2-28-2011

Interview with Joel Berman - VP for Legal Affairs

Joel Berman
Nova Southeastern University

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NSUWorks Citation
Berman, Joel, "Interview with Joel Berman - VP for Legal Affairs" (2011). Oral Histories of Nova Southeastern University. 15.
https://nsuworks.nova.edu/nsudigital_oralhistories/15

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JP: This is Julian Pleasant with Joel Berman, and it’s the 28th of February. If we could start with the Dolphins agreement, and my understanding is the land that was used already owned by the university, is that right?

JB: Yes.

JP: And it was seven acres?

JB: I think ten acres.

JP: John Santulli said it started seven, and then they added the bubble.

JB: The total by the bubble was an acre and a half.

JP: Acre and a half, okay.

JB: The bubble, to my recollection was about an acre and a half of land.

JP: So the total was ten acres?
JB: I’ll have to confirm that.

JP: Well, that’s okay. I was just trying to get close. Now, as I understand the process, it started with Dan Marino and Jack LaBonte and all of this discussion about it. The interesting part to me is the first documents that I’ve looked at seem to indicate that the Dolphins wanted NSU to build the whole facility. That they were somehow charged with developing the whole facility; is that right?

I know in the end the Dolphins came in and made adjustments.

JB: They could have asked for anything they wanted but, in other words, we wanted them to any skin in the game, because this is not something that we’re going to use for educational purposes.

JP: Right.

JB: So we wanted them to make a substantial contribution to construction, and there was a bond issue involved.

JP: So that’s the $5.2 million?
JB: I don’t know the exact amount, Julian. There was a bond issue involved, and the lease was structured that they paid -- it was ten, maybe it was a total of seven; it was a ten-year bond issue where they paid rent. They paid a land rent and a bond rent. They made the payments on the bonds, and they paid the land rent, which continues to this day, with increases built into the lease.

JP: So the lease is how long?

JB: The lease was a ten-year lease --

JP: With three-year extensions?

JB: With ten, ten three-year extensions.

JP: Yes. So it’s a 40-year lease?

JB: If they exercise their extension right.

JP: Then I understand if, for any reason, they leave, everything comes to NSU?

JB: Oh, yes, they own nothing there. In other words, those improvements are ours.

JP: Yes, everything?

JB: Right, except their personal property.
JP: Of course, yes. So what would the lease be today? The last figure I saw was something like $147,000 a year. I expect it’s higher than that now.

JB: On the lease?

JP: Yes.

JB: You know, Julian, what I have to do, quite honestly, I have to look at the documents. There may be confidentiality contingents in those documents.

JP: I just wanted to get some sense of what they were paying.

JB: Well, that’s gone. In other words, they paid off -- the bonds were paid off --

JP: The bonds are paid off, I know that, yes.


JP: Yes. But they still pay leasing?

JB: Land. They pay on land-base rent, plus other payments that they make.

JP: Well, I know they pay taxes and things like that.

JB: Right, right, right.
JP: So the end result is a win/win for NSU; it doesn’t cost the university any money, really, does it?

JB: No, it’s a pass through, correct.

JP: Who was responsible for this? I keep getting different points of view. Feldman said that he was the lead; Fischer -- everybody seems to explain that they’re --

JB: Well, people who came to me, I think it was Abe, and I think it was Ray wanted the deal. Ray, I think at that time, was chairman of the board.

JP: Well, that’s what both Ray and Abe told me. But when I interviewed Feldman, he said that --

JB: At least to my recollection. Even though the deal was done --

JP: Was done on his watch, yes.

JB: -- he didn’t necessarily come in at the very beginning. In other words, when he took over, the deal may have been in progress already. I don’t know exactly when as far as the discussion stage and the setting up. It took a while to do.

JP: But the key negotiators would then be Abe and Ray?
JB: Correct.

