

**LIFE LESSONS
WE CAN LEARN FROM**



**THE WOLF
OF WALL STREET**

BY JAMIE McINTYRE

LIFE LESSONS WE CAN LEARN FROM THE WOLF OF WALLSTREET

By Jamie McIntyre



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Introduction

According to Jordan Belfort, "We are not the mistakes of our past. We're the resources and capabilities that we glean from our past."

Jordan Belfort, "I exited the womb an entrepreneur", according to his own marketing blurb "is a man who made the impossible possible and transformed from a fearless wolf who finished up in prison, into a brave lamb who these days teaches the world how to be successful."

Other accounts depict him as an American ex-convict who is among the most infamous crooked businesspersons in recent history, who managed to write a book about his exploits. He then managed to sell the film rights for millions of dollars, and coached the film star depicting him in the movie.

For those who haven't seen the movie, *The Wolf Of Wall Street*, that depicts Belfort's questionable business practices and a lifestyle of excesses, you are missing a very powerful and entertaining movie.

When Jordan Belfort opens up on how to make money, you start listening even if your brain tells you that he is an ex-convict. Starting a business from scratch and eventually having around 1,000 highly trained and motivated people working for you is a major achievement by any standard.

That business, Stratton Oakmont, would later infamously be described by some as "a cult of brokers who either lie for a living or get fired."

One of the things that made his business so successful was his ability to train and motivate his staff. Belfort was also a great believer in the necessity for his sales staff to work from a carefully prepared and rehearsed script. These scripts had a response for every rebuttal a potential client offered. Regulators typically call it a "rebuttal book".

For many people and businesses their strengths are often their weakness and this can be applied to Jordan Belfort and his company Stratton Oakmont.

Belfort readily admits a huge part of his success could be attributed to 'being scripted'. His highly motivated sales staff were provided with a well tried and tested script (or sales spiel) and expected to use it to sell often worthless shares in struggling companies. The script came complete with all the questionable ways of handling and overcoming objections.

It was these questionable practices that eventually led to his downfall and imprisonment.

In this book I have traced the career of Jordan Belfort and Stratton Oakmont and looked at Belfort's modus operandi and the accompanying lifestyle.

There is also a chapter detailing Jordan Belfort's success tips and a final chapter with a raft of Life Lessons we can all learn from Belfort.

I believe people are either an example of how to live or a warning of how not to live. The Wolf of Wall Street is actually a story of both!

I decided to write this book, as after knowing Jordan Belfort for around 4 years, I saw that people can transform. Especially when they acknowledge their mistakes and failures and are prepared to do something about it and focus on fixing the errors of their ways.

My goal in writing this book, apart from being entertained by Jordan Belfort's incredible story, was to provide lessons that can be invaluable in not just business, but in life.

Learning from someone who had destroyed his life from greed and excess, and to then have the ability to recover and take his skills to help others in an ethical way can be invaluable.

For readers who may not be familiar with me or my 21st Century Education companies, or the many other books I have written, I am the founder of a dozen companies turning over \$40 million annually in diverse fields such as education, finance and publishing.

I have written more than twenty books, targeted at people wishing to have a financial education and become financially independent, across a broad range of topics including property, finance, share trading, how to have a millionaire lifestyle and ways Australia could be improved.

A recent series of books covers business and life lessons that can be learnt from people such as Virgin entrepreneur Richard Branson, Apple founder Steve Jobs, legendary investor Warren Buffett, Facebook founder Mark Zuckerberg, real estate mogul and TV host ("you're fired") Donald Trump, weight lifter, actor and politician Arnold Schwarzenegger, self-improvement guru Tony Robbins, former South African President Nelson Mandela, and former coal baron Nathan Tinkler with more to follow.

I have hosted people such as Sir Richard Branson, Eddie McGuire, Randi Zuckerberg, Mark Bouris, Arnold Schwarzenegger and other leading entrepreneurs and investors at my annual 21st Century Financial Education Summits which attract upwards of 6500 people.

Jamie McIntyre, February 2014

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1.

The Wolf Of Wall Street

The Ultimate Hedonist

“... things got pretty ugly sometimes. The problem was that the Strattonites weren't the least bit interested; they just wanted to sell the stock and make money.

There are not many fraudsters or convicted criminals who have books written about them. There are even fewer who have blockbuster movies, *The Wolf of Wall Street*, made about their exploits. Even fewer get to spend time with the people making the movie and acting as an advisor.

This book is about Jordan Belfort, the Wolf of Wall Street, one such fraudster and convicted criminal. I will look at what made Belfort so successful, how he finished up in jail and some life lessons we can learn from him.

The Wolf of Wall Street was released in late 2013 and it shows us that it is never too late to change who we are and become the person we want to be. The three-hour black comedy, directed by Martin Scorsese, has been called one of Hollywood's most depraved movies ever.

According to CNN, the film grossed more than \$91 million in its first month.

Leonardo DiCaprio, the actor who plays Belfort in the movie "The Wolf of Wall Street" stands by the entrepreneur.

"What separates Jordan's story from others like it is the brutal honesty in which he talks about his mistakes that he's made in his life...Jordan stands as a shining example of the transformative qualities of ambition and hard work, and in that regard he is a true motivator", DiCaprio says in a video testimonial posted on Jordan Belfort's website for motivational business.

