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Interview with Dr. Fredrick Lippman - Chancellor, Health Professions Division

Frederick Lippman
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Nova Southeastern University

History of Presidents

Dr. Fred Lippman

JP= Dr. Julian Pleasants

FL= Dr. Fred Lippman

JP: This is Julian Pleasants. It’s the 26\textsuperscript{th} of October 2011. I'm at the Health Center of Nova Southeastern University and I'm speaking with Fred Lippman. Would you talk a little bit about your first association with either what was then Nova University and then farther down the line Southeastern?

FL: I come from the Southeastern University School of Health Sciences. It was Southeastern University of the Health Sciences, it was called. My first association was approximately July of 1986. I was employed by the then president of Southeastern University of the Health Sciences, Dr. Morton Terry, in October of 1986. I came on as the first — I guess you could say administrator of the discussed college of pharmacy. Then, when it became an idea that came to the interest of Dr. Terry and his board, I was hired, like I said, in October of 1986.
JP: Were you a practicing pharmacist at that time?

FL: Yes. Also, as sort of an avocation, I was a member of the Florida Legislature. I served in the Florida Legislature for 20 years. At the time, I was a practicing pharmacist. I had a compendium of approximately five stores at that particular point in time. I had known Dr. Terry since the early ’70s. We had collocated ourselves in different professional venues. At one time, he was president of the Florida Osteopathic Medical Association and I was president of the Florida Pharmacy Association, and we knew each other at that time through those involvements. Then, of course, early on I was helpful to try to have him create the — not by any official relationship — original college of osteopathic medicine, of which Dr. Melnick ended up being the founding name.

JP: Having read about Dr. Morton Terry’s explanation of all of this, it’s a pretty remarkable achievement because at that time osteopathic physicians were not allowed to practice in the other hospitals. He had, the way he put it, been somewhat ostracized because a DO was not —

FL: That was much earlier in the history of his profession. I would say that there has always been sort of
an understated professional bias. It’s really the non knowledge of the public. It has nothing to do just with the professionals. In today’s world, right now, throughout college of osteopathic medicine, a little over 90% of our teaching is done by allopathic physicians. These are not necessarily in a didactic area, but in a clinical venue. His battles, going back to the ‘60s and the early ‘70s, are really what you’re relating to.

JP: I was going to ask you, did you know him then when he was —

FL: Oh, I knew him, like I said, since the early ‘70s, so, yes, I knew his battles. I certainly knew. I knew his battles to try and establish a school of osteopathic medicine in the state of Florida under the rubric of the state university system. He had tried legislatively for that to occur going back to 1973 all the way through 1976. He finally was successful in getting a bill passed in both of the house and the senate to establish a college of osteopathic medicine, but Governor Askew vetoed the bill so it was never — it’s not that he gave up, but he just knew...

Dr. Terry was a wonderful, instinctive medical professional. He was also an entrepreneur and was very
involved in building hospitals and medical centers. He had just been very successful in building the Osteopathic General Hospital in North Miami Beach. He felt very strongly that medicine was changing and that there were new for-profit corporations that were being founded during the ’70s that were building hospitals throughout the United States. He convinced his colleagues that they should sell the Osteopathic General Hospital, which was about a 200-plus bed hospital at that particular time to a corporation called AMI.

JP: For about $12 million?

FL: Well, it’s a little bit more than that. It was quite more than that.

JP: Do you have the exact figure?

FL: It was more between the $12 and $18 million figure. You have to titrate in the cost of paying out the contracts to the various specialty services. The corpus or the net amount might’ve been $12 million, but really it was more up to $18 million.

JP: The way that he put it, or maybe it was in a press release –

FL: Was that Melnick?
JP: No, this was Terry. That he took around $12 million, wherever he got it, to begin his medical school.

FL: That is correct, but the sale price was more. Again, nobody knows what the costs were to pay out the anesthesia group and the pathology group and the radiology group and things of that nature.

JP: But the important figure is that he had $12 million to start the hospital.

FL: What was left after everything was $12 million, plus there were properties that were originally owned by the hospital that did not transfer to AMI. There were properties to the north that were owned by the corporation that ended up with the $12 million.

JP: That’s what I was going to ask you. He was chairman of this corporation?

FL: To tell you the truth, I don't know what his title was, but he was the boss.

JP: I’ve heard that.

FL: Yes.

JP: But in other words, in essence, he was going to build the hospital?
FL: You mean build the medical school?

JP: Medical school, yeah.

FL: No, what he was going to do was he was —

JP: It was his idea, his vision?

FL: It was his vision, his focus that he was going to build the ninth osteopathic medical school in the United States, and it was the second one in the Southeast United States. There was the university in West Virginia.

JP: When he started out, the way I understand it, he purchased some homes and what would I guess be a nursing home across from the hospital.

FL: Again, I don't know where you got your information, but the nursing home was owned by that corporation.

JP: Already owned?

FL: Already owned.

JP: Okay. I’ve got a bunch of articles about Melnick. That’s one reason I wanted to talk to you because that’s the way it’s explained. I guess this was done by —

FL: Whatever. That’s the past.
JP: Why don’t you just tell me what you know? Was it a nursing home?

FL: It was a nursing home that was never used as a nursing home. It was bought by Dr. Morton Terry — not by him, but by the hospital group to house — originally they were going to use it as a nurses’ residency, then they used it as basically what I would call it a step-down unit for rehabilitating patients. But it was used for a very short period of time for that purpose.

JP: And then he —

FL: But it was never purchased by AMI.

JP: But he used that as the basic building for —

FL: It became the medical school.

