Port Arthur, TX	409,968	Port St. Lucie, FL	465,208
78	Flint, MI	408,615	Visalia-Porterville, CA	460,437
79	Manchester-Nashua, NH	407,761	Springfield, MO	458,930
80	Anchorage, AK	402,557	Reno, NV	457,667
81	Canton-Massillon, OH	401,281	Corpus Christi, TX	454,726
82	Salisbury, MD-DE	400,200	Asheville, NC	452,319
83	Gulfport-Biloxi- Pascagoula, MS	391,266	Huntsville, AL	449,720
84	Savannah, GA	384,024	Myrtle Beach- Conway-North Myrtle Beach, SC-NC	449,295
85	Davenport-Moline- Rock Island, IA-IL	382,268	Santa Maria-Santa Barbara, CA	446,170
86	Fayetteville, NC	380,389	York-Hanover, PA	443,744
87	Tallahassee, FL	379,627	Shreveport-Bossier City, LA	441,767
88	Peoria, IL	376,246	Vallejo-Fairfield, CA	440,207
89	Montgomery, AL	373,922	Killeen-Temple, TX	435,857
90	Trenton, NJ	371,023	Salinas, CA	435,232
91	Eugene, OR	369,519	Fort Wayne, IN	431,802

92	Naples-Immokalee- Marco Island, FL	365,136	Brownsville- Harlingen, TX	422,135
93	Ann Arbor, MI	364,709	Salem, OR	418,139
94	Hickory-Lenoir- Morganton, NC	364,187	Mobile, AL	414,836
95	Huntington-Ashland, WV-KY-OH	359,588	Reading, PA	414,812
96	Ocala, FL	349,020	Beaumont-Port Arthur, TX	409,968
97	Fort Collins, CO	339,993	Flint, MI	408,615
98	Rockford, IL	339,376	Manchester-Nashua, NH	407,761
99	Kalamazoo-Portage, MI	336,877	Anchorage, AK	402,557
100	Spartanburg, SC	329,136	Canton-Massillon, OH	401,281
101	Lincoln, NE	326,921	Salisbury, MD-DE	400,200
102	Boulder, CO	322,226	Gulfport-Biloxi- Pascagoula, MS	391,266
103	South Bend- Mishawaka, IN-MI	320,740	Savannah, GA	384,024
104	Green Bay, WI	318,236	Davenport-Moline- Rock Island, IA-IL	382,268
105	Evansville, IN-KY	315,948	Fayetteville, NC	380,389
106	Lubbock, TX	314,840	Tallahassee, FL	379,627
107	Roanoke, VA	313,698	Peoria, IL	376,246
108	Columbus, GA-AL	308,755	Montgomery, AL	373,922
109	Kingsport-Bristol- Bristol, TN-VA	306,334	Trenton, NJ	371,023
110	Greeley, CO	294,932	Eugene, OR	369,519
111	Utica-Rome, NY	293,803	Naples-Immokalee- Marco Island, FL	365,136
112	Kennewick-Richland, WA	283,846	Ann Arbor, MI	364,709
113	San Luis Obispo-Paso Robles-Arroyo Grande, CA	282,887	Hickory-Lenoir- Morganton, NC	364,187
114	Wilmington, NC	282,573	Huntington-Ashland, WV-KY-OH	359,588
115	Clarksville, TN-KY	282,349	Ocala, FL	349,020
116	Fort Smith, AR-OK	281,227	Fort Collins, CO	339,993
117	Gainesville, FL	280,708	Rockford, IL	339,376
118	Duluth, MN-WI	279,227	Kalamazoo-Portage, MI	336,877
119	Erie, PA	276,207	Spartanburg, SC	329,136

120	Olympia-Tumwater, WA	275,222	Lincoln, NE	326,921
121	Santa Cruz- Watsonville, CA	274,673	Boulder, CO	322,226
122	Laredo, TX	271,193	South Bend- Mishawaka, IN-MI	320,740
123	Atlantic City- Hammonton, NJ	270,991	Green Bay, WI	318,236
124	Norwich-New London, CT	269,801	Evansville, IN-KY	315,948
125	Merced, CA	268,672	Lubbock, TX	314,840
126	Cedar Rapids, IA	267,799	Roanoke, VA	313,698
127	Crestview-Fort Walton Beach-Destin, FL	267,059	Columbus, GA-AL	308,755
128	Waco, TX	265,207	Kingsport-Bristol- Bristol, TN-VA	306,334
129	Bremerton-Silverdale, WA	264,811	Greeley, CO	294,932
130	Hagerstown- Martinsburg, MD-WV	263,817	Utica-Rome, NY	293,803
131	Amarillo, TX	263,342	Kennewick-Richland, WA	283,846
132	Lynchburg, VA	260,232	San Luis Obispo-Paso Robles-Arroyo Grande, CA	282,887
133	Sioux Falls, SD	255,729	Wilmington, NC	282,573
134	College Station-Bryan, TX	254,928	Clarksville, TN-KY	282,349
135	Yakima, WA	249,636	Fort Smith, AR-OK	281,227
136	Binghamton, NY	244,094	Gainesville, FL	280,708
137	Tuscaloosa, AL	241,378	Duluth, MN-WI	279,227
138	Champaign-Urbana, IL	238,554	Erie, PA	276,207
139	Fargo, ND-MN	238,124	Olympia-Tumwater, WA	275,222
140	Appleton, WI	234,079	Santa Cruz- Watsonville, CA	274,673
141	Topeka, KS	233,068	Laredo, TX	271,193
142	Charlottesville, VA	231,349	Atlantic City- Hammonton, NJ	270,991
143	Macon-Bibb County, GA	229,182	Norwich-New London, CT	269,801
144	Chico, CA	226,864	Merced, CA	268,672
145	Prescott, AZ	225,562	Cedar Rapids, IA	267,799
146	Tyler, TX	225,290	Crestview-Fort Walton Beach-Destin, FL	267,059

147	Charleston, WV	217,916	Waco, TX	265,207
148	Longview, TX	217,446	Bremerton-Silverdale, WA	264,811
149	Burlington-South Burlington, VT	217,273	Hagerstown- Martinsburg, MD-WV	263,817
150	Bellingham, WA	216,800	Amarillo, TX	263,342
151	Lafayette-West Lafayette, IN	216,679	Lynchburg, VA	260,232
152	Medford, OR	216,527	Sioux Falls, SD	255,729
153	Rochester, MN	215,884	College Station-Bryan, TX	254,928
154	Barnstable Town, MA	214,276	Yakima, WA	249,636
155	Las Cruces, NM	214,207	Binghamton, NY	244,094
156	Hilton Head Island- Bluffton-Beaufort, SC	211,614	Tuscaloosa, AL	241,378
157	Houma-Thibodaux, LA	211,525	Champaign-Urbana, IL	238,554
158	Springfield, IL	210,015	Fargo, ND-MN	238,124
159	Daphne-Fairhope- Foley, AL	208,563	Appleton, WI	234,079
160	Lake Charles, LA	207,483	Topeka, KS	233,068
161	Florence, SC	205,976	Charlottesville, VA	231,349
162	Yuma, AZ	205,631	Macon-Bibb County, GA	229,182
163	Athens-Clarke County, GA	205,290	Chico, CA	226,864
164	Lake Havasu City- Kingman, AZ	205,249	Prescott, AZ	225,562
165	Elkhart-Goshen, IN	203,781	Tyler, TX	225,290
166	Johnson City, TN	201,661	Charleston, WV	217,916
167	Panama City, FL	199,964	Longview, TX	217,446
168	Gainesville, GA	196,637	Burlington-South Burlington, VT	217,273
169	St. Cloud, MN	195,644	Bellingham, WA	216,800
170	Racine, WI	195,140	Lafayette-West Lafayette, IN	216,679
171	Saginaw, MI	192,326	Medford, OR	216,527
172	Warner Robins, GA	190,028	Rochester, MN	215,884
173	Bloomington, IL	188,644	Barnstable Town, MA	214,276
174	Jacksonville, NC	187,136	Las Cruces, NM	214,207
175	Blacksburg- Christiansburg- Radford, VA	182,876	Hilton Head Island- Bluffton-Beaufort, SC	211,614
176	Bend-Redmond, OR	181,307	Houma-Thibodaux, LA	211,525

177	El Centro, CA	180,883	Springfield, IL	210,015
178	Redding, CA	179,631	Daphne-Fairhope- Foley, AL	208,563
179	Monroe, LA	179,470	Lake Charles, LA	207,483
180	Kingston, NY	179,225	Florence, SC	205,976
181	Punta Gorda, FL	178,465	Yuma, AZ	205,631
182	Joplin, MO	177,805	Athens-Clarke County, GA	205,290
183	Greenville, NC	177,220	Lake Havasu City- Kingman, AZ	205,249
184	Columbia, MO	176,594	Elkhart-Goshen, IN	203,781
185	Dover, DE	174,827	Johnson City, TN	201,661
186	Muskegon, MI	173,408	Panama City, FL	199,964
187	Yuba City, CA	171,926	Gainesville, GA	196,637
188	Bowling Green, KY	171,122	St. Cloud, MN	195,644
189	Terre Haute, IN	170,687	Racine, WI	195,140
190	Abilene, TX	170,364	Saginaw, MI	192,326
191	Waterloo-Cedar Falls, IA	170,015	Warner Robins, GA	190,028
192	Oshkosh-Neenah, WI	169,886	Bloomington, IL	188,644
193	Billings, MT	169,728	Jacksonville, NC	187,136
194	Sioux City, IA-NE-SD	169,140	Blacksburg- Christiansburg- Radford, VA	182,876
195	Iowa City, IA	168,828	Bend-Redmond, OR	181,307
196	Midland, TX	168,288	El Centro, CA	180,883
197	Eau Claire, WI	166,614	Redding, CA	179,631
198	Bloomington, IN	166,336	Monroe, LA	179,470
199	East Stroudsburg, PA	166,098	Kingston, NY	179,225
200	Kahului-Wailuku- Lahaina, HI	165,474	Punta Gorda, FL	178,465
201	Pueblo, CO	165,123	Joplin, MO	177,805
202	Janesville-Beloit, WI	161,620	Greenville, NC	177,220
203	State College, PA	161,464	Columbia, MO	176,594
204	St. George, UT	160,245	Dover, DE	174,827
205	Burlington, NC	159,688	Muskegon, MI	173,408
206	Auburn-Opelika, AL	158,991	Yuba City, CA	171,926
207	Jackson, MI	158,460	Bowling Green, KY	171,122
208	Odessa, TX	157,462	Terre Haute, IN	170,687
209	Alexandria, LA	154,789	Abilene, TX	170,364
210	Madera, CA	154,697	Waterloo-Cedar Falls, IA	170,015

211	Coeur d'Alene, ID	154,311	Oshkosh-Neenah, WI	169,886
212	Niles-Benton Harbor, MI	154,010	Billings, MT	169,728
213	Chambersburg- Waynesboro, PA	153,851	Sioux City, IA-NE-SD	169,140
214	Vineland-Bridgeton, NJ	153,797	Iowa City, IA	168,828
215	Decatur, AL	152,256	Midland, TX	168,288
216	Albany, GA	152,219	Eau Claire, WI	166,614
217	Bangor, ME	151,806	Bloomington, IN	166,336
218	Sebastian-Vero Beach, FL	151,563	East Stroudsburg, PA	166,098
219	Jefferson City, MO	151,391	Kahului-Wailuku- Lahaina, HI	165,474
220	Wichita Falls, TX	150,734	Pueblo, CO	165,123
221	Texarkana, TX-AR	150,098	Janesville-Beloit, WI	161,620
222	Grand Junction, CO	150,083	State College, PA	161,464
223	Hanford-Corcoran, CA	149,785	St. George, UT	160,245
224	Elizabethtown-Fort Knox, KY	149,538	Burlington, NC	159,688
225	Monroe, MI	149,208	Auburn-Opelika, AL	158,991
226	Hattiesburg, MS	149,138	Jackson, MI	158,460
227	Santa Fe, NM	148,651	Odessa, TX	157,462
228	Dothan, AL	147,834	Alexandria, LA	154,789
229	Rocky Mount, NC	147,323	Madera, CA	154,697
230	Florence-Muscle Shoals, AL	146,534	Coeur d'Alene, ID	154,311
231	Rapid City, SD	145,661	Niles-Benton Harbor, MI	154,010
232	Valdosta, GA	144,676	Chambersburg- Waynesboro, PA	153,851
233	Dalton, GA	143,904	Vineland-Bridgeton, NJ	153,797
234	Homosassa Springs, FL	143,621	Decatur, AL	152,256
235	Wheeling, WV-OH	142,982	Albany, GA	152,219
236	Idaho Falls, ID	142,572	Bangor, ME	151,806
237	Napa, CA	142,166	Sebastian-Vero Beach, FL	151,563
238	Flagstaff, AZ	140,908	Jefferson City, MO	151,391
239	Lebanon, PA	138,863	Wichita Falls, TX	150,734
240	Morgantown, WV	138,380	Texarkana, TX-AR	150,098
241	La Crosse-Onalaska,	136,936	Grand Junction, CO	150,083

