



Title: 11 | The Importance of Asset Protection & Other Lessons with Dermatologist-Attorney-Professor David Goldberg, MD, JD

David Mandell:

Hello, I'm David Mandell, the host and welcome to the podcast. I appreciate everybody listening and I'm excited about today's episode. We've got somebody I have known for 10 years and was impressed with him when I first met him and only get more impressed as he continues to do great things in his career. And that's Dr. David Goldberg. And before I bring him on, I'm going to read you his bio and we will, of course, in the show notes have a link to the full bio. I've highlighted a couple of things because he certainly has done a lot, so I want to pull out what I think is the most important.

Dr. Goldberg earned his medical degree from Yale University School of Medicine. He completed his dermatology residency and dermatological surgical fellowship at NYU Medical Center. He is past chair of the ethics committee of both the American Academy of Dermatology and the American Society for Lasers in Medicine and Surgery.

He has also been a board member or a member of the board of directors of the American Society for Dermatologic Surgery, the American Academy of Dermatology and the American Society for Lasers in Medicine and Surgery. Dr. Goldberg is also a clinical professor of dermatology and former director of laser research and nose surgery at Mount Sinai School of Medicine. He's a clinical professor of dermatology and chief dermatologic surgery at UMDNJ, New Jersey medical school, and he's published over 170 peer review manuscripts and is author editor of 15 books, including one book we wrote together about five years ago. Dr. Goldberg is also an attorney having graduated from Fordham University School of Law, where he currently serves as an adjunct professor of law and has taught a course entitled, advances in healthcare law. And I've been fortunate enough to guest teach a couple of classes over the years for his course there, which I really enjoyed.

And then finally, as I said, he just keeps moving. In 2020, David merged his free office practice with the Schweiger Dermatology Group. And we're going to talk about that. SDG is the largest dermatology group in the New York, New Jersey Pennsylvania region and the fourth largest dermatology group in the US. And for that, Dr. Goldberg currently serves as the director of cosmetic dermatology and clinical research for over 75 SDG offices. So with all that, David welcome to the program.

David Goldberg:

Thank you, David.

David Mandell:

We have a lot to get to, and I like to keep this around 30 minutes because all of our docs, like you, don't have that much time. So thank you of course, for giving your time to this tonight. So let's start at the beginning as I like to say. Where'd you grow up? What made you become a physician and how did you end up in dermatology of the different specialties?



David Goldberg:

Well, I grew up in Phoenix, Arizona, even though I live now in New York city and I grew up frankly, dirt poor. Arizona has temperatures of 110, 115 degrees. We couldn't afford air conditioning, but as a kid growing up there, I watched the TV shows like all other kids. And I saw these doctors who were able to make a living. So I decided I wanted to become a physician. That was going to be the answer to all this. And I drove myself to become a doc. And eventually I went off to Yale medical school and actually wanted to go open heart surgery.

But the final year of my four year medical school training, my oldest daughter was born. I had no life at all, had a brother-in-law training in dermatology, had the time of his life. For me, it was an ego issue going from open-heart surgery to popping zits, but the fact is I did it and dermatology has evolved tremendously and I have no regrets.

David Mandell:

That's so interesting. I've known you for a while. I didn't know that you grew up all the way out west in the desert, so that's something new for me. I think that fire of being motivated... you obviously trained so many physicians and everybody's got their own story of why they're motivated. Some come from families of physicians. It's kind of like, it's something they've always seen in others. Like you, I think come from something you didn't come from that, but wanted to achieve that and it motivated you, so that's great. Now, because of this podcast is in general about finance, I mean, it's wealth planning, but that can be business and we'll talk about your businesses, et cetera. What was your exposure at that time? Were you someone who went into medicine saying, "Hey, I'm just doing biology and medicine and I'll be a physician and the money will come," or are you interested in finance and business at that time? Tell me about your thinking as you went through training.

David Goldberg:

I think as I went through my training at NYU, both in dermatology and then ultimately skin cancer work and cosmetic work, I was never driven by the money. I've always been of the philosophy and I've taught my kids, do what you love in life. And if you do what you love in life, you'll ultimately going to become successful. But of course, one of the reasons I was attracted to you, David, is because you really did get the finance part of this thing, which is something we're so poorly trained in early in our training and I only had to learn by default.