JP: Do you recall the size of the building or how it was —

FL: I know the whole building because my office was in the building. It was a three-story building. What it was is he retrofitted the building.

JP: So they had to put in —

FL: They had to put in anatomy labs and other labs and micro labs. He put in an eating establishment, a
cafeteria, created a library in that building, a little medical library and things of that nature.

JP: What about this business I’ve heard that he purchased some houses?

FL: Yes, purchased homes. There were homes that were already owned by the corporation, but then they picked up additional homes contiguous to the homes they already owned.

JP: That was just for the purpose of land?

FL: Just land.

JP: I thought it was very interesting that the national association told him that when you start a medical school, you ought to start with about 15 people because you can’t really take care of more than that, and he started with 40.

FL: That’s correct.

JP: This was a pretty risky decision, was it not?

FL: Nothing was risky with Dr. Terry. Dr. Terry was a man with great vision. He was not an educator, never contemplated an educator, always felt that he could have people with that kind of knowledge around him. He was a
visionary. His vision and his believe was to create a college of osteopathic medicine. He was advised by his friends in the education business the max that he should take would be 40 students, and I would assume that’s why he ended up with 40 students.

JP: The medical school would have to be accredited by the national association, correct?

FL: You get sort of a contingency.

JP: Until you get the first class graduated?

FL: Yes, sir.

JP: Okay.

FL: You’re not fully accredited until —

JP: Now, what do you have to do through the state of Florida? Do you have to be licensed?

FL: Yeah, but it’s more or less — and I don't want to demean the state of Florida in any way, but it’s basically you have to prove that you have a place of business and that you’re involved with X, Y and Z. It’s sort of like an occupational license.

JP: Okay. You have to indicate that you have enough wherewithal to —
FL: Well, not too much. You don't have to declare too much financially. That's more of a national accrediting body that required that for accreditation, yes.

JP: Okay. He started out with the things he needed, with the library and that sort of thing?

FL: Yeah. The most important thing was the anatomy lab and the labs for histology and —

JP: Where did he get his faculty?

FL: That was interesting. South Florida is loaded with education venues, other schools of higher education. People came forth. When he did reach out — which is not uncommon in any of the health professions; it’s very common in health professions to reach out to the licensed professionals in the practice. A great number of us private physicians came forward or he, in one way or another — I don't want to in any way demean his incredible visionary points, but he sort of cajoled some of the people to give back to their profession, to be part of their profession, etc. But he was a leader amongst leaders, so people were honored to be part of whatever he did.

JP: He must’ve been a terrific salesman.
FL: I don't think he was a salesman. He had the gravitas about him within the profession, a very high level of distinction in his profession.

JP: So he was successful because he was a visionary, professionally he was well recognized, but he had to have —

FL: He had to have guts.

JP: Well, I was going to say hutzpah, but whatever. He had to be able to take a chance.

FL: Oh no, chances were never a problem. As we go on, you'll see. I can just expose it to you right now. Going to create a college of pharmacy —

JP: When he'd barely gotten the medical school started.

FL: Well, here you graduate a medical school class, your first class in '85, and you take a pharmacy school class in '87. But then you create a college of optometry less than two years later and you start the elements of the school of allied health. In the academic world, sometimes it takes five or six years just to play something and it takes a year and a half to decide whether you'll sit around a round table, a square table, an oblong table, etc., to figure things out.
He wasn’t interested in that. He was interested in getting things done, getting people who could get things done, move forward, do it with quality and make sure that you met all of the standards of what he felt was the ability to really create… His main issue was creating the best health professionals that he could create. He was not interested in research.

JP: Was this always non-profit?

FL: Always. And he had the help of wonderful people. I’ve got to say that Dr. Melnick was a very steady, strong, well-equipped colleague for him. They were school colleagues; they went to school together. He had Mr. Royal Jonas who was his attorney and his advisor throughout life long before this, going back to the ‘50s, who was always there to help him invest the monies of the foundation, offer advice and consent. And to this day Mr. Jonas, who is 90 years old, is the chairman of our board of governors.

JP: In essence, you’re presiding over Morton Terry’s dream.

FL: I am honored to be his successor. He did something rather spectacular. Like I said, I worked 1986 until 2003, when the board of trustees made a decision to
give me the honor of naming me chancellor of the Health Professions Division. There’s a very interesting story that I’ll get to later on that.

JP: I want to go back to the development of the medical school. I understand that when Mort Terry was talking about reminiscences of the past he said they did that essentially in one year.

FL: Well, it was really more than one year. You’ve got to remember, he fought the battles. He put the battlefield experience behind him because it was distasteful. He did not like to lose. Dr. Terry did not like to lose anything. Dr. Terry was a winner at everything. In the political process — that’s what it was; it wasn’t the educational process — he lost the battle. It wasn’t the professional process, it was the political process. He lost the battle.

So I can’t tell you that it was put together in one year. Functionally, after they made the decision to move forward and take that money, that $12 million, and invest it in the college of osteopathic medicine, in essence it took a little over a year to put it together. That’s not looking at it very —
JP: That’s pretty remarkable. If you were starting a medical school today, you couldn’t do it.

FL: Yeah, I know that, but you can’t start a pharmacy school in six months either, but it happened.

JP: So he was — I like to use the word ambitious. Was he driven?

FL: I don't think he was ambitious. I think he was very, very visionary. Being a visionary does not mean you’re ambitious. Was he driven? Yes. He always sought the best. He didn’t seek the second-best. He always sought the best. But he was very frugal.

JP: I’ve heard about that a lot, the frugality.