	WI-MN			
242	Logan, UT-ID	136,159	Hanford-Corcoran, CA	149,785
243	Wausau, WI	135,603	Elizabethtown-Fort Knox, KY	149,538
244	Winchester, VA-WV	135,238	Monroe, MI	149,208
245	Springfield, OH	134,786	Hattiesburg, MS	149,138
246	Johnstown, PA	134,732	Santa Fe, NM	148,651
247	Battle Creek, MI	134,314	Dothan, AL	147,834
248	Harrisonburg, VA	132,822	Rocky Mount, NC	147,323
249	Bismarck, ND	131,635	Florence-Muscle Shoals, AL	146,534
250	Hammond, LA	130,710	Rapid City, SD	145,661
251	Jonesboro, AR	129,858	Valdosta, GA	144,676
252	Jackson, TN	129,527	Dalton, GA	143,904
253	Sherman-Denison, TX	128,235	Homosassa Springs, FL	143,621
254	Lawton, OK	128,077	Wheeling, WV-OH	142,982
255	Pittsfield, MA	126,903	Idaho Falls, ID	142,572
256	St. Joseph, MO-KS	126,565	Napa, CA	142,166
257	Carbondale-Marion, IL	126,430	Flagstaff, AZ	140,908
258	Glens Falls, NY	126,367	Lebanon, PA	138,863
259	New Bern, NC	126,111	Morgantown, WV	138,380
260	Sierra Vista-Douglas, AZ	125,770	La Crosse-Onalaska, WI-MN	136,936
261	Altoona, PA	124,650	Logan, UT-ID	136,159
262	Goldsboro, NC	124,150	Wausau, WI	135,603
263	The Villages, FL	123,996	Winchester, VA-WV	135,238
264	Mount Vernon- Anacortes, WA	123,681	Springfield, OH	134,786
265	Albany, OR	122,849	Johnstown, PA	134,732
266	Cleveland, TN	121,262	Battle Creek, MI	134,314
267	Staunton-Waynesboro, VA	121,247	Harrisonburg, VA	132,822
268	Mansfield, OH	121,107	Bismarck, ND	131,635
269	Beckley, WV	120,924	Hammond, LA	130,710
270	San Angelo, TX	119,943	Jonesboro, AR	129,858
271	Lawrence, KS	119,440	Jackson, TN	129,527
272	Weirton-Steubenville, WV-OH	119,271	Sherman-Denison, TX	128,235
273	Owensboro, KY	117,959	Lawton, OK	128,077
274	Wenatchee, WA	117,665	Pittsfield, MA	126,903

275	Morristown, TN	117,320	St. Joseph, MO-KS	126,565
276	Brunswick, GA	116,784	Carbondale-Marion, IL	126,430
277	Missoula, MT	116,130	Glens Falls, NY	126,367
278	Muncie, IN	115,603	New Bern, NC	126,111
279	Sheboygan, WI	115,427	Sierra Vista-Douglas, AZ	125,770
280	Williamsport, PA	115,248	Altoona, PA	124,650
281	Farmington, NM	115,079	Goldsboro, NC	124,150
282	Anniston-Oxford- Jacksonville, AL	114,611	The Villages, FL	123,996
283	Watertown-Fort Drum, NY	114,006	Mount Vernon- Anacortes, WA	123,681
284	California-Lexington Park, MD	112,587	Albany, OR	122,849
285	Michigan City-La Porte, IN	110,015	Cleveland, TN	121,262
286	Kankakee, IL	110,008	Staunton-Waynesboro, VA	121,247
287	Sumter, SC	107,396	Mansfield, OH	121,107
288	Lewiston-Auburn, ME	107,319	Beckley, WV	120,924
289	Decatur, IL	106,550	San Angelo, TX	119,943
290	Longview, WA	105,160	Lawrence, KS	119,440
291	Ithaca, NY	104,871	Weirton-Steubenville, WV-OH	119,271
292	Bay City, MI	104,747	Owensboro, KY	117,959
293	Lima, OH	103,742	Wenatchee, WA	117,665
294	Grand Forks, ND-MN	102,743	Morristown, TN	117,320
295	Gadsden, AL	102,564	Brunswick, GA	116,784
296	Gettysburg, PA	102,180	Missoula, MT	116,130
297	Fond du Lac, WI	102,144	Muncie, IN	115,603
298	Sebring, FL	100,917	Sheboygan, WI	115,427
299	Fairbanks, AK	100,605	Williamsport, PA	115,248
300	Mankato-North Mankato, MN	100,016	Farmington, NM	115,079
301	Victoria, TX	99,984	Anniston-Oxford- Jacksonville, AL	114,611
302	Cumberland, MD-WV	99,541	Watertown-Fort Drum, NY	114,006
303	Cheyenne, WY	98,136	California-Lexington Park, MD	112,587
304	Hot Springs, AR	97,477	Michigan City-La Porte, IN	110,015
305	Cape Girardeau, MO-	97,443	Kankakee, IL	110,008

	IL			
306	Ames, IA	97,090	Sumter, SC	107,396
307	Manhattan, KS	97,004	Lewiston-Auburn, ME	107,319
308	Dubuque, IA	97,003	Decatur, IL	106,550
309	Rome, GA	96,560	Longview, WA	105,160
310	Ocean City, NJ	94,430	Ithaca, NY	104,871
311	Pine Bluff, AR	91,962	Bay City, MI	104,747
312	Parkersburg-Vienna, WV	91,449	Lima, OH	103,742
313	Corvallis, OR	89,385	Grand Forks, ND-MN	102,743
314	Elmira, NY	86,322	Gadsden, AL	102,564
315	Grants Pass, OR	85,904	Gettysburg, PA	102,180
316	Grand Island, NE	85,148	Fond du Lac, WI	102,144
317	Bloomsburg-Berwick, PA	84,763	Sebring, FL	100,917
318	Pocatello, ID	84,377	Fairbanks, AK	100,605
319	Midland, MI	83,462	Mankato-North Mankato, MN	100,016
320	Kokomo, IN	82,568	Victoria, TX	99,984
321	Great Falls, MT	81,755	Cumberland, MD-WV	99,541
322	Columbus, IN	81,402	Cheyenne, WY	98,136
323	Casper, WY	81,039	Hot Springs, AR	97,477
324	Hinesville, GA	81,007	Cape Girardeau, MO-IL	97,443
325	Danville, IL	79,111	Ames, IA	97,090
326	Walla Walla, WA	64,278	Manhattan, KS	97,004
327	Lewiston, ID-WA	62,675	Dubuque, IA	97,003
328	Enid, OK	62,603	Rome, GA	96,560
329	Carson City, NV	54,742	Ocean City, NJ	94,430
330			Pine Bluff, AR	91,962
331			Parkersburg-Vienna, WV	91,449
332			Corvallis, OR	89,385
333			Elmira, NY	86,322
334			Grants Pass, OR	85,904
335			Grand Island, NE	85,148
336			Bloomsburg-Berwick, PA	84,763
337			Pocatello, ID	84,377
338			Midland, MI	83,462
339			Kokomo, IN	82,568

340		Great Falls, MT	81,755
341		Columbus, IN	81,402
342		Casper, WY	81,039
343		Hinesville, GA	81,007
344		Danville, IL	79,111
345		Walla Walla, WA	64,278
346		Lewiston, ID-WA	62,675
347		Enid, OK	62,603
348		Carson City, NV	54,742
Total Population	96,022,660 Nearly one-third of the US Population		121,927,573 Over one-third of the US Population

Point IA2

a) Under the 2014 USSF PLS, 329 metropolitan areas with major cities, together totaling <u>96 million</u> <u>people</u>, are **discriminated** against from obtaining USSF D1 or being viewed as such. None of them meet the discriminatory D1 standards.

b) Under the 2015 USSF PLS, 349 metropolitan areas with major cities, together totaling <u>121 million</u> <u>people</u>, are **discriminated** against from obtaining USSF D1 or being viewed as such. None of them meet the discriminatory D1 standards.

Metropolitan areas and cities <u>IN ALL 50 STATES</u>, a total of 91% (349 out of 382 major metro areas), are being **discriminated** by the USSF PLS.

What this means is that these places can't have USSF division 1 leagues or division 1 clubs on their own within their boundaries, as designed by USSF.

This goes against the Equal Footing Doctrine, against the Tenth Amendment as states have individual rights to commerce, and the Sherman Act.

No non-profit organization, which is a national governing body under the US Olympic Committee, has the right to call a state or a metropolitan area a non-division 1 league area or less in value than another area. The USSF is devaluing the commerce of the states, metropolitan areas, and the cities within them. They are directly creating anti-trust issues between these places by labeling and building anticompetitive markets.

One thing is for a league / a private for-profit organization to decide not to go to a state, metro area, or city and another for a national body like USSF, which is supposed to be open to all clubs and leagues in the US as well as all states, metro areas, and cities where the sport is played to say that an area is not USSF D1 worthy - which prohibits some leagues from investing there.

Imagine if the Food and Drug Administration (FDA) arbitrarily called McDonald's - Division 1, and Burger King Division 2; or Coca-Cola - Division 1, and Pepsi - Division 2; or Popeyes Division 1 and Kentucky Fried Chicken Division 2. This would be unfair to the product developers and to consumers. More analogous, imagine if the FDA arbitrarily said that D1 = Organic & Healthy Food (top caliber), while D2 = Processed Food (less quality), where D1 suppliers / investors (especially worth \$40 million USD and more) can only exclusively go to states, metro areas, and cities with 1 million or 2 million and more people, and the rest of the country, 91% of metro areas and cities, can only arbitrarily and discriminately receive D2 caliber processed food and potentially less investments (by individuals with smaller net worth).

That is NOT their job to do, and it is absolutely discrimination by USSF.

Problem IB

B) reference #2 (2014 & 2015) - <u>US based team location in at least three time zones (Eastern, Central, and Pacific) requirement by USSF</u>

Point IB

a) This entirely goes against the Tenth Amendment - as states have individual rights to commerce - and the Sherman Act.

- A state and / or group of states have the right to work together through trade. (They also have the right to form and / or administer or partner with a professional soccer league, one that is not arbitrarily labeled - under or over valued - in any way by the USSF, if they choose).

- States form various trade deals. Each state should decide how to allow a league to operate and with who to work with.

The USSF does not have the right to call a professional league that solely operates in the northeast corridor of the US or in the midwest or in the pacificwest, for instance, a non-division 1 league (or less in value of a league) if it only wants to function within their region and not in another time zone.
Each state and / or region should have the freedom and right to create their own division 1 / top standard leagues or professional leagues as they see fit.

USSF is stifling trade and the economic growth, including jobs and infrastructure, of states with soccer, by telling states how to work. They are telling states that they can't operate a division 1 caliber league, akin to the rest of the world, unless their league is in three time zones which negates the 10th Amendment and goes against the Sherman Act.

The federal government of the USA has powers delegated by the constitution, while all remaining powers are reserved for the states and / or the people. The USSF has no US judicial right to tell states and their professional leagues, which incorporate in said states and pay annual taxes to the state and the US Federal Government, how to operate. Furthermore, a company / business / investors should have the right to choose where they want to invest in.

Problem IC

C) reference #1 (2014) - <u>Quantity of teams requirement by USSF</u> (minimum of 12 teams to apply. By year three, a minimum of 14 teams. Or must have a minimum of 16 teams).

Problem ID

D) reference # 4 (2014) - <u>Stadium size requirement</u> - All league stadiums must have a minimum seating capacity of 15,000.

Point IC & ID

a) These requirements also go against the Tenth Amendment and the Sherman Act. Very similar to Point IB, states and leagues operating in said states should have the right to choose how many teams they need to operate a league - whether it is 2, 4, 10 or whichever number pleases them, as well as the stadium size they prefer. Plain and simple: It's their business, and they have the right to decide.

Imagine an outside body telling a company how many employees or departments or offices or buildings or office space it needs to have in order to be considered top quality. It's preposterous. Every situation is different.

More analogous, imagine if USA Baseball, the national governing body of amateur baseball in the US under the US Olympic Committee, told all the independent professional baseball leagues in the US, apart from Major League Baseball (MLB) and the leagues within Minor League Baseball (MLB), that in order for them to be professional or of top quality that they need to have a minimum of 12 to 16 teams and that they needed to be in stadiums with 12,000 to 15,000 seats - if not they would be labeled inferior by them.

The free competitive market decides which leagues or products are of greater value, not an external body (which is supposed to be impartial) through arbitrary views. Just like USA Baseball, USSF does NOT have the right to control the professional side of soccer within the US.

Count 2

Laws

I. Equal Protection Clause (of the 14th Amendment) - All people have the rights equal to those of all citizens.

II. Civil Rights Act - All citizens are equally protected under the law.

III. Jobs Act - Is purposely designed to encourage funding for small businesses.

IV. Sherman Act - Monopolies can not be nefariously formed, and a fair competitive marketplace must be preserved.

Problem IIA

A) reference #6 (2014&2015) - <u>Principal owner with an individual net worth of at least \$40 million</u> <u>USD requirement by USSF</u>.

Problem IIB

B) reference #7 (2014 & 2015) - <u>Combined owner net worth of at least seventy or eighty million US</u> <u>Dollars requirement by USSF</u>.

Point IIA1-IIB1 & IIA2-IIB2 - Equal Protection Clause & Civil Rights Act

a) These specific requirements are <u>discriminatory</u> against entrepreneurs. If a person has less than \$40 million USD, then they can't be a principle owner of a USSF D1 labeled club.