David Mandell:

I appreciate that. And it's true. I mean, medicine is tough enough. Most people don't have the time or oftentimes the interest, like look at my family, my brother's a physician and he probably figured out what a stock was after he already had his first practice. I mean, he didn't have any money to put it into it anyway really, but-

David Goldberg:

Or lost his first set of money.



David Mandell:

Right. Exactly. The school of hard knocks. So it sounds like for you, it was really about medicine and started the family and then, okay, now you're obviously well-trained, Yale, New York, and the whole thing. How did you figure out where you wanted to go in terms of your first job? Was it like a academic calling? Did you want to be in private practice? How'd you make that decision? Now finances kind of get thrust upon you. Even if you're not interested, you have to make financial decisions. So tell me about that.

David Goldberg:

It's inevitable. And so in my case, I mean, I love academics and frankly, I run a couple of fellowship training programs. One is a ACGME program in mohs surgery, skin cancer work. I run a certified cosmetic dermatology fellowship program. Probably if I had my druthers going all the way back to the late eighties, I would have stayed purely in academics. The reality was I had two children and was married by the time I finished my training. And so I had to get a job where I knew I could make a living that was going to be pretty much guaranteed. So I joined a large dermatology practice and I became ultimately a partner in their practice. And so finances without knowing anything about it, hit me very quickly because you have to pay the bills.

David Mandell:

Absolutely. Now was that large practice? Was that in New York? Was it in the New Jersey? Was it in kind of the metro area?

David Goldberg:

So I left my training in New York and frankly, I felt like I was stuck because I had to go to New Jersey. I was totally in New Jersey and didn't come back to adding in New York practice until I was in practice over a decade later.

David Mandell:

Still being, as someone who lived in New York for a good chunk of my career, when I think of New York, I think of Connecticut, New Jersey metro area, especially when it comes to expenses. I mean, you said, "Hey, I have two kids," you've got the family. When you're in the metro area, you realize quite quickly, if you want a nice home in a nice neighborhood or where they have good schools, it's extremely expensive and in taxes too. So different than some of our listeners who may be in smaller towns and they choose that. Proactive they say, "I'm going to work in a place that I may not be attracted to for any cultural reason. In fact, it may be kind of difficult for us that way, but financially we can make things work easier," but being in a selective area, a high metro area, the financial pressures are there. And so it's not surprising.

David Goldberg:



Well, I think we see it in our children who live in large metropolitan areas, whether it's LA, San Francisco, New York, Boston, and go to other areas because less expensive, so yes.

David Mandell:

Yeah. You see that. So you start the practice at a large group and become a partner there. And then I know that the end of the story, well, there's a bunch of different parts of the story, but tell me when did you decide to do your own practice, what were kind of the key drivers behind that? And if a financial element was part of it, obviously you get to be your own boss and kind of make decisions financially, but tell us and the listeners how you made that decision or what was important to you at that point.

David Goldberg:

Well, as I said, you come out of your training and most physicians know nothing about finances, so I made a decision joined the practice because I had to make a living. I joined them in 1985 and I went along and I became a partner within four years. Ultimately, I did a lot of the surgical work there. I did the cosmetic work. And by the time I was there a decade, I was bringing in double what the other three partners brought in combined and having done that, 10 years into this, two of those three other partners decided to retire and wanted me to buy them out based on the entire productivity of the practice, which is mostly mine.

David Mandell:

Right. Buy out your own productivity.

David Goldberg:

And so you learn finances the hard way, but I learned pretty quickly that made no sense. And so I was in practice with this group for almost 15 years and then I left and went on my own.

David Mandell:

Went on your own. At that point in New Jersey now, where does the law degree going back and going to law school? Where does that come in? In terms of timing, was that while you were still in the larger group or when you went on your own and what was the motivation?

David Goldberg:

So a lot of it has to do with my background. I'm not at all observant now, but I'm from an Orthodox Jewish background. My father was a rabbi. I was always fascinated with Jewish law. I always loved law. So even when I was in college, even though I ended up being driven to medical school for the reasons I said, I always had a love and desire for law. And so once I was established in practice and making a good living and had children, married already, I always loved law. And so before I left that practice, I applied to go to law school and ended up at Fordham Law School in New York.



David Mandell:

And were you doing that like in the evening? How did you manage that and still practice and be a professor? I mean, literally just from a time point of view.