Jordan Belfort says he "exited the womb an entrepreneur"

Belfort was born on July, 1962 in the Bronx to Leah and Max Belfort, who were accountants; his mother later became a lawyer. Belfort, who is Jewish, grew up in Bayside, Queens and graduated from American University with a degree in biology.

At 16, he sold ice sweets, bagels and trinkets on the beach at Long Island and with the money he made he put himself through college.

He enrolled in dental school, but walked out on the first day when the Dean told the new intake that they were in the wrong profession if they wanted to make money.

Instead, he began selling meat off the back of trucks. He started his own firm, but it went bankrupt, owing \$24,000, when he was 24.

Lessons We Can Learn From The Wolf Of Wall Street

Desperate for a job, Belfort started at the bottom in a Wall Street trading firm, L.F. Rothschild, working as a connector, making calls to potential investors whom he would patch through to the brokers. "I was pond scum."

When he finally passed his traders' exams, he began his stockbroking career on 19 October 1987; ominously Black Wednesday, when the market plummeted 508 points in a day. The company he worked for closed, but the setback only fueled his desire.

In 1989, he set up the brokerage firm Stratton Oakmont which functioned as a boiler room marketing penny stocks, where he defrauded investors with fraudulent stock sales.

Stratton Oakmont eventually employed over 1,000 stock brokers and was involved in stock issues totalling more than \$1 billion, including an equity raising for the footwear company Steve Madden Ltd.

The notoriety of the firm, which was targeted by law enforcement officials in the late 1990s, inspired the 2000 film *Boiler Room* and the 2013 film *The Wolf of Wall Street*.

During his years as a stock swindler Belfort developed a hard partying lifestyle, which included a serious drug addiction to Quaaludes.

In one interview he described young staff as having the intelligence of "Forrest Gump on three hits of acid" and how anyone failing to make \$250,000 in their first year was fired.

Alabama Securities Commissioner Joseph Borg formed a multi-state task force that led to the prosecution of Stratton Oakmont after his office was inundated with complaints regarding the brokerage.

When FBI investigators Joel Cohen and Greg Coleman started investigating the firm in 1992, the brokerage was already the subject of a civil fraud lawsuit brought by the US Securities and Exchange Commission (SEC).

As a result, the company was ordered to pay a \$2.5 million fine and Belfort and his partners, Daniel Porush (played by Jonah Hill in the film) and Kenneth Greene agreed to \$100,000 fines apiece.

None of the three admitted or denied the SEC's allegations and the penalty was small beer compared to what the firm and its employees and bosses were earning.

FBI Special Agent Greg Coleman began investigating Belfort in 1992. "I have run into individuals who were bad people doing bad things and I've run into ones who were basically good people who made a mistake and will never do it again," says Coleman.

"Belfort was really bad. And while there is some attempt on his part to clean up and change, I think he is still a work in progress. There were a lot of victims who could ill afford to lose that kind of money."

His FBI partner Joel Cohen concurs. "My sense is that he is only half-repentant, for whatever reason - whether he thinks it sells books and movies better. He says he is sorry to his victims but on the same token he tells the world that only 5 per cent of his behaviour was criminal."

Coleman and Cohen spent years gradually digging away to collect evidence - but the loyalty Belfort engendered in his well-paid staff made it an almost impossible task.

The breakthrough came when Belfort became desperate and began smuggling money out of the country. The funds ended up in Swiss bank accounts, where it was laundered - and money laundering was Coleman's area of expertise.

"The crowbar we used to open them up was the tax evasion," he explained. "We were able to get some witnesses who were helping them smuggle the money to provide information about that. We used that to go to the Swiss authorities to get them to provide information about the bankers Belfort was using in Geneva.

It took time because bank secrecy in Switzerland was still very robust and we had to convince the authorities that this sort of behaviour was something they should provide information to us about. Eventually we got Belfort's Swiss banker to cooperate."

With concrete evidence, both Belfort and Porush were arrested in September 1998 and persuaded to work with the investigation.

Belfort was required to post \$10 million security as a condition of his bail. (The security took the form of jewels which he had delivered to the courthouse in an armoured car accompanied by armed guards.)

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The skills that made Belfort such a good conman also made him an effective government mole: the evidence he collected was used in scores of other prosecutions.

Belfort was indicted in 1998 for securities fraud and money laundering and eventually he pleaded guilty. The case took years to come to trial and in 2004 he was convicted

After cooperating with the FBI, he served 22 months in federal prison for a pump and dump scheme, which resulted in investor losses of approximately \$200 million. Belfort was ordered to pay back \$110.4 million that he swindled from stock buyers.

He reported to a federal prison camp in California, where he shared a cell with the comedian Tommy Chong, of Cheech and Chong fame, who was serving a nine-month sentence for selling drug paraphernalia. They remained friends after their release from prison.

Chong was working on a book; after hearing Belfort's outlandish tales, he persuaded his cell-mate to put pen to paper as well. On his release in 2006, Belfort realised there was an appetite for his life story and started pitching his manuscript. Publisher Random House gave him a \$1m advance. Within a year of his release, *The Wolf of Wall Street* was on sale.

Coleman still keeps in contact with his former prey "as a subtle reminder that I am still watching", and the FBI man admits he is curious about the film.

Asked to consult on the plot, he's played by actor Kyle Chandler (who recently appeared in *Argo* and *Zero Dark Thirty*). "I want to see how I am portrayed," he says. "I hope it's done realistically, rather than the stereotypical FBI guy in a suit."