****The fact is, the majority of people who are millionaires and hold the financial wealth in the United States are mainly of European / Caucasian descent. There are several millionaires of minority descent, including Hispanics and African Americans, but significantly less in quantity and net worth

than their Caucasian counterparts. This D1 standard is vastly limiting the amount of minorities across the US who can participate as owners. This violates numerous civil rights and keeps a certain group on top and a certain group below. (See the NAACP, LULAC, NALEO, LCLAA, and others).****

Point IIA3 & IIB3 - Jobs Act

a) USSF and their standards are directly working against the Jobs Act by labeling entrepreneurs lesser quality. Up and coming entrepreneurs can't obtain proper funding or partners if they are being arbitrarily deemed inferior by a national body.

Imagine all the entrepreneurs in small start-up companies, that eventually became highly successful in the marketplace through the years (think Google, Facebook, Amazon, etc), were told at the beginning that they can not be the owners or majority shareholders of their companies because they didn't have \$40 million USD at the start, or that their company can only be labeled D1 if they are worth \$40 million or more - rendering their companies as inferior before even getting a chance to make a name for themselves. Or imagine if an investor with a net worth of \$10,000 or \$10 million dollars wanted to build a company in Los Angeles, CA (a USSF D1 labeled metro area), but was told that only D1 companies are allowed and an owner of such must be worth at least \$40 million in order to operate as a D1 and setup shop in the city, or else they wouldn't be allowed to enter in the market and would be viewed as inferior quality.

This is discriminatory and counterproductive to growth and the American Dream of building something great from nothing at all.

Point IIA4 & IIB4 - Sherman Act

a) This is creating anti-competitive nature by discriminating against people with less than \$40 million dollars net worth.

The significant question is, what percentage of people in the US have a net worth of \$40 million USD and more vs the percentage of people who have less? Let's see:

1. According to a 2014 US census, only 2.08 % of US earners make \$250,000 and over annually, while 3.24% of US households make that amount, out of approximately 300 million people accounted for - about 6.24 million. <u>https://en.wikipedia.org/wiki/Household_income_in_the_United_States</u>

2. In 2016, there were an estimated 4.4 million millionaires (worth \$1 million or more) living in the USA.

3. There are only 520,000 multi-millionaires (worth \$10 million or more) in the world.

4. In 2015, there were approximately 210,000 \$USD ultra-high-net-worth-individuals (UHNWI) (worth \$30 million or more) in the world.

5. About 1.5% of millionaires in the US are UHNWI (worth \$30 million or more), which is only 66,000 people out of 320 million in the US or **0.02%** of the population. <u>https://en.wikipedia.org/wiki/Millionaire</u>

So according to USSF PLS, <u>only 0.02% of the US population are allowed to own a team</u> that is deemed division 1 or of greater quality. **Meanwhile, 99.98% of the entire US population is discriminated against**, while 98.5% of millionaires in the US who are potential investors are arbitrarily disqualified.

What if every single person who has \$40 million or more does not want to invest in soccer, or if a group within this financial tier already did and no one else wants to further invest, should there be no more investors?

This requirement is not fairly allowing the sport to grow and is not fairly allowing the overwhelming amount of investors in the different states, metro areas, and cities, who have a net worth less than \$40 million USD, to invest. This a total Anti-Trust and monopoly issue which should be held accountable under the Sherman Act.

Count 3

Laws

I. Under the Sherman Antitrust Act, monopolies can not be nefariously formed, and a fair competitive marketplace must be preserved.

Problem III:

The USSF professional league standards and the USSF United States Open Cup discriminate against leagues and clubs across the country by forcing <u>non</u>-Major League Soccer (MLS) teams to be viewed as inferior and to obligatorily participate in the tournament during the first rounds, while MLS teams are viewed as superior and enter last - ultimately making an unfair competition for a national title / championship, which goes against the Sherman Act (AntiTrust).

Point III - Sherman Act

a) US leagues and clubs that are not MLS or in MLS are being labeled less than Division 1 or inferior. This lowers the amount of investors (sponsors) a league or club can obtain in comparison to being labeled superior or D1. This further creates perceptions by fans that products outside MLS in the US are less valuable, and in turn it decreases the amount of fans attending or viewing. This arbitrary and discriminatory label decreases overall value of the leagues and clubs.

b) Through the division standards, clubs / teams outside of MLS are obligated to participate in and are placed in the early rounds of the US Open Cup (a national championship competition administered by USSF to determine a spot in international competition called the CONCACAF Champions League, whose winner then participates in the FIFA Club World Cup - both of which offer valuable financial prizes and potential rewards such as additional sponsorship and promotion). Rather than put all participating US teams, including those in MLS, in the same opening rounds, clubs / teams outside of MLS play against one another subsequently eliminating the majority of themselves. By the time the MLS teams enter in the fourth round (or round of 32), there are significantly less teams to play against, making it easier for MLS teams to win the tournament (as they have done so since 1996, 21 out of 22 times). In 2017 alone, 99 teams participated in the competition. Yet, in the fourth round, MLS had 19 fresh teams enter to face 13 remaining clubs from different leagues who had already been playing the previous rounds. The odds are heavily stacked in favor for MLS teams to swoop in every year during the latter part of the tournament and win - further raising the perception that all other clubs / teams and leagues are inferior, while also giving MLS teams the ability to obtain a fourth CONCACAF Champions League berth, on top of the three CCL berths that are perpetually given to MLS by USSF.

This creates an unfair anti-competitive market.

Count 4

Laws

I. Under the Sherman Antitrust Act, monopolies can not be nefariously formed, and a fair competitive marketplace must be preserved.

Problem IV:

The USSF professional league standards imposing rule that all professional teams, not including every single amateur team in the US (over 9000+), must participate in the unfairly designed USSF United States Open Cup is a violation of the Sherman Act (AntiTrust).

Point IV - Sherman Act

a) The USSF forces every US professional soccer team (specifically the first team of every independent club, and the teams in MLS) within the three divisions to participate in the federation's US Open Cup. If a team or several of them do not participate, then both the teams and their respective leagues can face fines and / or sanctions from the USSF, including potentially losing their arbitrary division. The obligatory participation in the US Open Cup of professional clubs / teams is a violation of the Sherman Act as it is a monopolized national tournament controlled by the USSF, which as aforementioned favors by design the teams in MLS (whose representatives sit on the board of USSF as influential members). USSF does not recognize or allow for any other domestic men's national soccer tournament that simultaneously includes both professional teams from the three divisions and amateur teams. If another tournament of the size of the US Open Cup, which would allow both professional and amateur teams to participate across the country, were to be setup, the USSF would not recognize it and they would sanction teams participating in it especially if these teams did not also participate in the US Open Cup. (See the 1929 American Soccer Association Cup / ASA Cup / American Cup http://bethlehemsteelsoccer.org/gl1010130b.html).

b) Furthermore, the USSF and professional league standards obligates professional teams in the three divisions to participate, but neither the federation or its PLS forces amateur teams to join. USSF has no official Amateur Standards. In other words, they do not obligate amateur teams into the tournament. If every amateur team, which represents the overwhelming majority of teams in the US, is not obligated to participate in the US Open Cup, then neither should any of the professional teams. <u>It should be a choice, not an obligation</u>.

The US Open Cup was officially founded in 1913 as the National Challenge Cup. It's sole purpose (created and voted by all the clubs, leagues and regional associations that formed the United States of America Football Association (USAFA) in 1913 - today's USSF) as an <u>open invitational tournament</u>, was to allow all the amateur teams and the (very few that existed at the time) professional teams from the different leagues and regional associations the opportunity to play for an undisputed national championship. The key word in the tournament is, still today, OPEN. It was never supposed to be a forced entry tournament. USSF with its division standards have turned it into such for professional teams, while limiting the amount of entry spots for amateur teams. Meanwhile, USSF does not force all amateur teams, which make up the majority of teams in the US, to join as well. The tournament has become more of a tournament which favors professional teams as opposed to all teams alike.

The US Open Cup is a historical tournament that deserves a lot of respect, attention, and care by all professional and amateur teams in the US, whose predecessors formed it, but no team or league should be forced by USSF to participate with fear of fines or sanctions. Each club and team, whether professional and amateur should have the right to <u>choose</u> whether or not to join.

What USSF can do, however, is put the four US CONCACAF Champions League (CCL) berths in the US Open Cup as well as raise the prize money for the tournament to <u>encourage</u> teams to participate. In addition, if clubs and leagues both professional and amateur (which represent the majority) would like to form another national tournament, apart from the US Open Cup, then the USSF should not penalyze them in any way for doing so. Instead, the USSF is supposed to recognize it as that *is* their job to do, as the USFA / USSF was formed by the clubs, leagues, and regional associations in the US to do as they request as a whole - primarily to unite and not divide.

Count 5

Laws

I. Under the Sherman Antitrust Act, monopolies can not be nefariously formed, and a fair competitive marketplace must be preserved.

Problem V:

The USSF professional league standards and the USSF United States Open Cup discriminate against leagues and clubs across the country giving three CONCACAF Champions League berths (towards international cup competition) to MLS, and one to the US Open Cup, which goes against the Sherman Act (AntiTrust).

Point V - Sherman Act

a) Three out of four CONCACAF Champions League (CCL) berths, or 75% of them, are arbitrarily automatically bestowed to MLS (and their current 19 US teams) because they are labeled under USSF as D1. Meanwhile, every club outside of MLS, approximately 9,000+ registered clubs don't have direct access to those three berths. This further increases the perception that the leagues and clubs outside of MLS are inferior and it reduces the potential revenue these clubs can generate by participating in that tournament. In order for them to participate, they would first have to be a member of MLS - by paying \$150 million USD in expansion fee, while also meeting the USSF PLS, and handing over all rights to their intellectual property to that league.

b) Meanwhile, USSF deceptively offers <u>one</u> CCL berth to 9,000+ clubs via the US Open Cup (to dishonestly say they represent all clubs) - only for these clubs to participate in an unfair tournament.

USSF is greatly limiting the possibility for a club outside of MLS as well as the quantity of said clubs to participate in international competition. This is Anti-Trust through and through.

*Proposed solution:

CONCACAF Champions League Berths - Should not be given to any one league, <u>while there isn't a</u> <u>true and fair national promotion and relegation system</u>, comparable to the majority in the world in design, where all clubs can form a part of, if they choose. The CCL berths should be placed in the US Open Cup tournament, or a tournament that clubs, leagues, and associations can agree on, where everyone that signs up can participate in a fair and open manner.

For instance, in the US Open Cup: Since the Open Cup could have the four CONCACAF Champions League berths, until a national Pro/Rel system is formed, then all participants could enter in the same

rounds. a) It can be a single-game knock-out tournament of eight rounds with 256 clubs / teams. All registered professional teams that want to participate can sign first, and the remaining portion (more than half) of the 256 can be made up of amateur teams who would have qualified through state tournaments and other regional competitions; or b) It can be a single-game knock-out tournament featuring the winners of new 50 state championships, with all clubs, whether amateur or pro, participating in the state championships first and the winners advancing to the USOC. Once in the USOC, 1) through a lottery, 14 teams can receive a by while 36 teams play in the first round. The winning 18 teams will join the 14 teams that earned a by in the round of 32; or 2) there can be 16 preliminary groups: 14 groups with 3 teams and 2 groups with four teams (for a total of 50). The top two teams with the most wins or best record per group would advance to the round of 32.

In either scenario, the four semifinalist of the US Open Cup tournament would obtain the CCL berths, with the winner of the US Open Cup earning bonus prize money and the national open title.

If a true and fair national promotion and relegation system is created by the clubs and leagues themselves, where all professional and amateur clubs can voluntarily form a part of, only then can two of the CCL berths be placed at the top level of the open pyramid, while the other two remain in the US Open Cup - for those choosing not to participate in the promotion and relegation system and for clubs in the different levels to have another opportunity at international competition. This creates a balanced and fair system.

Laws

I. Under the Investment Advisers Act of 1940, activities by investment advisors are monitored and regulated.

II. Investment Company Act of 1940: "<u>It is hereby declared that the policy and purposes of this title</u>, in accordance with which the provisions of this title shall be interpreted, <u>are to mitigate and</u>, so far as is feasible, <u>to eliminate the conditions</u> enumerated in this section <u>which adversely affect the national</u> <u>public interest and the interest of investors</u>."

Count 6

Definitions: A <u>financial adviser</u> is a professional who suggests and renders financial services to clients based on their financial situation. In many countries Financial Advisers have to complete specific training and hold a license to provide advices. In the United States for example a financial advisor carries a Series 65 or 66 license and according to the U.S., Financial advisers typically provide clients/customers with financial products and services, depending on the licenses they hold and the training they have had. For example, an insurance agent may be qualified to sell both life insurance and variable annuities. A broker may also be a financial planner. A financial adviser may create financial plans for clients or sell financial products, or a combination of both. They also provide some insight on savings.

Problem VI:

The USSF professional league standards enormous requirements and imposed fees towards investors and the USSF's proclamation of MLS as D1 via the standards, while working closely with MLS via SUM, is a violation of the Securities and Exchange Commission (SEC), under the Investment Advisers Act of 1940, and Investment Company Act of 1940 (also see *Jones v. Harris Associates: 559 U.S. 335*).

Point VI - Investment Advisers Act of 1940 and Investment Company Act of 1940. a) USSF and MLS are in violation of the Securities and Exchange Commission. As a non-profit national governing body for the sport of soccer under the US Olympic Committe, USSF is supposed to be impartial and in favor of all clubs and leagues and the equal development of the sport in the US. Yet, this organization has closely partnered with one league exclusively - Major League Soccer (MLS). Together they work side-by-side with a for-profit organization called Soccer United Marketing (SUM) which serves as their uniformed marketing arm. While SUM deals in the national and international promotion of the sport, in favor of MLS and the national team only, USSF deals with sanctioning of the sport in the USA. The three organizations are closely tied together. USSF annually receives major profits from SUM, which have totalled over \$130 million USD.