David Goldberg:

Because I was clearly out of my mind. Because my life wasn't very clear to me. And so I had two children. I was married. I was working. And if you go to law school at night... you go to law school and you're doing all that, you have to go at night. And so I went four nights a week, which is what all the night law schools in the country are and I was dizzy and exhausted and I got through it.

David Mandell:

Wow. That's amazing,

David Goldberg:

And the joke about all that is, is when my wife brought my kids to my graduation from law school, she looked at me and she said, "You're done." She said, "You want to go to golf class, cooking class, that's fine." But don't even think about going for an MBA."

David Mandell:

There you go. I don't blame her on that one either. At least when I did my two degrees, I did them back to back. So it would be hard to get motivated. I think once you're out there and you're working, you obviously had a real passion for it. There are a couple of MDs/JDs that have come across the path and they really have to have a passion for it because-

David Goldberg:

They're all passionate. Yes, they are.

David Mandell:

Yeah. Maybe a little crazy too. I know as I mentioned, your bio, I've come and guest taught your class and you're a professor at the law school at Fordham, as well as being an instructor in the medical space and teaching residents and fellows and accredited and all that.

But what lesson as a lawyer, and I know you speak to a lot of physicians on various aspects of where the law and medicine kind of intersect. So tell us a little bit about what you typically speak to docs on and for the docs here who aren't dermatologist, who haven't seen you at one of the meetings where you're everywhere, what are kind of the high takeaways if you are talking to an orthopedic surgeon and say, "These are the kinds of things you should be thinking about," or, "This is where docs make mistakes or they just don't realize even how the law works in this particular area or another."

David Goldberg:



Well, you're right. I think this is a sphere that doesn't just apply to dermatology. It applies to every aspect of medicine. One is to not go out on a limb, do what everybody else does because often the most common cause of malpractice at least is because people do crazy things. That's the breach of duty and just don't do it. I mean, just do what your peers do. And then sure, you can still be sued. That's the American way, but you're not likely to lose a lawsuit. And the second part I tell them all the time is that you have to not take this personal. And that's how attorneys make a living. They make a living suing people and you can't take it personally because at the end of the day, if you practice like a reasonable physician and you get sued, and even if you lose a lawsuit, your life's going to go on. That's why you have malpractice insurance. That's why you have life insurance, health insurance.

David Mandell:

Yeah, that's right. The second one, I think you and I as being lawyers, we know that, but we do see physicians and I see it all the time, practicing in the area of asset protection where people will call me, they've read the book, et cetera, and they're extremely upset and I can understand it. Now of course, there's a lot of planning you can't really do after you are having an issue, but I say, even if we put this in place for the future, it's a smart thing to do. But on the other hand, it is as somebody who is trained as a lawyer, you don't get as emotional about it, but I can see that'd be a common... I wouldn't say family, but a common behavior that we'd like to get physicians not to follow it.

David Goldberg:

I think you hit the nail on the head. I think physicians go into practice for some reason never assuming they're going to be sued and that's just not the American way. Then, they take it personally and then they have no idea how to protect their assets. And there are ways to protect their assets, which I have learned over time.

David Mandell:

And so ideally, the other thing about it, it's like you drive, you have auto insurance right? I mean, obviously you want to drive carefully. You want to not be some of these crazy people like down here in Miami at 95, but if you get into an accident, you don't take it personally, especially if it's just something that is kind of like a typical fender bender where nobody really did anything wrong, but things happen. And as you know and I think people who listen to me on this podcast know, the reason I even got into this field was because my father was a physician and he was concerned being a radiologist. I'm going to miss a case at some point. I mean, you read enough of them-

David Goldberg:

He's human. I mean, negligence as you well know is not because I want to do something. It's because I made a mistake. Humans make mistakes.

David Mandell:



Right. Exactly. So now let's just shift a little bit more onto the business area. As somebody who is a lawyer and a law professor, has it impacted you... obviously like some physicians, you know what an LLC is and what a corporation is. You don't have to be a tax lawyer. I mean, we all have our specialties, but you have that knowledge. After you created your own practice and you see some of your colleagues doing things entrepreneurially, whether it's a product line or a new practice, et cetera, have you seen them come to you and ask questions? Are there often pieces of advice that you find you're giving more often outside of say medical malpractice, but just in sort of general business?