As for Cohen, "I don't think Jordan loves me. In his book, his caricature of me is unfair. He describes me as 'the bastard' about 100 times."

Belfort has realised that infamy can be lucrative. However, for the man who once boasted he made \$13 million in one day, crime will not necessarily pay in the end.

According to a recent letter from prosecutors sent to the judge overseeing his compensation agreement, so far Belfort has paid just \$11.6 million of the required \$110.4 million into the fund.

The letter suggests he has been withholding payments and that he is in default of his agreement.

Belfort disputes this and is currently in talks with the federal courts to resolve the situation. Whatever the outcome, the Wolf still has a long way to go before he pays his debt to society.

In October 2013, federal prosecutors filed a complaint that Belfort, who had income of \$1,767,209 from the publication of his two books and the sale of the movie rights, plus an additional \$24,000 from motivational speaking since 2007, paid restitution of only \$243,000 over the past four years.

The government is currently not holding Belfort in default of his payments in order to keep negotiations open, but it is unclear when the full amount of the mandated restitution will be repaid.

By all accounts a natural raconteur, Belfort delights in recounting stories of drug fueled excess, and distances himself from other disgraced businesspersons.

He describes Bernie Madoff, the US financier convicted in 2009 of defrauding investors of \$65 billion, as a "complete crook who took people's money", and defends his own actions by claiming 95 percent of his business dealings "were totally legit".

Reportedly sober since 1998, Belfort wrote two memoirs, *The Wolf of Wall Street* and *Catching the Wolf of Wall Street*, which have been published in approximately 40 countries and translated into 18 languages.

Time Magazine reports that many of the apparently far-fetched escapades depicted in the movie are consistent with what he wrote in his memoirs and what was written about him in *Forbes* articles.

Belfort has toured internationally as a motivational speaker and was photographed with his fiancée in the Emirates marquee at the 2012 Melbourne Cup.

He was the final owner of the luxury yacht *Nadine* (renamed after his second wife, an English-born model) originally built for Coco Chanel.

In June 1996, it sank off the east coast of Sardinia. Italian frogmen rescued all aboard the vessel. Belfort said he insisted on sailing out in high winds against the advice of his captain, resulting in the vessel's sinking when waves smashed the foredeck hatch.

As of 2013, Belfort was residing in Manhattan Beach, California, and was engaged. The gossip pages were quick to observe, "The ultimate hedonist is once

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again living the high life but this time in a California beach mansion – and he’s hanging out with Hollywood’s elite.

The Steve Madden IPO

Steve Madden is the founder and former CEO of Steven Madden, Ltd., a footwear company that bears his name. Born in Far Rockaway, Queens, Madden grew up in adjoining Lawrence in Nassau County, New York.

Dustin Hoffman’s son, Jake, plays Steve Madden in ‘Wolf of Wall Street.’ In the film Madden is depicted as an unsophisticated, shy, baseball cap-wearing, shoe-selling Jew from Long Island to whom Belfort proposes taking his company public in 1993 with an Initial Public Offering (IPO).

Unbeknown to investors Belfort and his associates held 85 percent of the shares and made millions when the prices climbed.

Madden however got the better of Belfort when he heard of Belfort’s troubles and sold the shares and pocketed the proceeds, while Belfort could do nothing to stop him.

In Madden’s first interview since seeing the film, he said of his on-screen portrayal: “The guy was too nerdy.”

Director Martin Scorsese did, however, nail the baseball cap that never leaves Madden’s head.

While Belfort went on to serve 22 months in federal prison, Madden refused to cooperate with the FBI and wound up spending 31 months behind bars.

While in prison, Madden fell in love with Wendy Ballew, an employee he corresponded with. They got married as soon as he got out and now have three children.

As for whether he holds any grudges against Belfort, Madden says, “He ratted me out to save himself, but it was a long time ago, and I try not to live in the past. You’ve got to move on, and I have.”

In fact, “We’ve done very well,” Madden said of his current shoe line that boasts over 185 stores across the globe. “Our stock has gone up about 100 times. We started with a \$US20 million market cap, and now the company is worth more than \$US2.3 billion.”

“Not to get all Gandhi or anything, but I had to go through all that to get where I am now,” Madden said. “No regrets.”

A documentary on Madden, produced by former gossip columnist Mitchell Fink, was shooting at the time of publication.

Jordan Belforts Version of The Steve Madden IPO

"Then someone said to me, "Well — Steve Madden's floating around here somewhere, and he seems kind of nervous. I don't think he's gonna do such a good job today."

"An immediate surge of adrenaline. Steve Madden! How ironic it was that with all the chaos and insanity this morning it had actually slipped my mind that Steve Madden Shoes was going public today. In fact, before the day was out I'd be ringing the register to the tune of twenty million bucks.

"Not too shabby! And Steve had to stand up in front of the boardroom and give a little speech, a so-called dog-and-pony show. Now, that would be interesting! I wasn't sure if Steve was the sort who could look into the wild eyes of all those crazy young Strattonites and not completely choke.

"Still, dog-and-pony shows were a Wall Street tradition: Just before a new issue came to market, the CEO would stand before a friendly crowd of stockbrokers and give a canned speech, focusing on how glorious his company's future was. It was a friendly sort of encounter with a lot of mutual back-scratching and phony palm pressing.

"And then there was Stratton, where things got pretty ugly sometimes. The problem was that the Strattonites weren't the least bit interested; they just wanted to sell the stock and make money.