JP: Now let me get some information on the merger with Southeastern. And, here again, the stories are extraordinarily different. Arnold Melnick tells me one thing, Fred Lipman tells me something else. The story --

JB: I’ll tell you -- I know as much about that as anybody, including the --

JP: Good, I understand you did. The story I have is that when Feldman was president, the people at Southeastern, mainly Mort Terry, had met with Feldman. And when they came for his investiture or inauguration, the story is that Mort Terry wrote the list of 11 things on the back of the program and gave it to various people, David Rush, who showed it to Ray, and I don’t know exactly how that --

JB: David Rush, really, was instrumental in that, because David sat on both boards.

JP: He did, yes.

JB: So he was instrumental in bringing the parties together, thinking that it would be good for both entities.
JP: So is there some truth in this story about writing it down on the back of --

JB: I don’t know if I ever saw that. I basically -- I can tell you one thing, that I asked them once to write down -- I went down with Feldman to their campus, and I asked all of them, I said to Arnold and Mort, I said, listen, I said, guys, I said, I want you to -- I said, you want to get married, do you want to be engaged? That’s what I told them.

JP: Yes.

JB: And I said marriage, we have certain similarities, outlooks, etc., etc. But do you want -- remember, once you’re married, there’s no more Southeastern University. Southeastern, when it merges into Nova is gone as a legal entity and, therefore, you’ve got to think carefully.

So I said, tell me what you want from the merger? Write a little position paper on what you want. And they did write a little position paper.

JP: And this was Mort?

JB: Yes, and Arnold in a meeting down at Southeastern. And they wrote a position, a little bit of a
paper, and I looked at it. Then I went back to them, I said -- I said again, unless you’re totally comfortable, if you want to continue our engagement and do more things together before we merged.

So at the end of the following week, Mort calls me up. I became very friendly with Mort afterwards, and he said to me, he said, you know, Joe, he says, I want to get married, we want to get married. And that was it. So then the deal took several months to do. That was it.

JP: Now my impression was, talking to everybody, that the movers and shakers in this were Ray and Mort and Arnold. They were the dominant forces. Now when I talk to Feldman, he says he was heavily involved.

JB: Ovid Lewis also was involved.

JP: Yes, Ovid was involved.

JB: Ovid was involved.

JP: So who would have done the basic discussion, --

JB: I did a lot of --

JP: -- pensions, and all that? You do that?
JB: I did almost -- I did most of the -- they were very nice to say, let me tell you something, the bottom line is it’s very nice to merge A, B, C, D. But all of the work, all of the due diligence, checking everything that they ever had, ever stinking document; forgive that language, I’m saying every document that they had.

They looked at our documents, what have you, doing all the agreements, all the follow-up, the real estate A, B, C, D, it was me.

JP: So some of the negotiations would have been done with Ovid?

JB: Well, Ovid, they liked Ovid.

JP: Yes.

JB: They liked Ovid, Julian, and they felt that -- trusted Ovid. Not that they didn’t trust everybody else. I think they trusted Steve too and what have you. And Steve was constantly talking to David Rush, and I would talk to Steve Feldman a lot about the agreements. So when we got the points, he’s the guy that I reported to as president, so I would report to him.

I would call him like many times in the evening, and we would talk.
JP: So, in essence, what was really going on, in a way, the way Arnold told me, that Arnold was one of the negotiators, and he’s report back to Mort. And Mort would help make final decisions.

JB: Arnold was the operational person.

JP: Yes.

JB: He was the operational person, Julian. He reported -- yes, true, he reported to Mort, but I mean it looks like -- when you look at the school at that time, and you say, who were the people in charge of that school? It was Mort and Arnold.

JP: Yes, they were really a team.

JB: Yes, and they go back -- they went back --

JP: To medical school.

JB: -- to many years in Philadelphia.

JP: In the NSU side, you would have been reporting to Feldman, and Ovid Lewis would have been involved and --

JB: Ovid Lewis, at that time, was vice president for academic affairs.

JP: Right.
JB: If I recall correctly, so he would be involved in a lot of the academic questions, Julian.

JP: Yes.

JB: Fine.

JP: I understand there was not a lot of dispute about the name. Melnick said that he came to the discussions, that one thing he wanted for sure was that it had to be Southeastern in the name.