*****USSF, with the USSF PLS and SUM, conducts itself as a sole **financial adviser** for the sport of soccer in the country to all clubs and leagues. They impose and have a monopoly on how a club and league must ultimately behave financially in order for it to be considered D1, D2, D3, etc. The only league USSF recognizes as D1, under their USSF PLS, is MLS.

USSF is manipulating the value of the clubs and leagues in the sport of soccer in the USA. They are subsequently manipulating the commerce of states, metro areas, and cities in which these leagues and clubs all operate from. USSF blocks 9,000+ registered clubs and theirs leagues from reaching D1, through the changing enormous requirements and fees demanded via the USSF PLS, and diminishes their worth and that of their regions in the (anti-competitive) marketplace. Meanwhile, USSF helps MLS and its investors mainitain a monopoly on the D1 sanctioning, and both gain a profit from SUM, by limiting competition from any other league in the US from rising to "D1". USSF and MLS, by way of the USSF PLS, are <u>adversely affecting the national public interest and the interest of investors</u>, while violating the SEC.****

b) Furthermore, USSF (a <u>non-profit organization</u>, connected to the US Olympic Committee as the national governing body of amateur soccer) is forcing independent promoters, leagues, and clubs to pay <u>excessive</u> fees for the right to host professional leagues as well as professional international matches:

USSF Sanctioning fees:

- 5.25% of the gross gate receipts for matches involving one foreign club team;
- 9% of the gross gate receipts for matches involving two foreign club teams;
- 11.25% of the first \$200,000, and then 15% of the remaining gross gate receipts for matches involving any country's national team (a National Team).

As declared in the US case *Champions World vs US Soccer Federation* (USSF), the USSF does not have sole authority of the professional side of the sport of soccer in the USA - recognized by any law of the US government uder which this organization functions.

Meanwhile, in order for a US professional soccer club or league to operate in the US and connect with the international game, in other words be allowed to play against international clubs from around the world, it is forced to register with USSF which is a member of the Fédération Internationale de Football Association - better known as FIFA - which links and oversees the international soccer community. USSF, like a de facto feudal lord, forces US professional clubs, leagues, and promoters to pay financial tribute for international professional competition. If these interested parties don't pay, they won't be allowed to host games in the US.

As established, USSF conducts itself as a **financial adviser** to all professional leagues (investment

companies), clubs, and soccer promotion companies in the US by way of the USSF PLS, but also the sanctioning fees. They advise clubs, leagues, and promoters what they need to pay in order to participate.

In *Jones v. Harris Associates: 559 U.S. 335*, it was held that the court has the jurisdiction to regulate fees of investment advisers in the mutual fund industry under the Investment Company Act of 1940, when those fees are excessive, and in breach of fiduciary duty.

1. USSF's fees to conduct international professional matches are excessive, and the court should regulate it under the Investment Company Act of 1940, similar to *Jones v Harris Associates*.

2. More importantly, <u>USSF as a non-profit organization</u>, which works under the US Olympic Committe as the national governing body of the amateur side of soccer in the US, and who does not have any recognized US government authority to the professional side of the sport of soccer in the USA (as established in *Champions World vs US Soccer Federation*) should not be allowed to charge a single fee whatsoever for a professional international match, under US law.

3. These exorbitant and extortinary fees are hurting the interest of investors and stake holders in professional leagues, clubs, and soccer promotion companies (such as in the North American Soccer League (NASL)).

<u>Count 7</u>

Laws

I. Under the Sherman Antitrust Act, monopolies can not be nefariously formed, and a fair competitive marketplace must be preserved.

II. Under state and federal laws, people / investors have the right to own multiple businesses (even within the same industry) and / or own shares in various companies (even within the same industry).

Problem VII:

The USSF professional league standards requirement that no owner can own more than one team in a division, while simultaneously allowing a single-entity league / company / business / club such as MLS to do so is a violation of the Sherman Act (AntiTrust) and US Business and Corporate Laws.

Point VII - The Sherman Act (AntiTrust) and US Business and Corporate Laws.

a) The USSF, as a national representing body, can not and should not tell a league that an owner can't be a majority owner of more than one team, whether amateur or professional at any or in the same division level. That should be a league decision, where team owners agree on such a clause. That's like the FDA telling an investor that they can't own or be the majority owner of multiple restaurants or franchises in the same industry from different brands: "You can't simultaneously own a Kentucky Fried Chicken, and a Popeyes"; or "You can't simultaneously own a McDonald's, a Burger King, a Wendy's, and a Checkers"; or "You can't own a Dominoe's Pizza, Little Caesars, a Papa John's Pizza, and a Pizza Hut." Or similarly like the FDA telling an investor that they can't simultaneously own five McDonald's", or "You can't simultaneously own 10 Little Caesars", etc. By that practice, this would mean that Warren Buffet would not be able to be a majority shareholder in differet companies. That is a violation of state and

federal US Business and Corporate laws where investors have the right to own multiple businesses and / or own shares in various companies and a be a majority shareholder (even within the same industry).

That said, USSF can, however, limit the amount of clubs / teams majority owned by one person, or the amount of teams per independent club (e.g. first or second or third team within a club) or affiliated teams (e.g. either an MLS team or a USL team that are affiliated), or a single-entity club (such as MLS; e.g. one team only per MLS) to enter the US Open Cup tournament, because it's the USSF's tournament.

b) MLS is a club:



https://twitter.com/AlexiLalas/status/826470389144391680

MLS, "the league", operates as "one club" through a centralized single-entity operation, owning player contracts, team names, logos, sponsorship deals, national TV deals, etc, with shareholders / operators for different teams. MLS, the league, is the majority owner of the MLS <u>club</u> which within itself currently has 22 teams with 19 in the USA. It has been proven by the court, such as in the case of *Fraser vs Major League Soccer*, that MLS, as a single-entity operation, can not conspire <u>against</u> itself, because it is one singular business. However, like any unified business, it can work <u>in favor</u> of itself.

Today, USSF allows MLS, a single-entity club (that has 22 teams in the same division with 19 in the USA), to own all the team names, logos, sponsorship deals, player contracts, national TV deals, etc, for every operated team in the league, while under the provisions of the arbitrary PLS. Yet, USSF tells other leagues that are not single-entity that each of their teams must be separately owned by a distinct majority owner. Meanwhile, for several years, approximately over a decade, the majority of the teams in the MLS club had only two to three different main shareholders / operators, while still being centrally owned by the league, which USSF continuously allowed. Clearly, there is an enormous

double-standard when the USSF (whose board members and voting power comprise of members of MLS) allows MLS the club to be its own majority owner of all its teams and for several years only have three main operators for over 10 teams, while all other professional leagues that are not single-entity are forced to comply with the arbitrary and unlawful standards, which are not even applicable to amateur teams. This anti-competitive nature violates the Sherman Act.

Presently, USSF deceivingly applies a different standard to MLS or a single-entity league / club, that is supposed to be comparable to having a different majority owner per team: "A "single-entity" league must have separate and distinct individuals or organizations in charge of each team's managament and operations." This says absolutely nothing about majority ownership, because MLS the club is still the majority owner of all its teams. Management and Ownership are two very different components. USSF applies one arbitrary standard to MLS and another to all other professional clubs.

c) The words "<u>single entity</u>" say it all - one business. MLS is one club. Every year, the MLS club, which is the majority owner of all its teams, plays a a club tournament disguised as a "league tournament", to determine its "league" or really club champion from its various owned teams. Each year, the club, MLS, perpetually awards itself through its teams, by way of USSF, three guaranteed CCL berths.

Under CONCACAF and FIFA, only one team per club can participate in international competition. However, each year USSF allows MLS, the club, to send up to five of its teams (one from Canada through the Canadian Championship, and four from the USA through the MLS tournament and the US Open Cup) into international competition.

The fact that the USSF is giving outright three CCL berths to one club, MLS, and allowing it to field five teams in the CONCACAF Champions League while USSF obligates every professional team in the various clubs outside of MLS to have a different majority <u>owner</u> (not manager or operator) in order to participate in league, national and international competition is a violation of the Sherman Act.

Count 8

Laws

I. The Emoluments Clause of the Constitution of the USA:

"No title of nobility shall be granted by the United States: and no person holding any office of profit or trust under them, shall, without the consent of the Congress, accept of any present, emolument, office, or title, of any kind whatever, from any king, prince, or foreign state."

II. Under the Sherman Antitrust Act, monopolies can not be nefariously formed, and a fair competitive marketplace must be preserved.

Problem VIII:

The USSF's claim to exert absolute control over professional soccer in the US, as a fiefdom, by honorable virtue bestowed unto them by a foreign entity known as the Fédération Internationale de Football Association (FIFA), which operates out of Switzerland, and the artificial right to tell US states, metro areas, cities, investors, leagues, clubs, and fans that they are valued less (than D1) by arbitrary fiat, as well as that they have to pay USSF fees to host professional matches is against the Emoluments Clause of the Constitution of the USA and the Sherman Act (AntiTrust).

Point VIII - Emoluments Clause, and the Sherman Act

a) No national or international body, not USSF or any other (especially one directly affiliated to the US Olympic Committee), has the right to claim power or dominion over the professional game of a sport, even one such as soccer, in the US.

FIFA is a foreign international soccer association body, based in Zurich (Switzerland) governed by Swiss law, whose main objective is to serve as a container or unifyer of member associations from around the world, which includes the USSF which works out of the USA. The USSF claims that it has power and absolute control over the whole professional sport of soccer in the entire US and commerce of the sport within the individual states, metro areas, and cities because they assert that FIFA, a foreign multi-billion dollar non-profit international sports body that is not based in the USA at all and who is explicitly governed by Swiss law, has given it to them. Under that foreign fiat, unrecognized under US law, USSF is conducting itself as a feudal lord which land they claim to govern is the US - despite being formed and operating out of this country.

USSF, under the pretense of FIFA recognition, and not that of USA recognition, is telling US states, metro areas, cities, investors, leagues, and clubs, what types of professional leagues they can form and what divisions they are, in terms of USSF professional league standards. USSF does not have that right based on foreign decree as established under US law.

The Amateur Sports Act / Ted Stevens Act, by way of the US Olympic Committee, <u>only</u> gives the USSF as a national governing body jurisdiction to oversee international competition <u>at the Olympic</u> <u>level</u> (including Paralympics), for national teams only. It does NOT give the USSF jurisdiction over all Amateur Competition <u>at the club level</u> in the US for soccer. It does NOT give the USSF jurisdiction over all Professional Competition in the US for soccer as confirmed in *Championsworld L.L.C. v. United States Soccer Federation, Inc. et al.*

*****Under the Emoluments Clause, the US government can't recognize USSF's claim (of international nobility) to govern outright the sport of soccer at the professional level in the USA.*****

b) Furthermore, USSF's claim to be the sole ruler of soccer in the US, by way of FIFA, and forcing that rule upon investors, leagues, and clubs is against the Sherman Antitrust Act. USSF is forcing these parties to unequestionably obey and fully abide by their rules, especially the USSF PLS. If opposed, they would not be recognized by the federation or FIFA and even less have the ability to obtain D1 status. If a club or league does not form part of USSF, they are considered a renegade or outlawed league, tainting and reducing their perception in the marketplace, while also being stripped of opportunities to access players that are registered under USSF or around the world in another member association of FIFA ,as well as not being able to participate in international matches with affiliated FIFA clubs.

USSF has a monopoly, and they utilize it to force investors, clubs, and leagues to follow their bylaws and standards or face consequences (such as expulsion or unrecognition).

*****If another or various associations or national governing bodies want to form to represent the sport at the professional and the amateur club level - whether on a regional or national scale - then they

should be able to do so and not be beholden to USSF's exclusive claim. These associations or national governing bodies should be independent of USSF and be allowed to form part of FIFA as a full member association if they choose. If FIFA, whose mission is to the constant improvement and development of the sport of football / soccer in the world, wants to fairly operate matches in the US or allow USSF to conduct business in the US under their name, then they must also allow other US associations or national governing bodies to form a part of it so that all clubs and leagues in the US from different levels have fair competition and equal representation.****

Count 9

Laws

I. Commerce Clause

Article I, Section 8, Clause 3:

"[The Congress shall have Power] To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;"

II. Under the Sherman Antitrust Act, monopolies can not be nefariously formed, and a fair competitive marketplace must be preserved.

III. Coercion laws - are designed to prevent coercion tactics by organizations. Coercion generally means to impose one's will on another by means of force or threats. Coercion may be accomplished through physical or psychological means. It may occur in a variety of contexts, such as unfair trade practices, which prohibits coercion to sell insurance in most states.

IV. Racketeering laws - is the act of offering of a dishonest service (a "racket") to solve a problem that wouldn't otherwise exist without the enterprise offering the service.

Problem IX:

The USSF's claim to control international competition by professional soccer leagues and clubs in the US by virtue of a foreign entity known as FIFA and the artificial right to tell states, metro areas, cities, investors, leagues, and clubs what they can do, who they can play, and how much must be paid to USSF for compensation (through coercion) to allow the hosting of a match goes against the Commerce Clause of the United States Constitution, the Sherman Act (AntiTrust), US Coercion laws: 5 U.S. Code § 6385 -Prohibition of coercion; 18 U.S. Code § 610 - Coercion of political activity; 25 CFR 11.406 - Criminal coercion; 42 U.S. Code § 3617 - Interference, coercion, or intimidation; and US Racketeering laws (RICO Act).