"So if the guest speaker didn't captivate them from the moment he began speaking, the Strattonites would quickly grow bored. Then they would start booing and catcalling — and then spewing out profanities.

"Eventually, they would throw things at the speaker, starting with balled-up paper and then quickly moving to food products like rotten tomatoes, half-eaten chicken legs, and half-consumed apples.

"I couldn't let such a terrible fate befall Steve Madden. First and foremost, he was a childhood friend of Danny Porush, my second-in-command.

"And, second, I personally owned more than half of Steve's company, so I was basically taking my own deal public. I had given Steve \$500,000 in start-up capital

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about sixteen months ago, which made me the company's single largest shareholder, with an eighty-five percent stake.

"A few months later I sold off thirty-five percent of my stock for a little over \$500,000, recouping my original investment. Now I owned fifty percent for free! Talk about your good deals!

"In point of fact, it was this very process of buying stakes in private companies and then reselling a portion of my original investment (and recouping my money) that had turned Stratton into even more of a printing press than it already was.

"And, as I used the power of the boardroom to take my own companies public, my net worth soared and soared. On Wall Street this process was called "merchant banking," but to me it was like hitting the lotto every four weeks.

"Right now Steve needed me. But it had little to do with Stratton raising him \$7 million and even less to do with the approximately \$3 million.

"Going forward, my hold on Steve was based on my ability to control the price of his stock after it went public. As Steve Madden's dominant market maker, virtually all the buying and selling would occur within the four walls of Stratton's boardroom — which would afford me the opportunity to move the stock up and down as I saw fit. So if Steve didn't play ball, I could literally crush the price of his stock until it was trading in pennies.

"It was this very axe, in fact, that hung over the heads of all Stratton Oakmont's investment-banking clients. And I used it to ensure that they stayed loyal to the Stratton cause, which was: to issue me new shares, below the prevailing market price, which I could then sell at an enormous profit, using the power of the boardroom.

"Of course, I wasn't the one who'd thought up this clever game of financial extortion. In fact, this very process was occurring at the most prestigious firms on Wall Street — firms like Merrill Lynch and Morgan Stanley and Dean Witter and Salomon Brothers and dozens of others — none of whom had the slightest compunction about beating a billion-dollar company over the head if they chose not to play ball with them.

"It was ironic, I thought, how America's finest and supposedly most legitimate financial institutions had rigged the treasury market (Salomon Brothers); bankrupted Orange County, California (Merrill Lynch); and ripped off grandmas

and grandpas to the tune of \$300 million (Prudential-Bache). Yet they were all still in business — still thriving, in fact, under the protection of a WASPy umbrella.

“But at Stratton Oakmont, where our business was micro-cap investment banking — or, as the press liked to refer to it, penny stocks — we had no such protection. In reality, though, all the new issues were priced between four and ten dollars and weren't actually penny stocks.

“It was a distinction that was entirely lost on the regulators, much to their own chagrin. It was for this reason that the bozos at the SEC — especially the two who were now camped out in my conference room — were unable to make heads or tails out of a \$22 million lawsuit they'd filed against me. In essence, the SEC had engineered their lawsuit as if Stratton were a penny-stock firm, but the simple fact was that Stratton Oakmont bore no resemblance to such.

“Penny-stock firms were notoriously decentralised, having dozens of small offices spread throughout the country. Yet, Stratton had only one office, which made it easier to control the negativity that would spread throughout a sales force after the SEC filed a lawsuit.

“Usually that alone was enough to force a penny-stock firm out of business. And penny-stock firms would target unsophisticated investors, who had little or no net worth, and convince them to speculate with a couple of thousand dollars, at most.

“Stratton, on the other hand, targeted the wealthiest investors in America, convincing them to speculate with millions. In consequence, the SEC couldn't make their usual claim that Stratton's clients weren't suitable to risk their money in speculative stocks.

“But none of this had occurred to the SEC before they filed their lawsuit. Instead, they mistakenly assumed that the bad press would be enough to drive Stratton out of business. But with only one office to manage, it had been easy to keep the troops motivated, and not a soul left.

“And it was only after the SEC had already filed their lawsuit that they finally got around to reviewing Stratton's new-account forms and it dawned on them that all Stratton's clients were millionaires.”

How the Wolf of Wall Street Created the Internet, in a suit to protect his company's reputation from angry online commenters

Conor Clarke is a former editor at the Atlantic and the Guardian as well as a joint editor of Creative Capitalism. He recently wrote this interesting article on Jordan Belfort's influence on internet content.

The Wolf of Wall Street, Martin Scorsese's splashy three-hour portrait of financial excess, has produced a surprising amount of Internet controversy: defensive interviews with Leonardo DiCaprio, a scorched-earth "open letter" from the daughter of a convicted trader, and the usual outlandish and bloodthirsty commentary that always peppers online public forums (from desires to "airstrike" a Wall Street movie theatre or "cue the guillotines" for bankers, to the typical declarations that theft is "routine" at Goldman Sachs and bankers are "sociopaths").

"We take the cacophony of the Internet for granted, but two decades ago it wasn't obvious that it would develop this way. And it turns out we have the real wolf of Wall Street to thank in part for the Internet we've got.

"The rules that allow for our rollicking, easily scandalized Internet would not be the same without Jordan Belfort, the convicted stockbroker who is the model for DiCaprio's character, and his felonious firm, Stratton Oakmont.