JB: Yes, I mean that was fine with us. That was fine with us.

JP: Yes, I didn’t think -- I mean from what I’ve looked at, people said that was okay.

JB: That was fine with us.

JP: And the other thing he wanted that was absolutely certain, he didn’t want to have any of his people fired, and the other thing was he wanted to make sure that his people got on the NSU pension.

JB: Oh, yes, he wanted -- when you have any merger, basically, you merge into an entity, and then you take over; their employees become our employees, even whether you wanted or not. You could fire them. You could say
they’re terminated. But, yes, they had this provision in
the document about continuing --

JP: Sure.

JB: -- and the pension plant. Once the merger took
place, they were employees of Nova.

JP: Right.

JB: And then they were entitled to all Nova’s
benefits.

JP: And I understand they were vastly underpaid
compared to Nova.

JB: That I’m not sure about.

JP: Now, as I understand it as well, SeaCom built the
hospital and the parking lot.

JB: Here?

JP: Yes.

JB: Or down there?

JP: No, the one here.

JB: Well, what happened there -- they didn’t build
anything.
JP: Well, they paid for it?

JB: What happened is they had a plant fund, and money was in that plant fund, and a lot of it was used for construction. How much, I can’t tell you exactly.

JP: I’ve seen about ten different figures.

JB: What figure did you see, Julian?

JP: Well, the last figure I saw --

JB: I’ll tell you the amount. What was the figure you saw?

JP: Well, I can’t. I don’t have it right in front of me. But anyway, I think it -- I can’t remember how much it was, but what I have more than any other figure was $25 million for the hospital, $5 million for the parking garage, and equipment and landscaping --

JB: When you say hospital, we have no hospital.

JP: Well, I’m sorry, the central health center.

JB: They had more than that in their plant fund.

JP: I know they had; they had about $60 million, I think, they had in their fund.

JB: I recall 46.
JP: Forty?

JB: Six.


JB: That’s what I recall. I don’t know why that number comes.

JP: Well, see, that’s the problem. I’ve heard ever number you can imagine. People said $60 million anyway. So if they had $40 million, did they spend all of that?

JB: I’m sure probably a good amount of it.

JP: Yes.

JB: Now it could be that they may have had more and they only spent 46; I’d have to check that.

JP: They would have spent at least 30?

JB: What -- oh, I would think so.

JP: I would think it would cost more than that.

UNIDENTIFIED FEMALE SPEAKER: Good morning, Joel

JB: Hi. Is John there?

UNIDENTIFIED FEMALE SPEAKER: No, actually, he’s down at oceanography this morning.
JB: Do you have his cell number?

UNIDENTIFIED FEMALE SPEAKER: Yes. It is 954-520-xxxx.

JB: Thank you.

UNIDENTIFIED FEMALE SPEAKER: You’re welcome.

JP: I’m not sure that he knows that it’s that figure, cause we talked with him about that. I figure that John would know the building cost of most things. But, anyway, he can probably get that.

JB: Right.

JP: But the end result is --

JB: The financials boxed up, because we went over all their financials, what they had, not audit reports, but their balance sheets, everything that they had financially, but that number just sticks in my head.

JP: Well, that’s probably because, yes.

JB: Hold on a second.

JP: Before I forget about it, Joel, the land was 21 acres, is that right?
JB: We bought that land; we purchased that land right before the merger. And we were going to purchase it anyway. We were looking -- we once owned that land --

JP: Oh, I know it.

JB: -- and we basically sold it for a song when Nova wasn’t doing well, and I think that land was donated to us by Jim Farquhar.

JP: It was, yes.

JB: The founding trustee. And, as time went on, we purchased the land. So what -- I’ll tell you the story. Let me check on this. Change of name. There was one other thing in this agreement, that one thing -- there was another thing they insisted on you’re not to give an allopathic degree. That was --

JP: Which is very interesting after all the discrimination that they’ve gone through. I think the story from Arnold and that Mort was mortified on several occasions, they wouldn’t let him write prescriptions. He couldn’t see patients in some of the hospitals.