David Goldberg:

I think part of it is, and again, I keep rehashing the same point, physicians come out of the training with zero economics background and zero legal background. And you have to protect yourself. And the way you protect yourself is one, you put some sort of corporate structure around you. Most commonly in my neck of the woods, it's an LLC, but there are other ways of doing it because you want those lawsuits going to something else besides you. And then you have to protect the family assets. And so people, they start making money over time. Docs eventually make good money if they like what they do. And they just throw the stuff into a stock bond and they don't think about protecting it, whether it's an LLC or something like that. And that's how money gets lost.

And you and I have talked about it. I had, about a decade ago, a lawsuit against me. I was a primary investigator for an FDA trial. That's about as good as it can get. You've got the FDA covering you. You got all kinds of governing bodies protecting you. And this was a cosmetic trial for a filler that really went awry. And it was a national study. There were maybe 20 investigators. I was the primary investigator. And there was a case came out of California and it was a class action suit against the company and me.

\$15 million lawsuits times 50 plaintiffs against me. And it turned out my med mal didn't cover it, my house insurance, nothing covered it. And it taught me very quickly to make sure that all my family assets are put into an LLC. Now, the problem is that only goes forward. It doesn't go backwards. Thankfully, ultimately, that case was thrown out of court, nothing happened, but you learn from these things.

David Mandell:

Sure. And I want to reiterate on that point because so many physicians on the asset protection, they think of malpractice of course because they're seeing patients every day. But what you were doing was more entrepreneurial. It was clinical. It was academic.

David Goldberg:

It was the best part of medicine, is doing studies.

David Mandell:

Science right? I mean, people don't think, "I'm going to have a liability for science," but you saw that that can happen. And I think a lot of... I mean, I can tell stories. You heard them, but I met a physician



sued from everything, from a New York doc who had a police officer chase a suspect through their backyard of a rental property and get hurt and sue the rental property and because it wasn't an LLC, they sue the physician. And so again, I don't like to press the panic button and say-

David Goldberg:

Well, I think it's not pressing the panic button because you can't stop that craziness. What you can do is protect what you have. That's what you can do.

David Mandell:

Yes. And we learned that as lawyers and we think about the downside. We aim for the upside and we try to protect against the downside. So now let's talk a little bit about your most recent change and kind of, it sounds like exciting venture, which is going from your individual multi-office practice into a larger practice where you are not only coming in as a dermatologist, but an executive role. So there's a fair amount of mergers and acquisitions in derm. It's in ophthalmology. It was in pain management, in a bunch of different specialties where we have probably listeners. And so how did it come up? Was it something that they approached you or you were interested in that kind of transaction and what were kind of the key... without getting into the specifics or numbers in it, but what were the key decision points for you? And then we can talk about a little about what your role is now as a part of this larger group.

David Goldberg:

Yeah. This is called the silver lining of the pandemic. You can't travel anymore. You can't go anywhere. You get to think a little bit. And the one thing I was very clear about in my own mind was even though I'm in practice over 30 years, I have zero interest in retiring and I have a lot of energy. I love what I do. That was the last thing I wanted to do. And a lot of the private equity acquisitions, it doesn't matter if it's derm or any other field is one of two directions. One, an older physician who wants to retire, that needs an exit strategy. That's perfectly fine. Or some of the younger docs who just are overwhelmed by all the regulatory, economic interests of every practice. And those are the two most common private equity sort of scenarios in dermatology and any other aspect. It didn't apply to me because I love what I do.

I mean, I'm making a good living. I love what I do, have no interest in retiring. And so Schweiger Dermatology as you said, is the fourth largest dermatology group in the country, largest in New York, New Jersey, PA area. And the principal of that is Eric Schweiger who I have known for 14 years. He was a derm resident who rotated through my office. And I thought what he was doing was really cool. And I liked what he did because he still practices. He had his sort of pulse on what's going on, even though it's private equity based. And he and I have been talking for years, but because nobody can go anywhere, we started talking the spring of 2020 as this craziness unfolded. And I said to him, I said, "The only way I'd ever, ever join in such a scenario is if you could expand my horizons, not lessen them." And so, it's over 75, close to 80 group dermatology practice from the Canadian border in New York, down to New York, New Jersey, Pennsylvania. And I love cosmetic dermatology. And I love clinical research, even though I had that \$15 million lawsuit.