Point IX - Commerce Clause, Sherman Act, Coercion laws, and Racketeering laws. a) The USSF is using its claim to rule all of soccer in the US by way of FIFA to force clubs, leagues, investors, states, metro areas, and cities to do what they ask or face consequences.

The USSF does not have the right to control domestic or foreign professional or amateur club competition and more importantly they do not have the right to control commerce of businesses between states or foreign nations:

See Gibbons v. Ogden 22 U.S. 1

In this particular case, *Gibbons v Ogden*, it was found that superseding New York state law (or that of a state), the Commerce Clause of the Constitution designated power to Congress to regulate interstate commerce and that the broad definition of commerce included navigation. Moreover

"If, as has always been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to those objects, <u>the power over commerce with foreign nations and among the several</u> <u>states is vested in Congress</u> as absolutely as it would be in a single government, having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States."

This includes trade (of goods and services), which also means the trading of the sport of soccer, <u>from</u> <u>games / matches / exhibitions, players, production rights, etc.</u>, between US states and the US with other nations, which further includes leagues or international play. In other words, superseding USSF laws, FIFA and its laws and any ruling under FIFA's Court of Arbitration for Sport (CAS), the USSF can not control the commerce of the states or that of the US with another country via soccer because that is the United States of America's responsibility, as vested in Congress under the Constitution.

b) In addition, the USSF, as a monopoly through the extention of FIFA - a foreign international organization goverened by Swiss law, uses scare tacticts to bully the US clubs, leagues, and investors to do what they want. The USSF coerces clubs, leagues, and investors to pay unreasonable fees for hosting international matches, and if they don't they would not be permitted to host and if they proceed with the match they would be heavily fined and placed under sanction including facing expulsion from the federation (and in turn FIFA) or losing rights to sign domestic and / or international players. The USSF has an autonomous monopoly over which international clubs can play in the US and how much each domestic US club has to pay through extortion in order to participate in international competition. This goes against the Sherman Act, Coercion laws, and Racketeering laws.

If an international club wants to visit or visits the US to play against a US club, with both parties being fully interested and already agreeing to play in the US, then there is no reason why any of these two clubs have to uneccessarily pay a third party such as the USSF, who in turn gives FIFA a relating financial compensation, for the right to host a match, or if not face penalties by USSF and potentially FIFA. This is a blatant form of a monopoly, coercion, and racketeering by the USSF and FIFA on US and international clubs and investors.

This is like saying if an international business wants to work with a US business (e.g. Mercedes Benz and Ford) in the US, then both the US and the international businesses have to pay a third party non-US government based organization a fee (e.g. The US Motorvehicle Federation) to do so because an international body based in another country (e.g. The Federation of International Motorvehicle Associations), who follows another country's laws (Switzerland), supposedly gives the third party organization in the US the domestic right to charge and then compensate the international body as well, while all motor companies in the world <u>must</u> form a part of these organizations in order to "properly operate". It's all a scam.

In truth, USSF is presently acting as a racketeering US face for FIFA, as opposed to working as a representing body for all US clubs, leagues, and regional associations as it was originally created for.

<u>Count 10</u>

Laws

I. Under the Sherman Antitrust Act, monopolies can not be nefariously formed, and a fair competitive marketplace must be preserved.

II. Amateur Sports Act / Ted Stevens Act - to promote and coordinate amateur athletic activity in the United States, to recognize certain rights for United States amateur athletes, to provide for the resolution of disputes involving national governing bodies, and for other purposes.

III. US Olympic Committee Charter - To support U. S. Olympic and Paralympic athletes in achieving sustained competitive excellence while demonstrating the values of the Olympic Movement, thereby inspiring all Americans.

Problem X:

The USSF is suppressing the potential financial growth of professional and amateur clubs by way of the USSF PLS, which goes against the Sherman Act (AntiTrust), as well for the latter against the Stevens Act and the US Olympic Committee Charter which states: "*To support U. S. Olympic and Paralympic athletes in achieving sustained competitive excellence while demonstrating the values of the Olympic Movement, thereby inspiring all Americans.*"

Point X - The Sherman Act, Amateur Sports Act / Stevens Act, and the Olympic Committee Charter. a) <u>The design of the USSF Professional League Standards (PLS)</u>:

The USSF PLS was first established in 1995 by USSF as a guiding mechanism for the federation to dertermine which kinds of financial investments must be made by a club and / or league in order for them to be arbitrarily designated as division 1, division 2, or division 3 under USSF. Since 1995, the USSF PLS have three times increased its demands in 2008, 2010, and 2014 with a fourth proposed update for 2015.

The currently used 2014 USSF Division 1 Standards include several arbitrary points, as previously expressed, including the following seven:

- 1. Minimum amount of teams: 12 to apply / start, and 14 by year three.
- 2. Locations in three time zones specifically Eastern, Central, and Pacific in the United States.
- 3. 75 percent of league's teams must be in metropolitan areas with over 1 million people.
- 4. All league stadiums must have a minimum seating capacity of 15,000.
- 5. Principal owner must have an indivdual net worth of at least \$40 million USD.
- 6. The combined owner net worth must be \$70 million USD.
- 7. No owner can own more than one team in a division.

As already addressed in this document, each of these individual standards violate several US laws.

Moreover, these constantly changing arbitrary standards makes it difficult for the vast majority of professional and amateur clubs, who are all signed to USSF and are supposed to be equally represented by the federation, to obtain in order for them to form a part of a division 1 league or be seen as a division 1 caliber club under USSF. As shown, these combined standards can only be met by a very small and extemely wealthy minority within the world and even less in the US: 0.02% of the US population to be exact. In fact, these arbitrary standards keeps the majority of professional and amateur clubs - small business - in USSF from ever fully growing and becoming D1 which means less sponsorship, lower values in TV deals, less money for quality players, less interest by fans watching at home or attending the stadiums, less merchandise sales, very limited access to international club championship competition and prize money, less redistribution of products / licensing deals, and less revenue all around for them. The perception of division 1, or more importantly the perception of top.

<u>caliber or top quality</u>, raises the interest for any product. The oppossite view diminishes the interest as well as the entire sales.

By keeping and imposing these arbitrary standards, USSF is continuously suppressing the potential financial growth of the majority of professional and amateur clubs and their products which they deem inferior, while USSF are actually supposed to represent them fairly and help facilitate growth at their request.

Yet, the USSF PLS shields and keeps one club - a single-entity business, which is its own combined owner and principal owner, which originally started with 10 teams and for several years only had three main operators for the majority of its teams, which today the league is still the owner of all its teams in the same division, which for several years would not have met the amount of team requirements in the current standards and did not satisfy the stadium requirements, which arbitrarily has the highest seed entry in the latter rounds of the US Open Cup, which has perpetual access to three CCL berths bestowed to them by the federation and annually sends five teams within its singular club to the CONCACAF Champions League (which only allows for one team per club), whose representatives sit on the USSF board and that of Soccer United Marketing (SUM) where the current President of USSF, Sunil Gulati, also sits - called Major League Soccer (MLS) and its teams at USSF division 1 without any competition.

The entire USSF PLS goes against the Sherman Act, as it is a truly anti-competitive mechanism.

This tool unjustly singles out professional clubs and professional leagues, which represent a small minority in USSF, where USSF does not have any comparable rigid standards for amateur clubs and amateur leagues which represent the vast majority across the country.

*The USSF professional league standards / Porfessional League Standards should be completely thrown out and found discriminatory and unfair.

Individual leagues and clubs, whether professional or amateur, can decide their own team policies or best practices as to what they deem necessary to grow their products.

USSF should only be concerned with the rules of the game. They can help make recommendations as to how leagues can be setup, but they should not impose any more Professional or Amateur Division / League Standards. That is the job of the individual leagues to make in an open and fair market.

b) Promotion and Relegation in US Soccer:

Promotion and Relegation is a system utilized in the vast majority of countries around the world where soccer is played. In this system there are several divisions based on merit of play only. The bottom teams in the first division at the end of the year are relegated to the second division, while the top teams in the second division are promoted to the first division. This sequence continues top to bottom and bottom to top throughout the merit of play based pyramid at all levels providing equal opportunities for clubs to grow their products.

Under FIFA Statutes – IV. Sporting Integrity – 9. Principle of Promotion and Relegation; FIFA states: "1. A club's entitlement to take part in a domestic league championship shall depend principally on sporting merit. A club shall qualify for a domestic league championship by remaining in a certain division or by being promoted or relegated to another at the end of a season." <u>http://resources.fifa.com/mm/document/affederation/generic/02/58/14/48/2015fifastatutesen_neutral.pd</u> <u>f</u>. FIFA, the international body, which USSF is a member of, fully supports merit of play for all its member clubs.

Yet, currently, there is no full national promotion and relegation system with multiple tiers in the US under USSF which would be open to all clubs at the professional and amateur level. That said, the USSF should be very opened and determined to help clubs and leagues that want to establish it.

In such a system in the US, no league or club would be forced into it. Everyone would have a choice to join or remain closed or independent.

When looking at a promotion and relegation system, the top level is traditionally called division 1, followed by division 2, 3, 4 and so on and so forth. In the US, soccer divisions under the USSF PLS are not merit based but financial based. Since divisions around the world are in their vast majority merit based, this gives the unfair perception to fans and investors that teams in MLS that are labeled Division 1 are inherently better than US clubs in other leagues that are not labeled as such (without any merit of play), which further devalues the worth of professional and amateur clubs outside of MLS.

Today, MLS arbitrarily has sole access to USSF Division 1, which it charges new MLS expansion operators / owners \$150 million USD to participate in. Executives of Major League Soccer have continuously and firmly expressed that promotion and relegation will not happen in their league, and quite possibly in all of US Soccer, leaving the vast majority of clubs, over 9,000+ which are supposed to be represented equally and fairly by USSF under merit, without direct access to the top division.

Don Garber, who is the commissioner of Major League Soccer (MLS), CEO of Soccer United Marketing (SUM), and an influential member of the United States Soccer Federation (USSF) board of directors under the Pro Council, said the following in 2015 regarding promotion and relegation in US Soccer: "So for now, it ain't happening. Legally, it's not happening - U.S. Soccer is not going to create a dynamic where it has to happen, FIFA is not going to create that dynamic. But who knows what the future looks like." He also previously said with regards to promotion and relegation, as stated in this same interview: "It's never going to happen on my watch".

http://www.philly.com/philly/blogs/thegoalkeeper/On-the-record-MLS-commissioner-Don-Garber-at-BlazerCon.html

Don Garber is one of the most important board members and spokes persons for USSF, who sits on the USSF Pro Council. He is also the <u>top</u> executive in MLS and SUM. When he says that promotion and relegation is never going to happen on his watch, that legally it's not happening, and that US Soccer <u>is</u> <u>not</u> going to create the dynamic for it to happen, is because as a very influential member he knows that he has sway over USSF and that USSF has shielded and will continue to shield MLS. As Garber once said, *"We believe that the league* (MLS), *the future of the sport and our relationship with the federation* (USSF) *are inextricably linked."* <u>https://www.si.com/soccer/planet-futbol/2014/10/15/don-garber-jurgen-klinsmann-mls-usa-michael-bradley</u>

USSF, by not having promotion and relegation available in the US is suppressing the financial growth of professional and amateur clubs, outside of MLS, who represents the majority, while keeping MLS the club and its teams secured in perpetual Division 1 status which is against the Sherman Act.

In MLS, the individual league / club, promotion and relegation may not ever happen, according to its executives, as that is its choice and structure. However, for Don Garber, a USSF Pro Council board

member, to firmly and unequivocally assert that the USSF, the uniting and representing body for all professional and amateur clubs in the US, is not going to create the dynamics for promotion and relegation to exist, even as an alternative outside of a closed single-entity MLS, while being the top executive in MLS and SUM, sends a lot of red flags and raises several conflicts of interest.

With no Professional League Standards, MLS and every league or clubs that chooses to can remain closed and independent under USSF.

Meanwhile, an alternative multi-tier open pyramid can and should be created with promotion and relegation with the help from USSF. This does not impose any direct business model on MLS and it's single-entity structure, as they would continue to do self-contained business as they see fit - never getting relegated or promoted.

USSF has declared that it can support *"more than one first-division league"*, under its PLS, or simply various top tier leagues. MLS can remain a closed top quality league, without the PLS existing, while a separate open system can coexist as another top quality league, both being under USSF. <u>http://community.seattletimes.nwsource.com/archive/?date=19950305&slug=2108450</u>

This scenario already exists in the country of India, which also has two systems and main leagues: 1. Indian Super League (a closed league system, akin to MLS, that is considered to be D1 / top quality) 2. I-League (an open league D1 system with promotion and relegation for all participating clubs)

Sunil Gulati, President of the USSF, and board of directors members of SUM, has argued that the federation can't <u>impose</u> Promotion and Relegation onto existing clubs / teams / leagues because that is not what the current owners of those entities invested in: "*It's not the rules that we set out when teams came in. This is the one* (a closed system with playoffs) *people bought into, paid money to get into.*" <u>https://www.si.com/planet-futbol/2017/02/07/sunil-gulati-us-soccer-promotion-relegation-mls-pro-rel-usa</u>

His statements are very fair and reasonable in that in an open free market in the USA no business model should ever be imposed on any existing groups, even such as MLS. However, that is NOT in any way stopping or preventing the federation from creating or facilitating or helping a parallel and separate top tier open system or league to exist which exclusively has promotion and relegation and is completely open to whoever wants to organically participate in it.