"In the mid-1990s, Stratton Oakmont started the lawsuit that led to much of the basic legal framework that governs Internet content. Were it not for that lawsuit, and the strange ruling and strong backlash it created, the Internet as we know it might be a very different place.

"First, some background. (Yes, that headline was partly a trap: This article will now attempt to explain a complicated area of law.) Traditionally, liability for wrongdoing can extend beyond the parties immediately involved. Employers can be liable for accidents caused by their employees. Bartenders can be liable for serving customers who get behind the wheel. And, in the world of words and ink, publishers can be liable for the materials produced by their authors.

In the early days of the Internet, it was unclear whether and how a variety of new online services—the first chat rooms, message boards, aggregators, and the like—were responsible for the content produced by their third-party users.

Possible lawyerly analogies abounded. Were these new Internet service providers more like libraries and booksellers, responsible only as "distributors" and liable only for unlawful content they failed to take down? Or were they more like

newspapers and magazines and considered “publishers,” which meant they would be on the hook for defamation, just like the authors?

These questions were pressing because of the sheer number of users generating online content. Even if only a small percentage of them do illegal things - posting non-consensual nude pictures or spreading intentionally malicious lies - a small percentage of millions of users adds up to a lot of liability. That liability would give ISPs and websites pause before letting their users post and publish freely.

Enter Stratton Oakmont. In the mid-1990s, the brokerage house and its then-President Danny Porush (the basis for Jonah Hill’s Donnie Azoff), sued Prodigy Internet Services over a series of anonymous and allegedly libellous postings on Prodigy’s Money Talk “computer bulletin board.”

Among other things, the anonymous comments stated that Porush was a “soon to be proven criminal” and Stratton Oakmont was a “cult of brokers who either lie for a living or get fired.” (Go figure.)

“The New York Supreme Court decided that Prodigy should be treated as the publisher of the anonymous comments. The court was a little fuzzy on the reasoning but emphasized that Prodigy was a self-styled “family orient[ed] computer network” that had actively edited a portion of the voluminous content it received.

“The basic idea seemed to be that because Prodigy edited some of its user-generated content, it made itself responsible for all of that content. That meant Prodigy could have had to pay damages to Stratton Oakmont.

“The Internet, circa 1995, freaked out. Before this ruling, it looked like the Prodigies of the world might not be responsible for reviewing content that their users generated. But the Stratton Oakmont decision raised the worrying prospect that a company’s good-faith attempt to filter some content would expose it to crushing liability—not exactly a great incentive to sort through potentially libellous posts.

“Congress agreed that was a concern. In 1996, it responded with Section 230 of the Communications Decency Act, which sought to undo the Stratton Oakmont decision by guaranteeing that, “No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.”

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"A Senate conference report stated explicitly that the point of this provision was to "overrule *Stratton Oakmont v. Prodigy* and any other similar decisions which have treated such providers and users as publishers or speakers of content."

"Section 230 is a strong provision, and it's gotten a lot stronger in the hands of the courts: Judge J. Harvie Wilkinson III of the 4th U.S. Circuit Court of Appeals, for example, has ruled that Section 230 frees ISPs of both publisher and distributor liability—which means that they don't even have an obligation to take defamatory content down.

"To be sure, it's not clear that Wilkinson's rule is the right one. In fact, it probably isn't. In most other contexts, third-party liability serves an important disciplining function: It makes the relevant gatekeepers financially responsible for costs they impose on society.

"Section 230, as interpreted by the courts, enables a lot of terrible stuff, like revenge porn, leaving victims without much recourse. (A few states have started trying to change that.)

"But Section 230 also helped enable the unrestricted commenting, sharing, and searching we take for granted on the Internet.

"Does Google "publish" those billions of potentially libellous search results? Does Yelp "publish" those millions of potentially defamatory reviews?

"Section 230 says the answer is no, which means that companies can let us post and comment without making a billion precautionary editorial judgments about the content.

"As Wilkinson has argued, "It would be impossible for service providers to screen each of their millions of postings for possible problems." Thirty years ago, it was feasible for the *New York Times* to double-check every word for defamatory content. For Twitter, it's not.

"It's conceivable that we could have ended up with a different set of rules governing how websites are responsible for their users' content, rules that would have made the Internet much more risk averse about letting its users run wild.

"But *Stratton Oakmont* - by gamely attempting to defend its reputation as an upstanding firm - helped produce the rules we now have instead. So the next time the Internet flips out about moral debauchery of *Stratton Oakmont*, remember there's a sense in which we have *Stratton Oakmont* to thank."

US\$5,000 entrance fee for a one-day 'sales and persuasion' course in Australia

In January 2013 Nick Harding wrote, "The pitch could have been barked by any of the 'motivational-training' snake-oil salesmen who ply their wares in the corporate sector. But the man behind this particular 'sales and persuasion' one-day course in Australia last year thought himself special enough to demand a US\$5,000 entrance fee.

"The inflated price tag may have been something to do with the quality of the after-dinner anecdotes, as the man hosting the event was Jordan Belfort - a 51-year-old American ex-con who is among the most infamous crooked businessmen in recent history.

"In the 1990s, Belfort was reputed to have been worth £60 million, earning £600,000 a week. He owned a sprawling estate in the Hamptons, a fleet of super cars and a 167 foot yacht which once belonged to Coco Chanel and which he sank in the Mediterranean.