FL: He was a child of the depression. He grew up in a home where there was no telephone. When he went to medical school, he worked his way through medical school. He used to take a job. There’s a very famous story he talks about all the time. I don’t know. He might’ve gotten it from somebody. But he used to work in restaurants and he would eat everything he could for the day because he couldn’t afford food. That’s the way he was. Dr. Terry saw a way to get to his goals.
JP: It seems to me that he and Ray Ferrero were two of a kind.

FL: Oh, no question about it. Not only him and Ray Ferrero, but him, Ray Ferrero and Bob Steele, who was our chairman for a lot of years, a lot of people. There were people like Augie Paoli on our board, Harry Gampel on our board. They were people that were all peas on the same pod. Maybe at different ages, maybe some of them were ten years older or ten years younger, but they all came from the same...

JP: When he started his medical school, did you have much interaction with him at that time?

FL: Oh, no. He was much older. Dr. Terry would be 91 or 92 now.

JP: And so your major relationship comes with the pharmacy school?

FL: No, my major relationship came through my involvement with him. I was very active in my profession, the pharmacy profession, through state work.

JP: But you didn’t work with him in his —
FL: No, but I knew Dr. Terry. By happenstance, his first cousin and I were very friendly, and we ended up creating the same community bank. It’s not like I didn’t know Dr. Terry.

JP: But I'm talking about a work relationship.

FL: My work relationship really occurred by him coming to me and saying that he wanted to create a college of pharmacy. There were two schools of pharmacy in the state of Florida.

JP: One was at Gainesville.

FL: One was at Gainesville and one was at Florida A&M in Tallahassee.

JP: Really? I didn’t know that.

FL: That was a very significant school at that time. It was the school of excellence. I was obviously involved in my profession. I had been teaching adjunct at the University of Florida, but Dr. Terry came to me and I told him what I thought was necessary. There was not a pharmacy school built in the United States or created in the United States for 18 years prior to that point in time.
JP: One of the stories that Terry brings out is that he had pharmacists coming to me saying, “We can’t get any new pharmacists. We need some help.”

FL: Well, the hospital pharmacists — that’s where he got it from. Originally, AMI kept the hospital going for a couple years and the hospital pharmacists kept on saying they can’t get any pharmacists, but it’s no different today.

JP: It’s still the same?

FL: There’s a critical shortage of pharmacists in the United States. It’s still a critical shortage profession.

JP: Because there are not enough schools?

FL: Well, no, because what happens is that pharmaceuticals are used to a much greater extent and therefore there are more distribution venues and it’s a legislated profession. So ever time Walgreen’s, CVS or whoever the operation is builds a store, you need more pharmacists. So it’s a growth profession. There was this critical shortage that occurred really going back to the ‘60s, so it’s never caught up. There’s still a critical shortage.
JP: So from the time he talked with you, you encouraged him to go ahead?

FL: No, he encouraged me. He came to me with a task. I had been really exercising my rights as a good entrepreneur to liquidate my assets and to take my profits and either live well or invest it in other venues. He came to me and he said a very unusual thing. I had known him for quite a while at that point in time. He said, "Why don't you do something that's worthwhile?" And I said, "You've got to be kidding me, Mort." He said, "No. I would like to explore," but he didn't tell me to create, "however, I can tell you I want to get it done." I said, "Well, that's not exploring. You're sort of tasking me." He says, "I'd like you to explore the opportunity to create a college of pharmacy. What would it take?"

And I went to work and I created basically a prospective board of overseers and we looked at it. I traveled to Chicago and spoke to the American College of Pharmaceutical Education (ACPE), and I went to the American Pharmaceutical Association to try to find out what their thoughts were, etc. We did what we had to do. Low and behold, in August of 1987, we took our first class.

JP: And did you build a new building?
FL: No. We retrofitted some of the additional… Like I said, the nursing home had a lot of these rooms, so you’d break down walls and you’d create new classrooms.

JP: Okay.

FL: So that’s what we did. But already we had — I will tell you, at that point in time there was already a new education building, a very large education building that had a library and two big amphitheaters and classrooms. Literally, they had a gymnasium area for students and a little cafeteria. They had already started to build another building, so there was more than enough space for the college of pharmacy.

JP: And where exactly were these buildings?

FL: All contiguous. I'm sorry?

JP: Right across from the old hospital?

FL: Right across from the old hospital. What happened was the new buildings were on the land that was bought when those houses were knocked down.

JP: I heard somewhere — and I can’t remember where this came up — that he ended up buying back that hospital building.
FL: That is absolutely correct.

JP: At a fraction of what he sold it for.

FL: That is absolutely — not a fraction, but at a very reduced number, yes.

JP: That’s a pretty good deal.

FL: Well, Mr. Jonas is the one who negotiated it. He sent Mr. Jonas out and Mr. Jonas did the work and went to AMI, at the time which was ready to — they joined up with NME and now it’s called the Tenet Corporation. That’s what it is, T-E-N-E-T. That’s the successor to those two companies.

JP: When you started the pharmacy school, how large was the first class?

FL: The first class, I don't know the exact number. It was really a very limited number. I don't remember the exact number. The accrediting body was very unsure of themselves at that point in time. Again, there’d been no new schools in 18 years. My memory says to me that it was somewhere between 25 and 35 in the first class.

JP: Not quite as large as the medical school.
FL: No. We didn’t have the proper facilities. The facilities were being built at the time.

JP: Did you teach at that point?

FL: Oh yeah.

JP: So all the way through you had been associated with the pharmacy school and teaching?