David Mandell:

Even despite that-

David Goldberg:

Despite that, because life goes on and you survive. And so he said to me, "Well, what if we take over the running of your practice? And then you can become the head of clinical research in cosmetic dermatology, but this mega practice and expand my fellowship programs," and I jumped. And so we started talking, I guess before the pandemic, but really got serious about during the pandemic, closed the deal in July. And I have to tell you, David, it's like a dream come true. I love it.

David Mandell:

You get to focus on the things you want to and outsource the stuff you do.

David Goldberg:

Still make good money. Still protecting my assets, but expanding my horizons.

David Mandell:

Yeah. Well, I'm glad you shared that because certainly, like you said, a number of different specialties and people do it for different reasons. We certainly have clients who are running retire. We have others who want to take some dollars off the table and don't mind being an employee and getting rid of all the boss headaches and just say, "Now I get to practice medicine. I'll get paid less, but I got this upfront windfall and if we hit these benchmarks, I'll have another one," but I think it's good for people to hear that in the right circumstance, and you have a little bit different circumstance than most given all your different kind of interests and skillset, but there are other docs out there who maybe shouldn't write off the opportunity because maybe there are ways that they can expand what they're doing if they have interests and if the fit is right, and that's really the key.

David Goldberg:

Well, yeah. The fit has to be right, but I always and some of the younger doctors say, "Well, I don't want to be an employee," because we've grown so independent. And my response to that is I get it. Okay. I understand that part. However, with managed care being the way it is, you are an employee whether you think it or not, so you have to ask yourself, "If becoming an employee is inevitable because that is the way it is now, how do you make the best of it?" And my situation is really ideal.

David Mandell:

I think that's the idea of a lot of these groups that are expanding is, "Let's at least have it be physician owned and we report to each other. We may be employees of our group and have some of that leverage and scale where we can have a little bit of an input rather than..." I mean, there are still some dinosaurs like my brother, who's a solo cardiologist-



David Goldberg:

But that's okay too.

David Mandell:

I mean, it works for him. He's got the groups that he shares call with and he can do it and it works.

David Goldberg:

I mean, this scenario was perfect for me at this point in my career. Allows me to expand my horizons and allows me not to do some of the stuff I don't want to do. I don't want to hire front desk people anymore.

David Mandell:

Exactly. You've been the boss. You can let somebody else do that part. So we'll come to the last question I ask all the guests on here and you can sort of think of this either one of two ways. One is, if you could have a time machine and go back to the younger David coming out or more practically for your fellows that you teach, what's the kind of one piece of advice that you would give either yourself or the young doc to say, "Now that I've done X and had been around for this long, if I could distill it to one thing," and there's probably 10 when you start thinking about it, but what's one that kind of comes off the top as a key piece of advice?

David Goldberg:

Whether you're in medicine or any aspect of life, do what you love. Do what you love because you really love what you do. You're ultimately going to make money from it. And that should be what drives everybody. Now, the hitch is you need to protect that money you make, but if you love what you do... And my kids, I have four kids, they all do different things. They love what they do and it's not necessarily medicine. If you love what you do, whether you're a radiologist, a orthopedic surgeon, dermatologist, psychiatrist, if you really love what you do, your patients see it and you will make money. The issue is you need to learn how to protect it and that's what's holding up.

David Mandell:

Well, I appreciate that. Yeah. And that's what I've tried to do. I love what I do and a lot of that's helping physicians. That's from my family background, what have you, but I like doing the content. I like speaking like you do, that's why you and I get along.

David Goldberg:

We're good at it.

David Mandell:



Yeah. I mean, listen, we do what we like to do and then we're successful at it because if you're going to put the effort in, life's only going around once. And if you're going to have to put that effort in, you might as well be doing something you like, so great advice.

Well, David, I really appreciate it. I'm sure as we continue on with this podcast over the next year or two, I want you to come on and talk about another topic because there's a lot of stuff we didn't touch. I really appreciate you coming on. And I look forward to keeping in touch with him. When this is all over, maybe I'll come back up and teach in person again if you'll have me. And hopefully that's later this year, at least coming up soon.

David Goldberg:

So looking forward to it. Stay healthy and happy and safe.

David Mandell:

Same with you. Thank you David.