He had a supermodel wife and a drug and alcohol habit. He employed an army of young salespeople who aggressively sold stocks in questionable companies to unwitting investors.

"His workers were rewarded with massive bonuses and parties where prostitutes and dwarf-throwing competitions were provided as entertainment.

"Today, the disgraced swindler (a term Belfort hates) has reinvented himself as a reputable businessman, with clients such as Delta and Virgin Airlines.

"Much to his delight, he's also being played by Leonardo DiCaprio in Martin Scorsese's new film, *The Wolf of Wall Street*, which portrays the lavish, drug-fueled and illegal antics at Belfort's now-defunct East Coast stocks and shares brokerage Stratton Oakmont.

"But, says Belfort, he's not letting all that glitz go to his head - he is a new man since his 2004 conviction for defrauding clients of more than \$200 million.

"We are not the mistakes of our past," he recently said. "We're the resources and capabilities that we glean from our past. It chokes me up a little when I think about it. I was a bad guy. And it wasn't like I started that way. You can get desensitised to your own actions, it's easy on Wall Street... I shouldn't really care what people think of me. I know I'm good. But of course I do care."

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"Former Assistant US Attorney Joel Cohen, who helped put Belfort behind bars, couldn't agree less. "If he is trying to create the impression that he is basically an honest guy who stepped over the line a bit, that is dead wrong. This is a guy who woke up every day, seven days a week for many years, and said, What crimes can I commit today? He was looking to rip people off on a daily basis."

"At his seminars, attendees are taught a technique he calls "Straight Line" selling; a set of pre-determined steps from first contact to closing a deal. It is, he has said, roughly the same system he taught his employees to use when pressuring people to buy shares in the useless firms he once promoted. He's paid around \$30,000 an hour for his wisdom.

"He makes a very good living, then - but his income is a fraction of the vast wealth he enjoyed, and a court order requires him to pay 50 percent of his earnings into a compensation fund for his thousands of victims."

The Melbourne Cup and the 'gift' of jail time

Shortly after Belfort's visit to Australia Jacquie Hayes recorded his visit in the Financial Review.

"When life goes off the rails, it often takes a significant, sometimes tragic, event to get off that destructive path and onto a better one. Some of those who go through this eventually see that event as "a gift" that gives them a second chance at life, an opportunity to get things right.

"I met such a man at the Melbourne Cup after being drawn to him in the Emirates marquee because of his background as a one-time Big Swinging Dick.

"From his lips I got one of the more noteworthy tips I received during the carnival, that biotech stocks are going to be the Next Big Thing.

"Those across finance parlance will recognise the BSD reference from Michael Lewis's 1989 book *Liar's Poker*, referring to "that most revered of all species" on Wall Street, the big-time trader or salesman who rakes in millions, often using unscrupulous means. Which is exactly what Jordan Belfort was.

"At the height of his earnings through the bull run of the 1990s, his stockbroking firm was pulling in \$US50 million a year, which funded a lavish lifestyle of yachts, private jets, a helicopter, mansions around the world and a wild drug habit. He earned the monicker Wolf of Wall Street. But he got trapped and

he lost the lot, including his marriage, his freedom, almost his life. He has said his drug addiction could have sedated Guatemala.

"Initially, Belfort prospered legitimately in his business, Stratton Oakmont, making money with his reputation intact. But then he rose less cleanly, and got sprung. In 1998 investigators revealed he had swindled investors of \$US200 million.

"For his crime of money laundering and stock theft, he did a 22-month stint in a white-collar jail. He was also ordered to repay \$US100 million of those ill-gotten gains.

"The jail time, he says, saved his life. Not only has he been off drugs since then, he's also turned his life around.

"I was isolated from my kids [now 19 and 17], which sucked, and it was boring," Belfort says. "But that was the time when I had to make lemonade out of lemons. So I taught myself to write."

"Perhaps fittingly, it was *Bonfire of the Vanities*, a book that highlighted the excesses of Wall Street in the 1980s, that piqued his interest.

"I stumbled upon this book in jail and I loved it and thought, 'I want to write like that'. So I used it like a textbook and spent the next six months to a year really training myself to write. And while in the beginning it was very difficult, ultimately I got the hang of it."

"The resulting book, *The Wolf of Wall Street*, clearly resonated in Hollywood and was quickly picked up for conversion to the screen, with Martin Scorsese directing and Leonardo DiCaprio cast as Belfort.

"Belfort says he was deeply involved with the scripting of the film, the screenplay of which was written by Terence Winter, a multi Emmy-award winning HBO screenwriter and producer of the TV series *Boardwalk Empire* and *The Sopranos*.

"I worked very closely with Leo and the rest of the cast, going over and polishing the dialogue to make sure everything was authentic and the words flowed," he says. "Leo was incredibly committed, he really spent a lot of time with me and we became good friends."

"Actually, they're having a bromance," interjects Belfort's fiancée, Anne Koppe, from across the table. "They text each other in the middle of the night." A willowy blonde, Koppe looks like she just walked off the set of *The OC*, a discontinued TV

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series that followed the lives of the rich and beautiful of Newport Beach, Orange County, California.

"A self-described 'soccer mum', she met Belfort watching their sons play on the same team. "She was a bit reticent about me at first because she'd heard of the book and all," he says. "But once she got to know me better, I eventually won her over."