FL: No. Right after the pharmacy school, after I was successful in getting the original, I guess you could say blessing by the accrediting body to start the pharmacy program and get going, immediately Dr. Terry came to me and said, “I would like you become a vice president of our new university.” Right after the college of pharmacy was created, we created the college of medical sciences, which is our interdisciplinary PhD faculty, and we became a university.

JP: Because once you had three —

FL: Actually, you could have done it with two components, but we created a university. He said to me —

JP: Explain to me more specifically what “medical sciences” entails.
FL: These are our basic science faculty which still to this day teaches all of our interdisciplinary basic sciences. That’s one of the great innovative features of Dr. Morton Terry’s legacy to education. He created a paradigm of education that is now replicated all over the United States. There are medical schools and complexes and health professions divisions that are all based upon Dr. Terry’s original paradigm.

That was it. That’s a big issue relative to not only the conditional elements of one profession getting to understand and respect other professions, which was his main idea, but also to be very candid and reduce the costs of education. Rather than each school having an anatomist and physiologist and a biochemist and whatever, you have this interdisciplinary teaching. That’s what created this ambiance, this feeling of professional respect for each other.

Let’s face it – pharmacology is the same for a doctor as it is for the pharmacist. If you’re doing head and neck anatomy, it’s the same for an optometrist or a dentist as it is for a physician. You don’t change the concepts. ABC is ABC. That’s what it is.
JP: I didn’t mean to interrupt you. You were about to come on board as the vice president.

FL: Yes. Dr. Terry said to me, “Now that you’ve done a fairly good job,” he was kidding me, “we would like to do a college of optometry.” He asked me to come on as the vice president of the university. I can’t remember what the title was. I had a few titles at the university.

JP: Let me interrupt you again. I apologize. Why optometry as opposed to something else?

FL: There were no schools of optometry in the state of Florida, none. The closest school was in...I want to say Memphis, I think, at the time. I'm not quite sure. It was some school in the Southeastern United States. The other school was Houston. There was an effort on the part of the Chicago College of Optometry to go into St. Petersburg, in Tampa. Dr. Terry thought that it’s really a very valued profession, although he didn’t realize he was buying a lot of political enemies because the ophthalmologic section of the medical community was not too happy with us creating a college of optometry, but it all worked out.

JP: So the ophthalmologists were —

FL: Well, to be candid, they were less than happy.
JP: I'm a little surprised at that because that’s partly what they do. They need the services of optometrists.

FL: I understand. Really, optometrists are the primary care physicians that refer to ophthalmologists. Optometrists in the state of Florida cannot do surgery.

JP: That’s right.

FL: Therefore, everything had to be referred to an ophthalmologist.

JP: You would think that would help the profession.

FL: That’s sort of like common sense, but it didn’t work out that way. But anyway, that’s the story.

JP: So what he’s doing in a way is he’s going for these niches where there’s a definite need and he sees that as going to be successful because there is that need.

FL: There it is. That’s his vision. He is an incredible visionary. He saw it. You mix in a little entrepreneurialism — although we were all not-for-profit, but he saw it that way.

JP: It is used not-of-profit —
FL: Yeah, but that’s the same thing. That’s why when we get to the merger you’ll see why the marriage worked so well.

JP: Well, in studying the history of this school, it’s been entrepreneur since it started.

FL: Yes, sir.

JP: Part of the money raised was getting yachts from wealthy people and selling them, so he had a way of saying, “I'm not going to sit here and wait until donations come in. I want to get out and make some money.”

FL: Yes.

JP: So you end up with now there are six components, right, because at one point they decided – when nobody was building dental schools – that a dental school –

FL: No, we’re a long way from that yet. Don’t get to that point yet. You had the college of medicine, college of pharmacy, college of optometry, and the college of medical sciences. Then you had the school of allied health. Now that is the one that expanded rather dramatically. The college of allied health, we started out with PT, OT and PAs.
JP: Physician assistants?

FL: Physician assistants, yeah. That really put us in the forefront of what I would call education exposure throughout the state of Florida. A lot of people weren’t paying much attention to us. When the pharmacy school started, the University of Florida and Fairview certainly paid a lot of attention to us. But really, after it was all done, most people didn’t pay much attention to what else we were doing until we got to the college of allied health. Then, all of a sudden, everybody around us, all the community colleges that were doing these certificate programs or whatever — but the professions in allied health, from their accrediting bodies were elevating themselves not only to baccalaureate degrees but to master’s degrees. We were on the forefront of that growth curve.

JP: Now, was nursing a part of that?

FL: No, sir. Nursing didn’t come until well after we were merged.

JP: But that is part of that?

FL: Now it is. In another three months, nursing is going to go into its own college.
JP: All right, well, in all of this time, as they were opening the pharmacy school and optometry school, was there any help or support from the state?

FL: That started to come in 1987. They took notice of the college of osteopathic medicine because our graduates were migrating to underserved and rural areas. We saw fit to seek help — not me at the time because I was already in the legislature, but their governmental lobbyists sought to get capitation, in other words a sum of money to keep Floridians in the state of Florida. So that’s when it started.

Then what happened was the college of optometry, after the second year — because the college of optometry or the state of Florida was paying Southern Regional Education Board out of Atlanta, SREB, which is all the Southeastern United States. They were paying a premium amount of money to Southern, which was Memphis and Houston. They were paying them like $6,000 to $8,000 a year for a Florida resident to support them in their schools. Well, it didn’t make sense to support a school external to the state of Florida, so the Florida Legislature and the governor’s office saw fit to bring that money back and to capitate the optometry school. At that time, because pharmacy was a
critical shortage profession, there was some modicum of support per student in pharmacy, never to the level of medicine or optometry.