JB: Yes. All employees of Southeastern at the time of the merger shall be employees in the surviving corporation. Surviving corporation may not terminate the
employment or reduce their salaries unless, and we put down recommended, approved by the chancellor, cause exist the division of the significant unreimbursed operating losses.

Southeastern became a division of Nova.

JP: Yes, that’s the HPD?

JB: That’s correct.

JP: Yes.

JB: All employees shall be subject to personnel policies, a, b, c, d.

JP: Yes, and then Mort became chancellor.

JB: Mort became chancellor of the division.

JP: So does it say --

JB: There’s all sorts of things in here about sitting on each other’s boards for a period of time.

JP: Yes, that was interesting, because Arnold told me --

JB: Here it is, no M.D. degrees. Just listen this. The surviving corporation shall not award allopathic M.D. degrees through any division, center or other part of the
university without -- they were like kids, I’m telling you -- without -- not kids. They were serious about --

JP: Oh, no; oh, yes.

JB: Without the recommendation of the chancellor and a 75 percent vote of the board of governors. Now their board of governors, Julian, their board of directors became their board of governors, and they serve only in an advisory -- physical facilities, here it is.

JP: But, in a way, we’re back to Abe Fischer’s each (Unintelligible) because HPD was, at that time, reporting to the president, but was essentially operating independently?

JB: You know something -- and the effective date will begin -- the merger shall beginning the planning process to enable them to construct the new facilities on the campus where there’ll be construction costs. Construction costs shall consist of actual building costs, a, b, c, d, legal surveying. The supporting organization -- here’s what happened -- shall pay all the construction costs. This is what happened.
Their plant fund was transferred to their foundation, which is their supporting organization, which we created in the merger.

JP: Right.

JB: That plant fund now was in the supporting organization. That was used to pay the cost of the construction. So they paid -- the supporting organization shall pay all of the construction costs upon request -- we built it. They didn’t have anything to do with the construction. The supporting organization shall immediately make all payments either directly to us or as otherwise instructed by them.

JP: Did you decide collectively on the builder, the architect, all of that or they did it?

JB: They didn’t do anything.

JP: They just paid the money?

JB: They have no -- in other words, what we would do, plans and specifications. The board of governors shall recommend -- their board will recommend to us an architect, okay. And, notice, I use the word recommend. But the board of trustees, we --
JP: They made the final decision?

JB: We shall select the architect after considering the board of governors’ recommendation.

JP: That’s just a courtesy then, really.

JB: In essence. A lot of this language, you know. Plans and specs shall be approved by them and by us. So they do have an approval right over the plans and specifications, okay. Any material modification; if they find there’s a modification of the cost that exceeds $10,000, shall be subject to the approval of the chancellor and the president.

Now with the general contractor, that’s very important.

JP: Yes.

JB: The board of governors shall recommend to us a general contractor.

JP: Same deal.

JB: Same deal.
JP: Yes, but before I forget about, Joel, there’s been some discrepancy about the land. It was 21 acres, is that right, that was purchased? I think John had told me.

JB: What I would have to do, I would have to go back. I would have to go back, Julian, and I’d have to look at the survey, the title policy. I’d have to look at that.

JP: And the amount I have -- again, I don’t know if -- it’s something like $3.18 million; does that sound right for the --

JB: I did the deal to purchase the land.

JP: Yes.

JB: So it’s three something million. I can tell you; hold on a second. Real property. You see, all the attachments, there’s a box -- there’s about 30 attachments to this document. You can’t put it on a document, including their financial statements. This thing is about operating losses, deficient --

JP: Well, that’s okay, because if that’s close, I’ve seen that figure several times. Something 3.195 or something like that.
JP: But let me go look. I’m just going to go look while you’re here. Might as well --

JB: Another issue that’s hard to resolve is the old union building on the east campus, which was used, I guess, initially as the law school.