The federation needs to facilitate and allow for an alternative model. Sunil Gulati said in the same interview: "And so if the leagues get together and say we should look at this, <u>are we willing to help</u> <u>facilitate that discussion? Sure, we'd be willing to</u>." In that vein of support, USSF needs to do more than just discuss. It needs to actually pursue and help implement a true national open promotion and relegation system for the greater good of the game in the US.

Presently, there are three professional and amateur national soccer leagues known as the North American Soccer League (NASL), the National Independent Soccer Association (NISA), and the National Premier Soccer League (NPSL), which have been pursuing an alternative promotion and relegation design, one that is akin to the vast majority of soccer systems in the world. If Mr. Gulati, as President of USSF, is earnest in his statement, which I believe he is, then there's no reason why an alternative promotion and relegation system can't or won't be implemented even now under his watch. By not having this alternative system in place, USSF is limiting the opportunities and financial potential of US professional and amateur clubs and leagues.

As previously suggested, with the creation of a true national open promotion and relegation system, two of the US CONCACAF Chapions League (CCL) berths can and should be placed at the top of this system, with the other two CCL berths left in the US Open Cup for independent leagues, or clubs, or teams to participate in and have a chance for international competition. It's all about creating fair options for all teams, clubs, and leagues to pursue.

Multiple top tier leagues in US Soccer was already envisioned by the 1920's, by former USSF President Thomas Cahill, who was also the creator of the original American Soccer League (1921) whose players along with others from around the country would go on to finish in fourth place of the inaugural 1930 FIFA World Cup - the best to date performance by the US Men's National Soccer Team:

The American Soccer League was conceived and organized by Thomas W. Cahill, who has been called the "Father of American Soccer Football," previous to his retirement as honorary secretary of the United States Football Association, an office he held in the national governing body from its inception. It has been Cahill's dream to place soccer on a plane in this country comparable to its place in Scandinavian sporting life and eventually to bring the sport to be recognized as the national game of the fall-tospring months. After many years of direction of the National Challenge Cup Competition, or national championships, he concluded that the only means of winning general public interest was through the medium of professional leagues playing regular schedules much as the major leagues of baseball operate. Cahill recalls the time when baseball attracted only hundreds where it now draws thousands—no further back than the early '80s—and when it was in nowise as popular and as widely known as is soccer football in the United States today.

Unquestionably, if the American League venture meets with marked success, similar leagues will be operated within another year or two in the Middle West, where the sport already has a strong grip, and possibly also on the Pacific Coast, where a high grade of soccer has been played for years under U.S.F.A. supervision. Eventually, then, would come an annual national title series in which would clash the pennant winners in several sectional big leagues, a series which, it is anticipated, will come in time to be as popular, or nearly so, as the world series of baseball.

http://collections.carli.illinois.edu/cdm/compoundobject/collection/sie_soccer/id/2810/rec/12

Like Cahil envisioned, and the USSF states today, there is plenty of room for multiple top division leagues. There is ample room in US Soccer and the whole of the USA, with 300 million + people, for a top quality closed league such as MLS, and for a truly open top quality system with promotion and relegation - potentially led by the NASL, NISA, and NPSL (if they so choose to be the caretakers).

c) Player Solidarity Payments:

Player Solidarity Payments are a monetary compensation, under FIFA, owed and given by a club that signs a new player to the clubs that helped developed the player. In many cases around the world, the player was on scholarship in the youth club(s) that brought them in and trained them. The new club that signs the player, compensates the development club for their training. These funds given to the

development club go towards finding new talent and growing their program.

Pay-to-play is a system used in the US particulalry in youth soccer development which requires most players (families') to pay large fees (in the thousands of dollars) to join a private team or club. It is a system of financial haves and have-nots where many poor kids don't have the financial support to join independent youth clubs in different areas acorss the US, creating social and economic unfairness. While Player Solidarity Payments is a world-wide business for clubs affiliated to FIFA via their member national associations, USSF does not enforce such payments. Therefore, majority of youth clubs in the US do not receive solidarity payments and are not compensated for their training. Their main stream of revenue is from charging the young players and their families thousands of dollars. This extremely reduces the quantity of players that join a youth club based on scholarship and talent because little or no financial compensation would be returned.

It's important for amateur and professional clubs to develop players via their academies as a means to develop the sport across the country. It's even more important that Player Solidarity Payment is made available in the US and supported by USSF so clubs can earn an important financial resource to help them provide scholarships to develop players from all social and economic backgrounds based on talent and not simply Pay-to-play.

USSF is not acting on its job under FIFA to enforce solidarity payments based on the case *Fraser vs MLS*, in which USSF indicates that they are not allowed to under a deal made with the court. In other words, USSF cites and adheres to US law above FIFA law. Yet, by not helping facilitate Player Solidarity Payments, USSF is suppressing the financial growth of professional and amateur clubs, as well as the development of underserved children across the country while allowing children of a certain financial class to participate but only via enormous payment. This is unfair for all parties involved, and it's anti-competitive and unproductive for the sport. This forces a development club that wants to strictly operate on a scholarship based model, particularly in a lower-income community (like many around the country), and eventually receive solidarity payments to instead work as a pay-to-play organization which would financially box out many impoverished children. These clubs need and seek a return on investment in order for them to properly flourish and create spaces for all soccer youth.

While it is understandable that USSF is citing *Fraser vs MLS* as its prohibitor, there is a way to make this system work in favor of everyone, especially for future generations of soccer players.

Solution:

While USSF says that it can't <u>enforce</u> the collection of solidarity payments (e.g. <u>Directly tell</u> MLS to pay the solidarity payments owed to Club XYZ), they can still implement a work-around bylaw focusing on player's individual rights which can state the following:

The USSF Player Solidarity Rule

1. Henceforth, every US or foreign born player that wants to play in an affiliated league to USSF must first register with USSF who in turn gives full permission to the player to join and sign with any affiliated league. Unregistered players can not sign with affiliated teams, clubs, or leagues of USSF.

2. A registered USSF player, either US or foreign born, is allowed to sign and play with a team or a club or a league - affialiated or non-affiliated to USSF - <u>only</u> if that team or club or league directly pays the rightful solidarity payment(s), stipulated in Articles 20 and 21 of FIFA's Regulations on the Status and Transfer of Players, individually owed to every single development teams or clubs of said player.

(These payments woud be sent to these clubs, and not to the federation for redistribution). 3. If a registered USSF player, US or foreign born, knowingly signs with a team or club or league that does not pay solidarity payments (first, immediately upon signing) then said player will lose their USSF registration, and pay heavy fines. If a resgistered USSF player signs with a team or club or league that promises to pay and eventually doesn't immediately upon signing, then that player's contract would be considered voided by USSF (and FIFA) and the player can freely go to another team or club or league of their choosing.

4. USSF affiliated teams, clubs, or leagues that sign or continue to use players that no longer have USSF registration or were never resgisterd under USSF or whose contract has been voided by USSF will face heavy sanctions, including losing their full credentials in USSF. Leagues that continue to host teams or clubs that do not follow these rules will face heavy sanctions, including losing their credentials in USSF.

5. If a representing union of players for a particular team, club, or league do not want to request on their behalf the solidarity payments upon signing of new players to said team, club, or league, then they are free to do so, but they can not interfere in an individual player pursuing their own rights in said organizations or penalyze them in any way for doing so. If so, these representing players in this union would too lose their USSF registration for violating the rights of a fellow player under USSF.

6. If a team, club, or league affiliated to USSF has been found to have knowlingly taken Solidarity Payments that are rightfully owed to another club affiliated to USSF, then the USSF will not request the reinmbursement of said payment (as indicated in *Fraser vs MLS*), but will immediately place heavy sanctions and fines on said organizations, and if they continue such acts they will lose their affiliation with USSF for violating the rights of a fellow orgnization in USSF and the rights of the associated player under USSF whose club contract and federation registration would be in jeopardy.

This work-around law, titled the <u>USSF Player Solidarity Rule</u>, circumvents the need for USSF to <u>directly request</u> any team, club, or league to pay solidarity payments. It discourages players from engaging in business with teams, clubs, or leagues who will not pay the rightful solidarity payments, which in turn will encourage clubs to start paying what is owed or lose out on all registered players who would then go elsewhere. This will open up the youth development system in the US in a fair way for all children, no matter their social or economic status.

d) National Team Players:

USSF is a National Governing Body (NGB), which works under and in relation to the United States Olympic Committee (USOC), which in turn works with and is recognized by the US Government under the Stevens Act, and is also under the International Olympic Committe whose mission is enshrined in the Olympic Charter: "to support the development of competitive sport by ethical and environmentally sustainable means." The US Olympic Committe Charter states: "To support U. S. Olympic and Paralympic athletes in achieving sustained competitive excellence while demonstrating the values of the Olympic Movement, thereby inspiring all Americans."

The USSF has limited and overlooked the great amount of US male players from US leagues outside of MLS that can join the US Men's National Soccer Team (USMNT) first team / senior team, thereby suppressing the financial growth of these pro and amateur clubs who feature or develop these players.

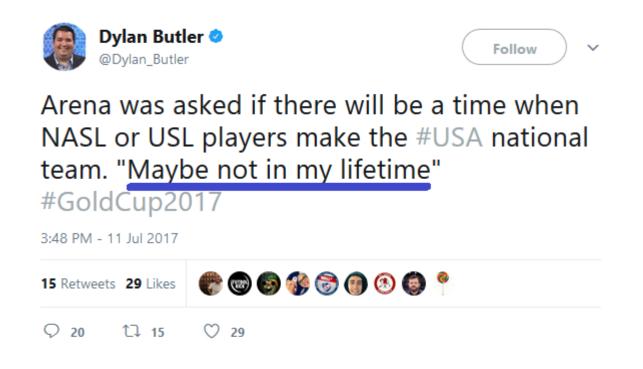
Today, the majority of the USMNT players from the senior / first team can not play in US leagues`

outside of MLS, or they will be overlooked. The majority of the selected national team players are playing in MLS or in a foreign league. US players are presently not selected from the North American Soccer League (NASL), the United Soccer League (USL), the National Premier Soccer League (NPSL), or any other US league.

When Jürgen Klinsmann was the head coach of the USMNT, he was open to selecting US players from any league from around the world, even the array that exist in the US. In fact, in 2014 he selected Miguel Ibarra from the NASL, and Jordan Morris from Stanford University under the NCAA, both of whom now play in MLS. Klinsmann originally received criticism for his selection choice at the time, despite him creating opportunities for all players, no matter their age or league affiliation, and having already taken the USMNT to the 2014 FIFA World Cup Round of 16.

After Klinsmann parted ways with USSF in 2016, no other player from any US league outside of MLS has been directly selected to the USMNT senior / first team. In fact, Ibarra was the last official player selected.

Bruce Arena became the new USMNT coach following Klinsmann. Prior to this, he worked closesly with MLS as a head coach for numerous teams since the league launched in 1996, most recently the LA Galaxy between 2008 and 2016, and served as the USMNT head coach between 1998 and 2006. As a well experience Head Coach of the USMNT, he was a definitive voice in the USSF. He spoke on behalf of the federation and knew of its mindset. When asked, in July 2017, about US players from US leagues outside of MLS joining the USMNT, Arena said: "Maybe not in my lifetime."



https://twitter.com/Dylan Butler/status/884907275441369088

Arena would eventually lead the USMNT, mostly filled by MLS players, to their first unqualification and elimination from attending a FIFA World Cup in 31 years, since 1986.

Don Garber firmly said that Promotion and Relegation would not happen on his watch, while Bruce Arena, who has worked for MLS since launching, said that no player in NASL or USL would join the US Men's National Soccer Team in his lifetime. Both statements point to a predetermined blockade to protect MLS interest, presented by active senior influential members in USSF with strong ties to MLS.

By only selecting US players from MLS, and foreign leagues, and overlooking players from other US league, USSF are not giving all players in the USA an equal and fair opportunity to join. These players are being discriminated, and so are the clubs and leagues they play in, which makes this anticompetitive, which goes against the Sherman Act.

Furthermore, as a full-fledged National Governing Body member of the US Olympic Committe under the Amateur Sports Act / Ted Stevens Act, the USSF is violating the charter rules: "<u>To support U. S.</u> <u>Olympic and Paralympic athletes in achieving sustained competitive excellence while demonstrating</u> <u>the values of the Olympic Movement, thereby inspiring all Americans</u>."

https://www.teamusa.org/diversityscorecards

By admittingly overlooking US athletes / soccer players in professional and amateur US leagues outside of MLS, USSF is discriminating and suppressing the potential of these players and that of the Olympic team from achieving competitive excellence by not openly selecting the best players, without bias. The USSF, as a US Olympic Committee National Governing Body is not demonstrating the values of the Olympic Movement, thereby not inspiring all Americans, as all Americans are not being considered - only those playing in MLS or in a foreign league.

Similarly, on the Women's National team, most players come from the National Women's Soccer League (NWSL), which is exclusively run by the USSF, or from a league abroad with very little to none from the other professional women's leagues in the US such as the Women's Premier Soccer League (WPSL) and United Women's Soccer (UWS) who like their male counterparts are being passed over.