JP: But in every case, very helpful?

FL: In very case, very helpful to the people of the state of Florida. It wasn’t a revenue enhancer for us.

JP: No, but in the long run it was beneficial to the health of the people –

FL: It was beneficial to our matriculation numbers, right.

JP: Now about the federal government?

FL: None. The federal government, the most important feature of the federal government’s involvement with Southeastern University of Health Sciences and then Nova Southeastern University was something called AHEC, Area Health Education Centers. It is a combination of education meeting a community of need and having the doctors in a near area work together with an education venue, creating information, libraries, technology, protocols, etc., and creating really more of a sense of holistic and tertiary care in a community because they had no hospitals. We had certain venues, counties that had no health centers at all.
So we were the first AHEC in the state of Florida. It really came about through — it’s a very odd thing. I know I'm taking you away from your conversation, but I’ll let you know. Governor Graham asked me to go to North Carolina in 1978 to visit with the guru of AHEC, who was in North Carolina, Gene Mayer. He was the leading person in the United States. Government Graham was very upset that we didn’t have a rural health system, and he tried to figure out, maybe AHEC would be our rural health system. It turned out to be that.

It turned out that the first school to get a federal grant for an AHEC was Southeastern University of Health Sciences.

JP: Governor Terry Sanford was the one that started that program in North Carolina.

FL: Terry Sanford was the greatest educational governor probably in the history of the United States. He really convinced Senator Kennedy and the Kennedy family to create the AHEC system.

JP: That’s right. Let me go to the merger. The story that goes around is that Dr. Terry was invited to the inauguration of Feldman and that he sits down with David
Rush and he writes on the program a little note saying that we ought to explore a venture.

FL: That’s a little inaccurate. Let me help you out.

JP: Go ahead.

FL: We had been approached by the dean of the College of Medicine at the University of Miami in late 1989 to merge with the University of Miami. I ended up being the lead person that Dr. Terry assigned to that task. We spent over a year of due diligence, peacock walks, cocktail receptions—you name it, we did it. The bottom line was that at the time they didn’t want any part of our optometry program because of the Bascom Palmer. They were not very warm about the college of pharmacy. That was the main issue. There were some financial issues.

When Dr. Terry asked for my final recommendation, I recommended not doing anything at that point in time with the University of Miami, not because they weren’t a great school, but I didn’t think that was the venue that would be commensurate with his visionary ways.

FL: And I can imagine Mort Terry wouldn’t want to be in an inferior position in any kind of merger.
JP: Well, he wasn’t really… I’ll tell you about that because that has to do with the merger, but I’ll tell you later on. Remember that issue.

What happened was it was the investiture of Steve Feldman that occurred right after we made that decision. He was sitting on the platform. Dr. Terry got [unintelligible] who I loved as a dear friend and almost a father image. His sense of patience relative to —

FL: Hang on a second. I can’t hear you.

JP: His general demeanor was 12 to 15 minutes; that was it. You came in to talk to him — that was it. That was the way he was. It was not that he was ever disrespectful, but that was it. So he’s sitting on the platform. It had nothing to do with him sitting next to David Rush or whatever. I’ll tell you about that. Dr. Terry takes the back of the program and he wrote down 11 tenants of a merger. That’s what he wrote. There were 11 tenants of a merger. This is what he thought. If he could get answers to this, that was it. Nobody knew what he was doing. He walked over.

David Rush was a co-sitting trustee on both of our boards. David Rush just happened to be standing there.
But he walked over to Bob Steele and Ray Ferrero and he said, “Why don’t you guys look at this. If you’re interested, let’s do it.”

JP: At that time, Ray was —

FL: Ray was chairman of the board and Bob Steele was his trusted advisory.

JP: Excuse me. How do you spell Steele?

FL: S-T-E-E-L-E.

JP: With an E?

FL: Right, Robert.

JP: Okay, Robert Steele.

FL: And what happened was there were also some meetings right after that between — very few people know this, but Hamilton Forman showed up. Hamilton Forman was a long-time patient of one of Dr. Terry’s closest osteopathic physician colleagues, Dr. Howard Neer, who is still with us, and Dr. Bob Perot, who is no longer with us. Hamilton Forman showed up. I’ve known Hamilton Forman forever. I knew him politically. I was in various —

JP: He was a pretty influential guy, was he not?
FL: Pretty influential. He was one of the formulators of this whole venue. Hamilton Forman talked to Dr. Terry and said, “This is a pretty good deal.” He gave his advice, etc. We had a luncheon at the [Taro] Club. Hamilton Forman was there and David Rush was there. I'm thinking of who else was there. I think Harry Gampel was there. I was there. Dr. Terry was there. I don't remember who else. They basically spoke about the fact that this would be a great thing and that Dr. Terry was insisting on getting out of Dade County and coming to Broward County and building on the campus. That’s the way it started.

JP: So you think that he had now taken his University of Miami and had —

FL: No, it was gone. The University of Miami focus was over.

JP: But I'm saying now he turns it specifically —

FL: Specifically to this place.

JP: Which was then Nova University?

FL: It was then Nova University. He saw the similarities.
JP: Was it also personalities, do you think, that he thought he could do business with Ray Ferrero?

FL: No question. David Rush and Ray Ferrero, even though Ferrero and Forman were a little estranged at the time. It was just that he felt comfortable.

JP: Had he spent a lot of time with them before? Did he know them very well?

FL: No. David he did.

JP: But nobody really at Nova?