"Other than that, the book hasn't created any real problems for Belfort, despite some rather unflattering and damning revelations about himself and his behaviour. "I think on some levels, people respect the brutal honesty of the book," he says.

"Once you say, "You know what, I screwed up, I made a mistake, I think they'd rather have that than have a diluted version of the truth.

"The biggest mistake people can make, like we've seen with Lance Armstrong, is that when things start to flow, you try to minimise it and start denying it. That makes people angrier."

"Belfort credits Koppe with bringing balance to his life. "She's a great influence on me and has a good bullshit detector," he says.

"Likewise, his manager, Nick Fordham, of the Sydney-based Fordham Company, is more like family. "They watch me and filter out any unscrupulous approaches", of which there have been plenty since his book became a global best-seller.

"Rather than try to get rich quickly – again – he's taken a slow and steady approach since launching a new business six years ago offering corporate training and wealth-building strategies.

"Nick and I decided on a very long-term strategy, and over the past three to four years we've done really well."

"His personal investment approach is very much about the long term as well, aiming to pick sectors that may not be hot right now but are due to come next.

"A lot of hot money's flowing to biotech deals at the moment and Melbourne's the hub of it," he says. "So I think there's going to be a nice run in biotech."

"He particularly likes companies that have moved from concept stage proving their model. "Then it'll be about execution, and if there's a great management team in there, you'll have a good shot with that."

"His key messages to clients these days, believe it or not, are on the importance of morality in business, living by a code of ethics and how greed can be your undoing.

"He's clear the event that brought his life undone was of his own doing. But at least he has tried to make the best of it.

"I really used my time to learn a skill set that I ended up taking back into the world to tell my story," he says. "I thank my lucky stars, because not a lot of people do get second chances. I respect that and I'm careful with it."

2.

The Modus Operandi

Investing is a constant struggle between fear and greed.

Never hang up the phone until the customer buys or dies.

Social Graces

What secret formula had Stratton discovered that allowed all these obscenely young kids to make such obscene amounts of money?

For the most part, it was based on two simple truths: first, that a majority of the richest one percent of Americans are closet degenerate gamblers, who can't withstand the temptation to keep rolling the dice again and again, even if they know the dice are loaded against them.

Second, that contrary to previous assumptions, young men and women who possess the collective social graces of a herd of sex crazed water buffalo and have an intelligence quotient in the range of Forrest Gump on three hits of acid, can be taught to sound like Wall Street wizards, as long as you write every last word down for them and then keep drilling it into their heads again and again — every day, twice a day — for a year straight.

And as word of this little secret began to spread throughout Long Island — that there was this wild office, in Lake Success, where all you had to do was show up, follow orders, swear your undying loyalty to the owner, and he would make you rich — young kids started showing up at the boardroom unannounced.

At first they trickled in; then they poured in. It started with kids from the middle-class suburbs of Queens and Long Island and then quickly spread to all five boroughs of New York City.

Before I knew it they were coming from all across America, begging me for jobs. Mere kids would travel halfway across the country to the boardroom of Stratton Oakmont and swear their undying loyalty to the Wolf of Wall Street. And the rest, as they say, is Wall Street history.

“Fk this and f**k that! S**t here and s**t there! It was the language of Wall Street. It was the essence of the mighty roar, and it cut through everything. It intoxicated you. It seduced you! It f***ing liberated you! It helped you achieve goals you never dreamed yourself capable of! And it swept everyone away, especially me.”**

-Jordan Belfort

Could You Fall This Hard For A Stockbroker's Scam?

Securities, arbitration and litigation specialists, Aidikoff, Uhl & Bakhtiari, based in Beverly Hills, California posed that question in the light of Jordan Belfort's troubles.

"Fast-talking broker swindled one doctor out of almost \$185,000. Such scenarios happen a lot more often than you'd think.

"Clark Gardner was the classic cold-call victim. Although initially sceptical when a broker he didn't know phoned, the Los Angeles radiologist was won over by the fellow's persuasiveness. Like many specialists, Gardner had seen his income drop. So this usually conservative investor was open to new ideas.

"Thirteen months later, the broker had committed almost every cardinal sin in the securities business – among them fraud, churning, and unauthorized trading. And the doctor was out almost \$185,000.

"Gardner, 52, had fallen into the clutches of a so-called boiler room operation. Brokers from such outfits hype thinly traded, risky stocks, mostly issued by start-ups with little or no earnings. The brokers buy thousands of shares for pennies each. Then they talk up the stocks to clients, calling the companies "hot," or "sure winners," and sell the shares at marked-up prices.

"On the strength of the buying, the prices may rise even higher, encouraging the clients to buy more. When the stocks sell out, their prices fall, and investors get stuck. This is known as "pump and dump."

"Here's Gardner's instructive story, told mostly through excerpts from taped phone conversations between the doctor and his broker."

Wizards at winning confidence

Early in November 1994, Gardner took a call from a broker who introduced himself as Samuel Weber of Stratton Oakmont, a Lake Success, NY, firm. Gardner, who already had a broker in Los Angeles, didn't know the firm.

Weber assured him that the brokerage was established and reputable, with a track record of 22 successful new stock offerings, and that it recommended investments only on the basis of thorough investigations of the companies. If the doctor did business with Stratton, Weber would monitor his account and would never risk his principal, the broker said. And he would sell any stock Gardner owned if its price dropped more than two points.

Weber phoned Gardner a few more times before trying to sell him stock. Each time, he promoted Stratton as a brokerage worth doing business with.