JB: What happened was this. Basically, the law school lucked out. We were not -- I was teaching at the law school at that time when this occurred. I was a founding faculty member there in ’74. And what happened was that the law school, we had an accreditation visit, and academically, everything was great, etc., etc. But we needed a physical facility to get accreditation, to continue our accreditations, and we didn’t have the money.

JP: And were you housed then? Were you in --

JB: No, we were housed on one half of the first floor of the Parker Building, half of the first floor of the Parker Building.

JP: So then how did Olympia & York get involved --

JB: At that time -- at that time, there were many Canadian developers who were coming into Florida. Olympia & York, (Unintelligible) Cadillac, Fairview, a number of
entities, and I knew a number of people in these groups; a couple of them anyway.

So what happened was, basically, Olympia bought, Olympia York bought this operating engineers building, that’s what it was. Basically, to help out the community, a, b, c, d, they leased it to us, knowing what we needed with an option to buy at fairly favorable terms. So we leased the facility that allows us to move forward with the accreditation, and then we exercised our option later on.

JP: And the money to buy that building came from the Goodwin Trust?

JB: Not sure about that.

JP: What was the process --

JB: I’m assuming --

JP: Did Olympia & York, did they renovate, do anything with that building before they gave it to or leased it to you?

JB: Well, you know, a lot of it -- we paid for some renovations. A lot of it -- the downstairs was really the way it was. They had a couple of very large offices and what have you. We didn’t need all the space at the
beginning, but we grew into it very quickly. Maybe we did need it, but I don’t know who paid for what, when, where, how. John would know that.

JP: At some point that the university purchased that building?

JB: That’s correct, because it was a lease with an option to buy, to my recollection.

JP: And there was, apparently, whose name I’ve forgotten. One of the people who worked for Olympia & York had met you or had met the law school dean or somebody, and knew that they needed a law school building and was willing to sort of help out.

JB: Something happened, that’s correct.

JP: Yes, do you know the individuals involved at all?

JB: No.

JP: So, in the end, once that building is renovated, then it becomes completely used by the law school?

JB: That time, yes.

JP: And at the back part, which used to be the old oral school, --
JB: That’s a different deal. We have that back part, we have -- there’s an oral school there. But I think that’s on, Julian, leased land. We leased the back part from the City of Fort Lauderdale for practically nothing, the year, a very long-term lease.

JP: Yes. That’s what John told me.

JB: That’s what happened.

JP: But, at what point, when Ovid was dean, they were using some of those facilities back there, I think, for a cafeteria or something, is that right?

JB: I think it might have been bookstore.

JP: Bookstore, yes.

JB: May have been bookstore there. And, openly, we made it -- we made some residents -- we may have made some residents halls there.

JP: But by the time --

JB: Maybe not resident halls, but bookstore --

JP: No, I think there were. I think Ovid told me that, in fact, they had a few rooms back there --

JB: Right, right, right.
JP: Yes. I think that’s right. Another question that keeps coming up is the business of the shopping center. When I talked to George the other day, the Park Plaza Shopping Center, I think he told me that --

JB: We own a 50 percent interest.

JP: Fifty percent.

JB: For which we paid a good amount of money, and we are a limited partner.

JP: What is the status, if it’s developed? Does the owner -- is it one owner or a corporation?

JB: The ownership entity is University Associates Ltd., limited partnership. We are not the general partner, so we’re not the manager, but we put in the agreement, and I did the deal; I did all the deals.

JP: I figured that.

JB: We did, basically, what we put in the agreements that even though we’re not a general partner, there were a number of these types of decisions that could not be made without our consent. We called it major decisions, if I recall.
JP: But that would be true of the other owner as well, right?

JB: Well, the other owner is a manager. See, as a manager, as a general partner, you have certain rights as a general partner, which -- limited partners usually only put in their money. They get back whatever they need to get back. --

It could be the seven acres with the Dolphin lease.

JP: How much?

JB: It could be the seven acres; John is right.

JP: But I’m sure you’re like me, you don’t want to have anything this book that’s wrong.

JB: That’s right.