The USSF Bylaws state the following:

"Bylaw 102. PURPOSES

The purposes of the Federation are: (2) *to provide for the continuing development of soccer players,*

Bylaw 105. AUTONOMY AND EQUAL OPPORTUNITY

Section 2. <u>The Federation and its members shall comply with all applicable laws governing non</u> <u>discrimination and shall be open to membership without discrimination</u> on the basis of race, color, religion, national origin, citizenship, disability, age, sex, sexual orientation, gender identity, or veteran status.

Section 3. <u>The Federation shall provide equal opportunity to athletes, coaches, trainers, managers, officials, and administrators to participate in amateur soccer competitions. The Federation and its</u>

<u>members shall not discriminate</u> on the basis of race, color, religion, national origin, disability, age, sex, sexual orientation, gender identity, or veteran status; except that the Federation and its members may have rules for team formation and soccer competitions that classify players and teams based on age, sex, citizenship, disability, amateur status, competitive ability, or as otherwise mandated by FIFA."

file:///C:/Users/yo/Downloads/20170710%202017%2018%20Bylaw%20Book.pdf

Even FIFA states, under its statutes:

"General Provisions 3 Non-discrimination and stance against racism

<u>Discrimination of any kind against a</u> country, <u>private person or group of people on account of</u> race, skin colour, ethnic, national or social origin, gender, language, religion, <u>political opinion or any other</u> <u>opinion</u>, wealth, birth <u>or any other status</u>, sexual orientation <u>or any other reason is strictly prohibited</u> <u>and punishable by suspension or expulsion</u>."

http://resources.fifa.com/mm/document/affederation/generic/02/58/14/48/2015fifastatutesen_neutral.pd f

All elegible US athletes have the right to be considered for a US Olympic national team, even under USSF. Yet, when USSF openly overlooks those athletes because they play in a US league outside of MLS or the NWSL, then the USSF violates the rights of those athletes under the Amateur Sports Act / Ted Stevens Act, as well as its own bylaws and those of FIFA which are meant to represent all players fairly and equally.

While USSF can state that the USMNT head coach has the discretion to select the players they choose, the head coach is a full member of USSF and an active spokesperson on behalf of the federation. Therefore, their decision on who they select, who they openly choose to overlook, and what they express is a reflection of the entire federation itself. There are no excuses.

Three Important Questions:

I. Who does the USSF answers to first, is it FIFA or the USA government?

*USSF can't serve two masters.

They can only serve one - the nation's government which they are organized under and work alongside with via the US Olympic Committee to promote the development of the sport of soccer and amateur athletes through the Stevens Act.

The federation can't conveniently pick and choose when they like, depending on the scenario, one day the USA over FIFA and the next day FIFA over the USA when it best suits them. One government

takes precedence over any other when it comes to USSF, and that body is the USA government.

USSF must answer first to the USA and its laws and not to FIFA, under the US business laws and the American Sports Act / Stevens Act, which the federation firmly cites fifteen times in its own bylaws as having to abide by.

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While FIFA itself may not be under US jurisdiction, USSF most certainly is.

For instance, USSF continuously cites US case, *Fraser vs MLS*, as taking precedence over FIFA with regard to Player Solidarity Payments. In other words, USSF has very much confirmed and acknowledged that they are first bound by US law over FIFA law - both with the Sports Act and *Fraser vs MLS* - and as such must comply with and adhere to the laws and rulings of the US above any other. 1) <u>https://www.si.com/planet-futbol/2015/10/19/us-soccer-ussf-youth-clubs-solidarity-compensation-fifa-transfers</u>

2) <u>https://www.si.com/planet-futbol/2016/01/25/training-compensation-solidarity-us-soccer-mls</u>
3) <u>http://www.espnfc.com/blog/fifa/243/post/3172265/deandre-yedlin-youth-club-solidarity-payments-case-added-to-fifa-docket</u>

Furthermore, USSF *is* a US business with operations in the US. It is a non-profit organization, a national governing body under the US Olympic Committee and not an individual sports league, which is working closely with both SUM and MLS (as Don Garber said, that they're "*inextricably linked*"), that has a surplus of over \$130 million USD. A non-profit organization usually receives money from donations to further their cause or makes money from small secondary businesses to help cover costs of operations. USSF is making money from extortion / racketeering, as mentioned before, or as they call through "hosting rights" which are bestowed to them by FIFA and not the USA government who they must adhere to first. USSF made most of this money in the US through compensation and / or partial TV rights from international games played in the US such as professional and amateur <u>clubs</u> hosting international teams in singular exhibition games, tournaments featuring club teams from the US and around the world such as the Florida Cup, the World Football Challenge, the Guiness International Champions Cup, and the CONCACAF Champions League, and tournaments featuring national teams from the US and around the world such as the Women's FIFA World Cup (in connection with Canada), the various Men and Women's Gold Cup games, and the Copa America Centenario.

If USSF serves the USA first, as they should, then all the aforementioned claims in this entire document are sound and valid. USSF and its professional league standards (PLS) violate several US laws, and the PLS should be found unconstitutional and be removed effective immediately.

If USSF serves FIFA first, under their claim, then USSF can no longer be allowed to be the national governing body (NGB) of soccer in the US under the US Olympic Committee as they are no longer working in favor of the country first. As an NGB, under the Sports Act / Stevens Act, USSF must at all times serve the USA first and not an external foreign body that adheres first to another country's laws.

*If the USSF does NOT comply, and they favor FIFA over US law, then USSF should be revoked as a national governing body under the US Olympic Committee via the Stevens Act, and a new body should be formed.

II. Who does the USSF answers to first, FIFA or the 9,000+ US clubs, the leagues, the regional associations, and the 3 million+ registered players which either created them or makes them who / what they are?

The answer should be the 9,000+ US clubs, the leagues, the regional associations, and the 3 million+ registered players which USSF are supposed to represent and defend first, as the federation is supposed to work for them.

USSF was not formed by FIFA. On the contrary, USSF was formed on April 5, 1913 in the USA in New York City (Manhattan) by various leagues and regional associations from across the country, as the United States of America Football Association (USAFA), in order to hold a national tournament (the National Challenge Cup / US Open Cup), to represent amateur and professional teams as well as US leagues and regional associations, and to codify the rules of the game of the sport. The USAFA / USSF eventually became a member of FIFA on August 15, 1913, in order to work and link with players, clubs, and leagues and national teams from around the world. The purpose of the USSF joining FIFA was never for USSF to be working for FIFA first, above its US members. The purpose was to build the opportunities for the sport and the clubs in the US to equally grow through international play. The USSF was supposed to be a delegate for all the US clubs, leagues, regional associations, and players in the international soccer community, and not a racketeering arm of FIFA.

If USSF has changed from its primary purpose of formation, and it has lost sight of that intent, then it needs absolute restructuring or immediate dissolution.

If USSF serves the 9,000+ US clubs, the leagues, the regional associations, and the 3 million+ registered players first over FIFA, then all the aforementioned claims in this entire document are sound and valid. USSF and its PLS have violated the rights of clubs, leagues, and players.

If USSF serves FIFA first before the 9,000+ US clubs, the leagues, the regional associations, and the 3 million+ registered players, then they can no longer represent the combined latter in any way.

III. Who does the USSF answers to first, MLS or the 9,000+ US professional and amateur clubs, the leagues, the regional associations, and the 3 million+ registered players equally who make the overwhelming majority?

The answer should be <u>all equally</u>. USSF's own bylaws even state the words: *"Bylaw 105. AUTONOMY AND <u>EQUAL OPPORTUNITY</u>"* file:///C:/Users/yo/Downloads/20170710%202017%2018%20Bylaw%20Book.pdf

Notwithstanding the above mission statement, as fully demonstrated in this document, USSF - via the Professional League Standards, Don Garber as an influential Pro Council board member, and Bruce Arena as the USMNT Head Coach - has created conditions to favor MLS over the vast majority of professional and amateur leagues and clubs in the USA. This needs to stop effective immediately.

If USSF is supposed to serve the 9,000+ US clubs, the leagues, the regional associations, and the 3 million+ registered players first, equally, instead of just one league such as MLS, then all the aforementioned claims in this entire document are sound and valid. USSF and its PLS have violated the rights of clubs, leagues, and players.

If USSF serves MLS first before the 9,000+ US clubs, the leagues, the regional associations, and the 3 million+ registered players in the US, then USSF can no longer represent the latter whole in any way.

*<u>USSF must first answer to</u>:

1. US laws.

2. All 9,000+ US clubs, the leagues, regional associations, and 3 million+ registered players equally.

3. And lastly to FIFA.

This case is more than just about economics or money, it's about the true development and unity of the sport in the USA in favor of all the players, clubs, leagues, and associations alike.

Thomas Cahill, who has been attributed as the "Father of Soccer" in the USA for his immense contributions to the unification of the sport during the formation of the USSF, said the following about money influencing the game and the federation, which in this entire case rings true today:

Sportsmanship must be placed above the gate receipts in this organisation or we shall suffer and may receive a blow that threatens our existence. A team that will once knowingly defraud the public for a meager sum may never have a chance to defraud it twice. Inimical reports carry quicker than glad news. Let the spectators of any game take away the idea from that game that they have been deliberately victimized and they will spread the news broadcast. Any suggestion which places the gate above the spirit of the game will wreck the pastime and bankrupt the suggestor.

As our sport advances it is more and more essential that we shall maintain its standard, so that no one shall be able to say that we have anything in view but the fairest winning of any contest or championship. We must not advertise that which we do not expect to have, nor play that which we know to be inferior to what we may have represented. This organisation has too big a future to be wrecked for a paltry ten-dollar bill.

We must not cheapen our game. We are building for a future. Adverse newspaper criticism that would both ridicule and censure might undo in a week all that has been done in years.

Above all things we must not place money above the sport. If we create a sport we shall not want for money, but if we sacrifice our sport to money we shall have neither sport nor money. I put this fact without reservation hefore this organization because the Association will meet the fate of all organizations in sport that set cash above principle if it listens to the jingle of coin rather than the teachings of sound sportsmanship.

"Above all things, we must not place money above the sport. If we create a sport we shall not want for money, but if we sacrifice our sport to money we shall have neither sport nor money. I put this fact without reservation before this organization (the USSF) because the Association will meet the fate of all organizations in sport that set cash above principle if it listens to the jingle of coin rather than the teachings of sound sportsmanship."

http://collections.carli.illinois.edu/cdm/compoundobject/collection/sie_soccer/id/3632/rec/14

USSF can no longer favor one league or money, at the great expense of the entire sport.

*This important issue of all US soccer clubs, leagues, regional associations, investors, fans, states, (metro areas) and cities together vs USSF is undoubtedly a US Supreme Court quality case, and it deserves to be heard at the highest court in the USA.

*****Bonus*****

Proposal - A New US Bill: "The American Soccer Act"

(The title and usage of the bill can eventually be modified for inclusiveness of all sports to: "The American Sport National Governing Body Act" / The American Sport NGB Act, or similar)

<u>Purpose</u>: To protect the rights of professional and amateur sports leagues, sports clubs, sports teams, and those of sports investors in the US. No external entity or national governing body can label a professional or an amateur league division 1, 2, 3, etc, or greater and less quality. Only the leagues or conferences and clubs working together can set themselves up that way if they choose, whether through a closed league and / or open league format (which includes promotion and relegation), or both (through parallel systems). The marketplace will decide which of these leagues and structures is of greater demand, while they can independently coexist. No external entity or national governing body can impose requirements on professional or amateur leagues and / or professional and amateur clubs. These bodies only purpose is to facilitate the growth of the game by overseeing the playing rules, set by the leagues themselves, and the organization of international games for the national teams only in the sport. The national soccer bodies are envoys and not decision makers as they must do what leagues, clubs, conferences, state or regional associations, and players request them to do by way of a vote.

Separation of Powers:

The following structure will be formed:

I. The United States National Sports Commission (USNSC)

II. Six Sub Branch Committees (under the USNSC)

(These branches will include working with public and private schools).

III. Six National Governing Bodies (NGB) Per Sport - one under each Sub Branch Committee Six independent national governing bodies in a sport (such as soccer) must be formed. They will cooperate together (through an individual sports association), but must be separate with no overlapping representatives or obligations in each category:

a) An independent amateur Olympic national governing body that specifically works with the US Olympic Committee for the national team (male, female - adult and youth).

b) A second body to oversee professional clubs (male and female).

c) A third body to oversee amateur clubs (male and female - adult and youth).

d) A fourth body, which all US colleges / universities adhere to, which would oversee the game at the collegiate level (male and female).

e) A fifth body, which will oversee teams in schools (public and private) at the High School level (male and female).

f) A six body, which will oversee teams in schools (public and private) at the Pre-K to Junior High School levels (male and female).

*All National Governing Bodies (NGB) will be in charge of their own national cup tournament / championship(s) for male and female at the different age or group levels.

Note: The USSF can be one of the first three bodies (Olympic, Pro, or Amateur), to preserve the legacy of the current national body, but only if the clubs, leagues, and regional associations allow them to by

way of a vote (after restructuring the body / organization), which can also be revoked by them by way of a vote.

*All national governing bodies and associations will be fully recognized by the USA (under the potential six umbrella Sub Branch Committees and the United States National Sports Commission), as well as for soccer by FIFA (along with the entire international soccer community).