FL: No.

JP: And so he had thought about it —

FL: Fischler had already refused him like twice before.

JP: But he had already thought about it before he sits down at the —

FL: No. He’d never thought about the merger until that day. He came and told me. He came and told Melnick, me and Roy Jonas.
JP: All right, now the process begins of integrating these two institutions. Who is going to do the basic discussions and the contract?

FL: Okay, well, the formal discussions started in late March, early April of 1993. The team for Dr. Feldman was Ovid Lewis, Joe Lackovich and...what’s his name? I just lost his name. He used to be institutional effectiveness. It’s where Ron Chenail is now. I just lost his name. It’s with an L.

JP: That’s okay.

FL: Our group was Dr. Melnick and me. What happened was we would report to —

JP: But not Terry?

FL: He never was involved in it. We always would report to him.

JP: But he wasn’t sitting around the table?

FL: No.

JP: Were you surprised at that?

FL: No, I'm not surprised at all. Dr. Terry had complete faith. If he had faith in you, that was it. You could take it to the bank. You had to report everything.
There was no such thing as short sentences. You had to report everything. Then he would always bring in Roy Jonas, who was his advisor. In other words, he wouldn’t talk to him in front of us, but he’d always talk to Roy Jonas, always.

JP: But he was the guy who made the final decision?

FL: Oh yeah, no question. There was no two ways about it. He was making the final decision.

JP: But he would listen to your recommendations and discuss it?

FL: Oh yeah. There’s no question. In other words, he wasn’t autocratic. He listened.

JP: I understand from several sources that, while Ovid Lewis was involved in some of the transactions, the person who really was doing the work was Ray Ferrero.

FL: Well, Joel Berman.

JP: Who was the attorney?

FL: Yeah. Joel Berman was advising. Well, sure, Ray Ferrero was the chairman of the board. Nothing would happen without Ray Ferrero, nothing.

JP: So Forman is sort of out of the game?
FL: I don't know. I was not in those conversations, but it certainly was Joel and Ray Ferrero that were... I don't know whether to use the word instruct or communicate. I don't know what word could be used, but certainly nothing would ever be approved without Ray Ferrero’s approval.

JP: My sense of it, without knowing specifics, is if you wanted to boil it down, Ray and Mort Terry decided it needed to be done and they got it done. I know that’s simplifying it, but the force and the focus would come from those two guys, wouldn’t it?

FL: Yeah, I think that Dr. Terry was going to get it done with or without anyone else.

JP: Well, I talked to Ovid Lewis and Ovid Lewis was involved in some of the details of stuff, but it’s very obvious from talking to him he wasn’t really making the decisions.

FL: No, he wasn’t making the decisions.

JP: So at what point did they determine that this was going to be a final deal?

FL: I think we signed the documents – like I said, we started in March. I think we had the clarified document in
October. I think there was a press conference. Then it became effective January 1, 1994.

JP: Now let me get this from your side. Nova University supplied the land?

FL: Well, Nova University had to purchase land from John Payne. That’s where we are right now. They had to buy 21 acres. It was very interesting because Hamilton Forman — I remember it was originally Hamilton Forman’s land. I remember him telling Dr. Terry, “Do not agree to that land until I walk it.” He wanted to walk it because he knew where the 100-year flood was. He wanted to walk the line. He wanted to make sure there was no —

JP: Is that the land he originally gave the university? At one point, he gave them land which they sold and ended up having to buy back.

FL: Yeah, there are a lot of different stories about that. I don't want to get into that.

JP: Okay.

FL: The bottom line is that, yes, he was integral. This was originally all Forman Dairy land, but he was so invested. He wanted to see the merger, although he had no
formal involvement with the university at the time, none. But he was very —

JP: But Charles did.

FL: Neither one of them was formally involved with the university, but he was very close friends of Dr. Terry’s friends.

JP: Okay. So at this point they’re going to buy the land, 21 acres. Do you know what they paid for it?

FL: I have no idea.

JP: Okay. On your side, you’re going to build this building, I guess.

FL: We built the building and the garage. I think it totaled about 1,000,040 feet of building and garage.

JP: That was about $35 million?

FL: It was a little more than that. It was a little over $40 million. It turned out that with equipment it was closer to $44 million. Somebody could say $35, but they forgot that we had to put the equipment in.

JP: The classrooms and all that stuff, yeah. At this point, the concept is that this is going to be, essentially
right then, the medical school, plus pharmacy, plus optometry, plus allied?

FL: And medical science.

JP: That was all going to be part of this complex, right?

FL: Yeah.

JP: So it was built for that.

FL: The cafeteria and the medical and the library, etc. However, prior to the actual movement to this campus, between 1994 and 1996, there was the investigation of building a college of dentistry, dental medicine. We had a committee that included people from the original Nova and the original Southeastern. Ray Ferrero was the chairman of the board. The final decision to create a college of dental medicine was Ray Ferrero’s decision and obviously Terry’s decision.

We actually created the college of dental medicine while we were still in the North Miami Beach venue. We actually hired our dean and his original three administrators. They filed all of the preliminary paperwork for provisional accreditation. We literally
created a college of dental medicine while we were still in North Miami Beach.

When we moved here in 1996 — we moved in August of 1996 to these buildings — there were a decision to build a college of dental medicine. Then the college of dental medicine was built subsequent to us moving here. It opened up 14 months, I believe, after we — I'm pretty sure it was July, but maybe it was June.

JP: This was at a time when nobody was building dental schools and they were closing down.

FL: Nine dental schools had closed and there was not a new dental school in the United States in 28 years.