JP: The first person is going to say, well, that’s -- it’s not 21 acres, it’s 28 acres.

JB: Right, right, right, exactly.

JP: And the people who know are going to be upset.

Anyway, the long-term plan for that is to develop this Park Plaza shopping center into Park shopping center, bookstore, hotel --
JB: The bookstore would be -- really, it’s said three things. It’s like here nor there in a way, because what we want to do, we would have -- the aim would be, we would have retail. We would have professional; originally, we wanted a hospital, and we were turned down.

JP: Yes, George told me that.

JB: But we may go back, and we’re going to put up a medical office building next to the hospital. That would serve as a teaching hospital first, etc. Residential is an important component. There would be several hundred units built.

JP: And this would be residential housing?

JB: It could be students, it could be open to the public, it could be faculty. It could be a variety of things. I don’t know the specifics of who is going to go there. But that was an integral part of the plan.

JP: And so there would also be space for research and some offices?

JB: Well, in line, we would have in the lease we would take a certain amount of the space like we have there now. Now the research, Julian, the research -- a lot of
the research facilities would be in that CCR building that we’re building.

JP: Yes, I went over and looked at that, so I have an idea of where that is.

JB: So we’re in the process of working on that, so a lot of the research will coalesce there.

JP: So the other general manager, can they approve, stop all this? I mean do they have to agree?

JB: Well, the way it really works, in essence, we’re -- parking is a lot greater. You have to build more.

JP: Right, that’s what George said. That you were going to turn into millions of square feet.

JB: Yeah, I’m telling you the truth.

JP: As opposed to what you could have with what you can have right now.

JB: That’s correct, that’s correct.

JP: Another question that came up. Went out to Port Everglades and, by the way, that’s a gorgeous new building out there, that Coral Reef Center. There is a building that --
JB: We got a good amount of stimulus money.

JP: Yes, I heard that, $15 million.

JB: Yes, the papers are right up there.

JP: Did NSU promise $23 million, is that -- was your match? Because George told me it was the match plus some.

JB: I don’t know the exact number, Julian. I’m not entirely --

JP: But where would that money come from? Did you already have that money or bonds, borrow?

JB: No, I think we have it; we’re not getting it -- I don’t think -- we may get it -- well, you know something, I don’t want to speak to that. Ask John. John would be the guy to tell you where we’re getting the balance to build the facility. He would be the man.

JP: There was a building --

JB: I don’t want to tell you something I don’t know, Julian.

JP: Yes. No, no, no, that’s great. What used to be known as the Shore Building, with NIT, Shore built it, Alex Shore.
JB: Alex Shore; I know Alex.

JP: And build this research building that he and his wife had. Apparently, it is now owned by NSU; how did NSU get control of that building, do you know? I know they left eventually. They stayed after the merger ended.

JB: It was an agreement with them. As a matter of fact, one of the binders there, and I didn’t do that deal, because that was before I came. I had left the university, Julian, in 1985, and I came back here -- I gave up a law professorship, a tenured law professorship, and I left. I was bored, so I had my own firm, I did other things; I represented banks, developers.

But I liked Nova and I continued to work, and I came back in ’90. So I knew Alex from the beginning days. And exactly what transpired -- remember, the building was built, I’m sure -- in other words, I don’t know whether NYIT retained title to the building. First of all, we owned the land.

JP: Yes, I knew that.

JB: So, therefore, the only way they can own the building is if we crowned leased the land to them, maybe; I
don’t think that happened. I don’t know if they ever hand title to the land.

JP: Well, I think -- I looked at one document that said they would lease it to them for $1 a year.

JB: Lease it to who?

JP: To NYIT. And, apparently, they left after that period of time. At some point, Shore and that operation, some research, doing something with radiology; I’m not sure what they were doing out there.

JB: That I don’t know.


JB: That I can’t help you with.

JP: But now NSU owns that building?

JB: Yes, I can tell you for a fact. We own everything at Oceanography.

JP: There’s also some modular units up there.

JB: Yes, yes, yes.

JP: That’s all part of that?