IV. National Associations - the unifying association of the six NGBs within a each sport. (Which USSF could ideally be, with a redefined purpose)

V. 50 State Associations per sport - each working directly with the six NGBs and association per sport. (Many of which already exist for the various sports, but would need restructuring or consolidating)

Representation Rules:

1. Thirty Percent Voting Rights

Thirty percent of each national governing body must be represented by recent and active players (male and female 18yrs and older), one from each state, relevant to the categories, with one-term limit representatives voted in annually by players (18yrs and older) only across the country. Meanwhile, at the Pre-K to HS levels, parents of participating kids can be voted in as representatives, under the oneterm annual limit, only by parents whose kids are also participating.

2. Thirty Percent Voting Rights

Thirty percent of each of the national governing bodies must be made up of 50 state associations (1 per state), representing the individual sport at the state level, which will have equal voting rights of one per state in the NGB.

3. Forty Percent Voting Rights

a) Forty percent of the voting rights of the Olympic national governing body per sport must go to a new set of 50 "state" clubs. (These state clubs will form to select an equally represented national club. e.g. the best players from New York, California, Alaska, Oklahoma, Florida, Wisconsin, North Dakota, etc, state soccer clubs will make it into the national soccer club to represent the USA. In other words, a national team player in any sport must at some point pass through the state ranks to qualify). Each of the state clubs would have 1 equal voting right.)

b) Forty percent of the voting rights in each of the amateur club and professional club bodies must be made up by one member representatives from each of the national and multi-state regional leagues. (Note: No club can have more than one employee or investor at a given time be a representative in any of the committees. No matter how many teams a club may have at different levels (professional or amateur) in various leagues, they can only have one employee or investor be posted to represent).c) Forty percent of the voting rights in each of the college, HS, and early academic bodies must be made up by one member representatives of every national or regional conference affiliated to them, with each having equal voting rights.

4. Quantity of Representatives Per National Governing Body

Each national governing body will be made up of at least one hundred persons (with at least one from each of the 50 state associations, one player (or parent) from each state, plus the 50 state clubs, or leagues or conferences where applicable) who will form part of the voting process. Each committee can then organize an approximate 10 person cabinet with a president which can form the main

representatives. (Note: No state can hold a specific cabinet position in consecutive years.)

5. All positions must have term limits.

The (very limited) amount of years can be determined per position or for all by the USNSC.

Note: The clubs, leagues, and regional associations in the US formed and solidified US Soccer as the United States Football Association in 1913 in order to have equal representation (which USSF has unfortunately failed to do due to its all encompassing design). Only they (the clubs, leagues, and regional associations) can completely disband USSF and / or simply create a new one. Meanwhile, the USA government can still invoke US laws where applicable and defend the rights of all US citizens.

*****The USA has never won a men's World Cup in soccer either at the national or club level. This more evenly distributed structure will favorably increase the country's chances of doing so.****

Here's a clear example of what the US National Sports Commission can look like (demonstrating the top five team sports, as well as others) with existing and / or new committees and NGBs:

Unite	d States	Nationa	l <mark>S</mark> ports	Commis	sion (U <mark>S</mark>	N <mark>S</mark> C)
Sport (National Association)	US Olympic Committee - for national teams only	US Professional Sports Club Committee	US Amateur Sports Club Committee	US Collegiate Sports Club Committee	US High School Sports Club Committee	US Early Academic Sports Club Committee
Basketball (US Basketball Association)	USA Basketball	US Pro Basketball (NBA, etc)	US Amateur Basketball	US Collegiate Basketball	US High School Basketball	US Early Academic Basketball
Baseball (US Baseball Association)	USA Baseball	US Pro Baseball (MLB, etc)	US Amateur Baseball	US Collegiate Baseball	US High School Baseball	US Early Academic Baseball
Football (US Football Association)	USA Football	US Pro Football (NFL, etc)	US Amateur Football	US Collegiate Football	US High School Football	US Early Academic Football
Ice Hockey (US Hockey Association)	USA Hockey	US Pro Hockey (NHL, etc)	US Amateur Hockey	US Collegiate Hockey	US High School Hockey	US Early Academic Hockey
Soccer (US Soccer Association)	USA Soccer	US Pro Soccer (MLS, NASL, etc)	US Amateur Soccer	US Collegiate Soccer	US High School Soccer	US Early Academic Soccer
Etc.	Etc.	Etc.	Etc.	Etc.	Etc.	Etc.

Australian Rules Football (US Australian Rules Football Association)	USA Australian Rules Football	US Pro Australian Rules Football	US Amateur Australian Rules Football	US Collegiate Australian Rules Football	US High School Australian Rules Football	US Early Academic Australian Rules Football
Cricket (US Cricket Association)	USA Cricket	US Pro Cricket	US Amateur Cricket	US Collegiate Cricket	US High School Cricket	US Early Academic Cricket
Gaelic Football (US Gaelic Football Association)	USA Gaelic Football	US Pro Gaelic Football	US Amateur Gaelic Football	US Collegiate Gaelic Football	US High School Gaelic Football	US Early Academic Gaelic Football
Field Hockey (US Field Hockey Association)	USA Field Hockey	US Pro Field Hockey	US Amateur Field Hockey	US Collegiate Field Hockey	US High School Field Hockey	US Early Academic Field Hockey
Lacrosse (US Lacrosse Association)	USA Lacrosse	US Pro Lacrosse (MLL, NLL, etc)	US Amateur Lacrosse	US Collegiate Lacrosse	US High School Lacrosse	US Early Academic Lacrosse
Rugby Union (US Rugby Association)	USA Rugby	US Pro Rugby	US Amateur Rugby	US Collegiate Rugby	US High School Rugby	US Early Academic Rugby
Rugby League (US Rugby League Association)	USA Rugby League	US Pro Rugby League	US Amateur Rugby League	US Collegiate Rugby League	US High School Rugby League	US Early Academic Rugby League
Softball (US Softball Association)	USA Softball	US Pro Softball	US Amateur Softball	US Collegiate Softball	US High School Softball	US Early Academic Softball

Team Handball (US Team Handball Association)	USA Team Handball	US Pro Team Handball	US Amateur Team Handball	US Collegiate Team Handball	US High School Team Handball	US Early Academic Team Handball
Tennis (US Tennis Association)	USA Tennis	US Pro Tennis	US Amateur Tennis	US Collegiate Tennis	US High School Tennis	US Early Academic Tennis
Track & Field (US Track & Field Association)	USA Track & Field	US Pro Track & Field	US Amateur Track & Field	US Collegiate Track & Field	US High School Track & Field	US Early Academic Track & Field
Volleyball (US Volleyball Association)	USA Volleyball	US Pro Volleyball	US Amateur Volleyball	US Collegiate Volleyball	US High School Volleyball	US Early Academic Volleyball
Waterpolo (US Water Polo Association)	USA Water Polo	US Pro Water Polo	US Amateur Water Polo	US Collegiate Water Polo	US High School Water Polo	US Early Academic Water Polo
Etc.	Etc.	Etc.	Etc.	Etc.	Etc.	Etc.

*Note:

a) Even though a particular sport does not form part of the quadrennial Summer or Winter Olympic games, an Olympic National Governing Body (such as USA Football) for any given sport must be formed and / or must join the US Olympic Committee, as a national team from said sport can still play outside of the Olympics representing the USA. The US Olympic Committee will encompass all national teams from every sport.

b) The "US Collegiate Sports Club Committee" can be a rebranded and restructured NCAA. It will still oversee all sports at the collegiate level. The term NCAA can still be used in tangent for marketing purposes (in addition to the names USCS or US Collegiate Sports).

c) The leagues of MLB, NBA, NFL, NHL, MLS, NASL, etc would each be under their respective Pro NGB category, working directly with and organizing them.

d) Indoor or outdoor versions or variations of a sport would fall under the same category (e.g. Outdoor and Indoor Soccer, Futsal, and Beach Soccer, would be under Soccer. Outdoor and Indoor Lacrosse would be under Lacrosse. Indoor Volleyball and Beach Volleyball would be under Volleyball. Outdoor

and Indoor / Arena American Football would be under Football. Outdoor Rugby Union, Rugby Union Sevens, and Indoor Rugby Union would be under Rugby Union. Outdoor Rugby League, Rugby League Sevens, and Indoor Rugby League would be under Rugby League. Test Cricket, One Day Internationals (ODI), Twenty20, and Indoor Cricket would be under Cricket. Outdoor and Indoor Australian Rules football, and Metro Footy would be under Australian Rules Football. Outdoor and Indoor Gaelic Football would be under Gaelic Football; etc).

e) The USSF can reform as either the individual "USA Soccer", or "US Pro Soccer", or "US Amateur Soccer" national governing bodies, or it can ideally become the "US Soccer Association".

f) The individual national associations' job is to bridge the individual sports together from the six categories, with each of the six national governing bodies of the sport having an equal say. The association is formed by these six NGBs, who appoint the members to the association. The association must answer to the NGBs. Meanwhile the NGBs must answer to the six umbrella committees who in turn must answer to the United States National Sports Commission (USNSC). Rather than simply be a derivative of the association, the association is in turn a formation of the NGBs.

Order of the structure (from top to bottom):

I. United States National Sports Commission (USNSC)

II. The Six Umbrella Committees (under the USNSC)

III. The Six National Governing Bodies per sport (1 per sport under each committee)

IV. The Sport Associations (formed by an individual sports' six national governing bodies)

V. The 50 state associations (1 per sport per state, under the respective NGBs and National Association)

g) In the case of soccer, in this proposal, the US Soccer Association (USSA) would be affiliated to FIFA but only as a delegate to the six NGBs (USA Soccer, US Pro Soccer, US Amateur Soccer, US Collegiate Soccer, US HS Soccer, and US Early Academic Soccer) who equally control it, in order to avoid any form of monopoly. In truth, the six NGBs would be directly affiliated to FIFA with USA Soccer (which is formed by the six NGBs) being the unifying representative in the FIFA organization. - The "US Pro Soccer" national governing body can be responsible for a professional national cup tournament, which could very well be the continuation of the US Open Cup (with the Dewar Trophy) or a new competition. US Pro Soccer will oversee all the CONCACAF Champions League (CCL) berths, with the berths being placed in the national cup tournament and an open national promotion and relegation system when created.

- The "US Amateur Soccer" national governing body can be responsible for an amateur national cup tournament, which could very well be the continuation of the existing National Amateur Cup or a new competition. Amateur teams aiming for a CCL berth can be allowed to participate in the US Pro Soccer national cup tournament (the US Open Cup) by winning one of the 50 open state cups.

*For far too long, the United States Soccer Federation (USSF), as a national soccer association as well as a national governing body under the US Olympic Committee has been overwhelmed with the insurmountable task to try to encompass and satisfy all relevant soccer parties in the US. The USA has over 300 million people, and 50 states. <u>USSF, on its own</u>, with its limited structure and purpose, <u>can't</u> <u>properly cover and efficiently develop all areas of the sport and all players</u> as demonstrated in this document, as the federation has multiple conflicts of interests, including individuals who are more concerned with one area of the sport's business over the other. Without any doubt, each area of the sport needs its individual primary attention for the greater good of the game. This above proposal and design fully eliminates the conflicts, while creating greater focus and dedication for each area. The sport needs six national governing bodies and one national association to achieve the greatest success.</u>

Potential future of soccer in the USA, prior to the 2026 FIFA World Cup:

Here's a table of what soccer can look like in the USA before the kickoff of 2026 FIFA World Cup:

US Soccer Federation (USSF) / US Soccer Association (USSA) Professional and Amateur Club Pyramids				
All clubs are invited to play in the US Open Cup for a chance at 2 CCL berths				
Closed System (entry limited to participating franchises / teams)	Open National System with Promotion and Relegation (open entry for all 9,000+ clubs in the USA)			
No CCL berth at the closed league level - teams must play in the US Open Cup to obtain a berth	2 CCL berths at the top of the open pyramid (at the NASL Premier)			
Major League Soccer	North American Soccer League (NASL) Premier (D1)			
United Soccer League	North American Soccer League (NASL) Championship (D2)			
United Soccer League II	National Independent Soccer Association (NASL One) (D3)			
USL Premier Development League	National Premier Soccer League (NASL Two) (D4)			
	NASL Three (D5)			
	All connecting leagues (D6 to D10 and onward)			

<u>Note</u>: Very similar to the Scottish Football League, and in many ways to the English Football League and the Premier League combined, the North American Soccer League (NASL) can merge or absorb or partner with the National Independent Soccer Association (NISA) and the National Premier Soccer League. The NASL unit as a whole will be in charge of the top five divisions of its league, with each level synergistically being named the a) NASL Premier (D1) b) NASL Championship (D2) c) NASL One (D3) d) NASL Two (D4) and e) NASL Three (D5). All other leagues will connect from D6 and on. The leagues and the clubs together deciding will name their divisions, as oppsed to the USSF doing so.

*In order for this profound lawsuit to succeed, so it can reshape and vastly improve the sport of soccer in the USA, for the greater good of the game, the message and focus has to be more than just about one club or league or a singular promotion. It has to be about all US clubs and leagues (professional and amateur), and the states, metro areas, and cities in which they operate in. The NASL has to partner with other clubs, leagues, and associations to significantly elevate the purpose of the case, and everyone across the US that are affected by this matter should stand up and be involved as a collective. This is the key to winning: Unity. Best of luck, as always!

Sincerely, Isaac Payano Economist, Urban Planer, and Educator - New York City