JP: And so the idea was that there again is this need, this niche. I can remember something that Mort Terry was saying that somebody said, “Where are you going to get your patients?” And Mort Terry said —

FL: They said Mort Terry was crazy. We all laughed and said, “Yeah, crazy like a loon.”

JP: He knew, as did Ferrero, that that was going to work.

FL: He knew it was going to work.
JP: But there was a problem. Your old campus had trouble selling that?

FL: Well, what happened was it was put up for sale as soon as we signed the merger agreement. It was interesting because it was the old [Busch Cadena] firm. That’s how we got to know Joe Busch very well. He was literally our real estate broker. Dr. Terry had a hard and fast number that he wanted for that campus. When the number came back one-third less than what he wanted — you won’t write this, but he said, “Screw ‘em.” That was it. He said, “We’ll keep the damn place and what we’ll do is eventually we’ll either sell it when the price goes up or we’ll…” What he did was he convinced Ray Ferrero to move the Fischler School out of the rental space over here. There was a big battle inside of the Fischer academic community. They moved the whole Fischler School down there.

JP: That was about ’97, I believe.

FL: Yeah.

JP: So between the time that the Fischler moved it was not used?

FL: No, sir.

JP: Okay. Just sitting there?
FL: Just sitting there.

JP: When you came to the merger, what were the assets of Southeastern?

FL: Besides the value of the buildings?

JP: Yeah.

FL: The buildings still today are worth $18 or $20 million. I think we were between $40 and $50 million.

JP: That was a big factor, I think, even at this time for Nova. That’s a lot of cash.

FL: It was, but don’t forget... I remember Mr. Jonas trying to convince them — and don’t forget Mr. Jonas was Dr. Terry’s number one advisor for many, many years — not to spend cash to build these buildings, but to bond it.

JP: That’s what they did?

FL: No.

JP: They didn’t?

FL: No, sir. He put cash money down. Dr. Terry said, “That’s what money is for is to spend it.”
JP: But the $40 or $50 million you’re talking about, that’s in addition to the $44 million you’ve already spent, right?

FL: No. What I'm saying is that basically—there were other assets, but they had to do endowed scholarships and things of that nature, so—

JP: You didn’t bring a huge endowment with you then?

FL: We spent it on building the buildings. So in essence, our endowment is building buildings today that can’t be replicated for $300 million.

JP: And from Ferrero’s point of view, that’s a good deal. You’re going to build the thing. He probably couldn’t have afforded to build it at that time.

FL: Well, I'm certainly not going to offer my editorial comment, but I will tell you that, no, I don't think they could’ve built anything at that point in time.

JP: That was my sense of it. Now, one of the issues—which will bring you back to Mort Terry and inferiority—there was an insistence on the part of Southeastern that this would be Nova Southeastern University, period.
FL: I don't think it was an insistence. Remember I said there was something I was going to get back to? Dr. Terry really didn’t care about being the boss. Dr. Terry didn’t fight to be the president of the university. Dr. Terry felt that as long as he was able to produce the finest health professionals — I'm getting back to the same comment I said before — that is what his intent in life was.

JP: So he was happy to be chancellor?

FL: Of the health professionals division, right. What happened was he would answer directly to the president and to the board. Originally, it was required that for ten years the board had someone that represented each one of our professions on the board. After that, it only required that — obviously, Dr. Terry was always going to be a member. They required the chairman of our board of governors to be on their board in perpetuity, which is Mr. Jonas.

JP: You don't have a separate board of trustees, but you have —

FL: No, we have a board of governors.

JP: A board of governors?
FL: Right.

JP: What’s their function?

FL: It’s to oversee and advise the programmatic quality and support for the health professions. And we meet four times a year just like the —

JP: One of the issues —

FL: The chancellor provides information to them.

JP: One of the issues in joining two institutions obviously is there are different bylaws and different accounting techniques and all of that stuff. Apparently all of that eventually got worked out.

FL: Amazingly.

JP: The way I understand it from talking a little bit to Ray, when you guys or whoever was doing it sat down, you could spend two years fiddling around with bylaws and all of that —

FL: It could’ve been ten years.

JP: So the issue was, “We’ll get our accountants and your accountants and you guys work it out.”

FL: Yes, sir.
JP: If you’d have sat down with a contract, you would never have gotten there.

FL: That’s exactly right.

JP: For the pensions, the Southeastern —

FL: We had to because it was federal law.

JP: The other part of it was part of the contract I’ve seen, that the Southeastern employees had to be taken care of.

FL: That was Dr. Terry’s insistence.

JP: And correctly so.

FL: He wanted to protect every employee.

JP: Well, he did. There were about 400 then or something like that?

FL: Yeah, a good number.

JP: So that was something that was his personal issue in terms of people who worked with him.

FL: His personal issue, yes. It was much more important that Juan Perez, who was the chief painter and wallpaper guy, was going to be employed.
JP: Often with a merger, somebody will lay off ten percent of people.

FL: More than that.

JP: And then when you started the process of building the school, everything was still run from North Miami Beach until the time you moved here?

FL: Well, basically yes. There were other requirements that were built in. Dr. Terry and everyone, they would select their own construction company and their own architect.

JP: Although you split the legal fees.

FL: We split the legal fees.

JP: It was going to be their building. Why not have Southeastern be paying for it?

FL: That was the deal. Well, there was a bit of an issue there, but it worked out.

JP: One little issue was that the first graduates could choose a diploma either from Nova or Southeastern.

FL: That’s right.

JP: But that didn’t last long.
FL: No.

JP: Not a big issue.