JB: All part of us. We own it.
JP: Now do you know if the money that was owed NYIT was eventually paid back? I know when I talked to Abe, when they made the break in ’85, that they owed quite a bit of money to NYIT.

JB: The settlement -- there’s an agree -- I have a binder in there with NYIT.

JP: I’ve seen that document. But it’s just not -- what it says in there, that they will pay back the loans owed to NYIT. And I just assumed they must have done so.

JB: There has to be releases somewhere.

JP: Yes.

JB: Right, there has to be releases.

JP: There has to be that they’ve signed --

JB: Probably in that folder --

JP: Well, that’s not --

JB: That’s a binder, yes.

JP: But that’s not -- that can’t possibly be a problem now? I mean surely they would have released Nova from all of that?

JB: Right, right.
JP: I can’t imagine that there would be a problem.

JB: When Alex came down, Abe used to bring him to my office. We would talk over the years. If you have any questions about the Museum of Art or the golf course?

JP: Museum of Art, good.

JB: I did all the deals, Julian.

JP: Now that --

JB: I have three boxes next door --

JP: My understanding from talking to John and a couple other people that -- Frank, I think, told me this as well, that Nova took over their liabilities?

JB: A merger. Listen, I crafted it the same way that I did the medical school, Southeastern; a merger. And what happened was, just like their board became their board of governors and advisory board. But, by definition, when you merge -- that’s why once I said to you before with Terry, and I said, you want to get married or do you want stay engaged. Because if you merge, once you merge, by law you don’t need the piece of paper.

The entity that merges into us, whether it’s Southeastern or Museum of Art, they’re automatically
dissolved by law; by law. We take over, all their assets belong to us, and we take over all of their liabilities. That’s the very definition of a merger.

JP: Sure.

JB: That’s why you have to be so careful in the due diligence you do, because you have to know what the liabilities are.

JP: But within that context, they maintained their name and their board?

JB: No, they have no --

JP: They have no board?

JB: No, their board became a board of governors, just like Southeastern’s board.

JP: So it’s an advisory board?

JB: It’s advisory. There’s no substance, no substantive decisions, Julian, made by them.

JP: And I’ve also heard different --

JB: And, by the way, what happens with a merger, for example, after you’ve finished -- when you’ve finished the deal and you do a summary document, you record it with
Secretary of State, we also recorded it in Broward County. Because the building that they owned automatically -- automatic, there’s no deed required, Julian, automatically, by nature of the merger, becomes ours.

JP: I understood that --

JB: You see what I’m saying?

JP: Yes, I do. That’s good to know. One reason that I understood that they were interested in the deal, that they were having some financial difficulties?

JB: I think so, yes. That’s what we first did before we did that. We entered into an agreement with them before the merger pre this whole thing, that we would basically perform certain functions for them, whether it’s some accounting functions and what have you. Yes, if they were strong, Julian, why would they --

JP: (Unintelligible).

JB: Exactly.

JP: I mean there are different levels of difficulty.

JB: Right, right, right.

JP: But, obviously, --
JB: But I think -- I don’t think that was the sole factor.

JP: No.

JB: But it was a factor from their perspective.

JP: But Ray told me they tried to go in with FAU and the University of Florida; they were trying to get some university --

JB: I assume so.

JP: In fact, Ray said he had talked to them once, and they went to FAU. He said, I feel like I’ve been jilted. He said, when you guys come to see me next time, I’m not going to take any of this maybe, maybe not. Do you think that was a good deal for Nova?

JB: Do I think it was a good deal for Nova? Well, it created certain synergies for us. First of all, it allowed us -- it gave us a presence downtown and the eastside. And it allowed us -- there’s a studio art school there that we’ve increased, we’ve expanded that. We’ve leased space, more space; we’ve leased space separately for studio art school.
We have a couple hundred, I forget how many now, new enrollees; it’s a very big program year round. We get anywhere from people, kids who are very young to adults, all through the system, through the categories, whatever their ages are, Julian. Now you said is that a good deal for Nova, so it gave us that presence. It gave us some space that we needed downtown to do things with.

It enhanced our programs here, because what it did, in essence, we have a fine arts program, we have some art related programs. It gave us some help with our undergraduate school, and there’s synergies that worked. We make a lot of presentations, so there was a number of reasons for it. And, from their perspective, to be linked to a university --

JP: Sure helps.

JB: It helps, gives you credibility, it gives you more financial stability.

JP: Absolutely. And it’s good for people who are donors, because if they see that the university is there, they’re going to be stable for a while.

JB: Exactly.
JP: And when they were not doing too well -- I mean, as all cases. Even when Nova was in difficulty, everybody said, I’m not going to give any money to Nova; it’s not going to survive.

JB: Do you know how much difficulty Nova was in, Julian?

JP: Oh, I do.

JB: I truly believe Abe and Alex, Alex pretty well, their mindsets worked alike. They were like entrepreneurial and education. They, basically, -- I think there was a synergy between them, and I think it’s that bond that led to what we did.

JP: That’s exactly what I concluded.

JB: That was my -- and I could sit for hours with you and tell you stories. I’ll get the information you need. Julian, you have to leave me; write down where I can call you. Put down your name and number. To firmly believe, although because we can’t now, we can’t now close the golf course and build university buildings on that golf course.

Because it’s part of what we call a development of regional impact. And it’s part of the development of regional impact, you can’t do something like that. You can
do it, but you have other people in that development, condos. But he believed this was the last piece of land that was left that size, and in 50 years -- say in 50 years things will be different.

But, in the short run, I don’t know if you know this, we’re allowed by the codes right now, and we can do a lot more of those units. We can put up 140 residential units on that property in the perimeter of the golf course. Did you know that?

JP: No.

JB: 130 on the perimeter, ten on a portion of the course.

JP: And are these houses?

JB: It could be houses, it could be, probably, multistory development, like town houses, things like that. I forget the type, but we can put up 140 units. But between you and me, because it’s too legally complex, we could put up more than that. So that’s an economic incentive. Other people don’t know that.

Secondly, remember, with this Academical Village, the dream of Nova, what we always wanted was to have a conference center. If we did that in the Academical...
Village, then we had a shuttle bus away for two minutes, to go to a beautiful, state of the art golf course and club. Could you imagine, but you can draw --

JP: You can get a lot of good conferences. You’d get some high end conferences.

JB: February -- December, January, February, March, April.

JP: Oh, absolutely.

JB: So there were a lot of reasons, Julian.

JP: That’s a good idea. And one final question, Rolling Hills. When did you buy that?

JB: We bought that in 2007, I think. I’ll check right now. I got the --

JP: So that was bought after you bought the --

JB: Golf course.

JP: -- golf course.

JB: Two separate deals.

JP: Yes.

JB: Rolling Hills, when we saw it, was an abandoned
JP: Hotel?

JB: -- hotel, abandoned.

JP: Was that the one owned by the Japanese?

JB: That was the one owned -- I think so, yes.

JP: So you immediately turned that into graduate housing, right?

JB: Yes. The date of the agreement and purchase, I said to you ’07, right? It was February ’07. The closing, Julian, --

JP: Well, it look likes like a complicated document.

JB: This is only one of three.

JP: I know. That’s why I didn’t go to law school.

JB: It was $12 million.

JP: $12 million.

JB: I’m looking at the title insurance.

JP: That looks like a pretty good buy.

JB: $12 million, Julian.

JP: You’ll get that money back.
JB: The closing was 2/21/07. I found August of ’07.

Now that’s that one.

JP: Then what you said earlier --

JB: And there are a couple of entities, Julian, one of them was -- let me look at the signature pages of these documents. He was a guy -- look. He was Alfonzo Moya. There were several companies --

JP: Yes, that’s

JB: You don’t need to know that.

JP: Yes, that’s good.

JB: I think that would anchor -- there may have been the Japanese, if I remember.

JP: Yes, That’s too complicated. One final question before I leave. One thing you said --

[End]