FL: Minor issue.

JP: What’s the great benefit for both schools?

FL: There was a great symbiosis really. We both were born and bred as underdogs. Nova was a new concept. They were derided and demeaned because they basically invented distance education. At that time, it was distant education, really. They were basically deemed to be a diploma mill when it was not true. We were demeaned and denigrated based upon the fact that we created a school of osteopathic medicine because we don’t really educate “real” doctors. So that’s the nexus of that.

Dr. Terry saw a group of people that were fighters and believers in doing what’s right, in spite of the fact that other people didn’t think it was possible.

JP: But they believed in what they were doing.

FL: That’s absolutely correct. That’s what really drove him to get this thing done.

JP: Plus, it now gives him an affiliation with an established university.
FL: Well, people asked him and we all asked him privately. His main reason for merging, whoever he was going to merge with, whether it was FIU or whatever, was perpetuity. He wanted the colleges that were created to go on forever. Even though we thought that he would live to be 100, he started to think like that when he was 70 years old. He just felt that that was what his desire was.

JP: So an established university then?

FL: Of perpetuity.

JP: Yeah. And it benefits Nova because now they have expanded their curriculum, they have a medical school, they had a dental school eventually.

FL: Somewhere in the articles, you can hear what Ray Ferrero said. He would say that one and one doesn’t equal two. In this case, one and one equals ten. That’s what he said. That’s the way he used to talk, for at least five years.

JP: And it’s really important. I talked to Ray a little bit about this. He said, “Look, we had a law school. Now we’ve got a broad array of professions. We can now service the community. We can interrelate with people and people now know who we are.”
FL: Well, we become a true —


FL: We become a true comprehensive university.

JP: It changed the whole game, right?

FL: It changed the whole game.

JP: In economic terms, it really benefitted both, right?

FL: Well, certainly it benefitted the new university, called Nova Southeastern University. We were always very significantly in the black.

JP: Right. And as you know, the history of Nova was... [laughs]

FL: We know that. I'm not going to offer those comments.

JP: You don’t have to because I’ve got the facts.

FL: But that’s the reality. There are no two ways about it.

JP: I’ve got facts and figures.
FL: In a way, a lot of people from the old paradigm of, “I’ve got this school, this school and this school. We just happen to be named Nova University.” Now it’s to the point where we’re one university. For a lot of years, we were like they’re on that side of the canal and we’re on this side of the canal. We’ve all fought that. I will tell you that Ferrero and Hanbury are very much one-university concepts. Let’s face it, we provide a significant sum of money to the bottom line.

JP: Sure. What’s your view? At one point, the university wanted to build a 100-bed hospital.

FL: They still do.

JP: I know they do.

FL: A 150-bed hospital.

JP: But it didn’t get passed the first time. Is that going to be done and should it be done?

FL: It should be done. It should be larger than 150 beds.

JP: It’s hard to make a good profit if it’s like 100-bed hospital.
FL: It’s not a matter of profit. This is an educational institution and you have to make it work.

JP: Well, but you can’t lose money.

FL: I know that, but there are ways. There are a lot of effective measures that are involved in universities that can be applied to a not-for-profit hospital that are quite different than in a self-standing unit.

JP: Would it be here? Would it be in this complex?

FL: No. It’s always planned to be right next-door.

JP: Okay. Where the little shopping center is?

FL: Well, that little shopping center turns into probably close to 500,000 square feet of buildings.

JP: Okay. So that’s where it would be?

FL: Yeah.

JP: Okay.

FL: Actually, this first lake would be filled in and then we would swap land so that the hospital would be the not-for-profit and sit on not-for-profit land.

JP: Okay. Is that going to be doable in five years or so?
FL: It would be inappropriate for me to really guess, but I will tell you that it will happen.

JP: Is there anything else that you would like to talk about that you haven’t talked about, any questions that I didn’t ask that we need to cover?

FL: No. The only thing that I can tell you is that, again, as I said to you before, one of the interesting things about Dr. Terry was that Dr. Terry was — this was his office. It took me nearly six months to move from my office into his office. It was very difficult for me. Dr. Terry was very open. He never locked his drawers, but he would know if anybody ever walked in.

Dr. Terry kept file boxes in his right-hand drawer. He told me when he was near the end of his life that there were two file boxes in there and that I should appropriately do away with them. One had to do with monies that he’d loaned people, whether it was janitors, secretaries, chairs of departments or deans. He said, “Just destroy it.” It was a lot of money. That was Dr. Terry.

The other one, there was a yellow pad that was in there and he had 11 items on there. He always was thinking
ahead, not things to do tomorrow, but something that had to be done. I worked very hard in the next couple of years to get all those things done.

Dr. Terry did something very special and that very few people know about, but since you’re writing the history of the university, I might as well tell you. He was kind enough to write a letter about a year and a half before he passed away, a personal letter to Bob Steele and Ray Ferrero and to Roy Jonas saying that he wanted to make sure that no one impugned the integrity of the health professions division. He said that he heard that X, Y and Z were planned — he never thought he was going to die — at some time in the future. He wanted to make it very clear that he never wanted anyone to impugn the integrity of the health professions division, but then in the last paragraph he said: If something ever happens to me, the one thing I’m asking you to do is to have Fred Lippman become my replacement. I never saw the letter until after I was chosen to replace him. I thought it was rather dramatic and I think that’s the essence of Dr. Terry.

JP: He was an extraordinary man.

FL: Yes, sir.
JP: Anything else?

FL: Not if you don’t have anything.

JP: Okay. Well, on that note we’ll end the interview.

[End]