Stratton Oakmont's records indicated that 1 million phone calls were made each month from the firm's office. According to another source, the New York State Attorney General's Report on Micro-Cap Stock Fraud, cold callers generally begin work at 7:30 or 8 a.m., so they can reach East Coast business owners directly – before their secretaries can screen their calls. The callers may work as late as 10 p.m.

Toward the end of the month, Weber called and said the price of Dr Pepper/Seven Up would be rising. He assured Gardner that it was a low-risk stock, the only type he'd recommend.

The broker followed up with a new-account application form he'd already filled out, listing Gardner's approximate net worth as \$2 million-plus (Gardner had told him it was about \$1.3 million) and his investment interest as including speculative companies. When the doctor questioned these misrepresentations, Weber told him the document was computer-generated and unimportant. He urged Gardner to sign it, so he could take advantage of the firm's investments.

Gardner did so and purchased 200 shares of Dr Pepper for \$5,210.

This was the first step in what Gardner's attorney, Philip Aidikoff of Beverly Hills, CA, has dubbed "the Stratton two-step." Recommending a well-known stock that trades on the New York Stock Exchange is a common boiler-room technique. "It lulls the investor into a sense of security," Aidikoff says. "The next step is to get him to buy a stock the firm is pushing for its own reasons.

Sure enough, about a week later, Weber recommended that Gardner buy shares of Select Media Communications. Stratton had investigated the start-up television-production company thoroughly, Weber said. He himself knew the people who ran it. It was a guaranteed money-maker. Gardner purchased 2,000 shares at 8 per share.

Many brokers know little about the securities they offer or their chances for success. The reality is that 90 percent of the companies being pitched won't produce profits. Nor do brokers have much empathy for clients who lose money. Some actually laughed when a guy would send in \$50,000.

Two weeks later, Weber suggested that Gardner increase his position in Select Media, even though the price had slipped to 6 3/8. There was no problem, the

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broker reassured his client; this was a buying opportunity. Gardner invested \$19,135 more.

Weber never mentioned that Stratton Oakmont made a market in this security, meaning it buys a percentage of a company's stock to sell and, as a result, can influence the selling price.

In January 1995, Gardner invested \$20,010 in United Leisure, on the strong recommendation of Weber. The broker said the company was solid and that its stock price was near its low and would rebound as seasonal travel increased. In truth, United Leisure, a children's day-camp operator, fledgling real estate developer, and part-owner of a shopping mall and casino, had been mired in expensive litigation since 1986.

In February, Gardner invested an additional \$71,145 in United Leisure. A small part of the funds came from the proceeds of the sale of Dr Pepper, which had produced a profit of \$1,190. Most of the cash – \$61,730 – came from the sale of another investment, DualStar Technologies, a new issue underwritten by Stratton.

Weber had recommended the doctor sell DualStar, a holding company with subsidiaries in heating, air-conditioning, and related areas, after owning it only two days, supposedly because he saw a selling trend he didn't like. DualStar's price had risen since Gardner had invested. If Gardner were to sell his shares and put those funds into United Leisure, Weber said, "I think we can take in some relatively fast profits in that, as well." If DualStar's stock price went down later, he might want to buy back in. Gardner, seeing another small profit – \$4,845 – agreed the move made sense.

Even if the first purchase yields a profit, the client will lose money in the end. The shell game can only be played for so long. Ultimately, someone will have to bear the loss. With complaints inevitable, it is necessary for brokers constantly to find new investors and to string along existing customers for more transactions.

So far, Gardner had invested \$118,000 and had profit of \$6,035. He asked Weber to sell his Select Media shares, which Weber didn't do.

Relentless pressure to buy more stocks

On March 22, Weber was back on the phone, excitedly saying he had "incredible information" to share with Gardner. An institutional investor was going to make a

major commitment to DualStar, now trading at 6 1/8, and Stratton Oakmont's president was saying it was going to be a \$20 stock, maybe more.

"It's mind-staggering," Weber said. "If we get the stock running at 20, that's a \$14 move. For someone who comes in here at 20,000 shares, Clark, we're talking about a \$280,000 potential. And if he's right about a \$25 or \$30 plateau, we're talking la-la land." It would be a route to gains while Gardner was waiting for Select Media and United Leisure to come to life, Weber said.

Gardner, however, was turning sceptical. "I want to believe you, but this is exactly what you told me before."

"No, no, it is not," Weber retorted. "I wasn't talking about these kinds of numbers before. This is like a dream. You get one shot at a stock like this." He went on to enumerate new contracts DualStar had signed, and predicted that "overnight" it would go from a \$42 million company to almost a \$100 million company. Gardner should buy 100,000 shares, he said.

His client wasn't biting, but Weber wasn't going to take No for an answer.

Weber: "Based on the enthusiasm here, I think we're going to continue seeing the stock move, up. If you had the wherewithal to go 100,000 shares, this is the one to do it on. And I'm telling you this as someone who considers himself more than just a broker. I like you, all right? I want to see you make money."

Gardner: "I can't get my hands on much; it's tax time."

Weber: "It always seems to be like that in life. The best things seem to come along when it's the hardest to move."

Gardner: "We weren't expecting to be sitting here with such tremendous losses."

Weber: "No, no, obviously not. And this is certainly one way to overcompensate for any of the losses. What can you come up with?"

Sales scripts are powerful tools that allow a broker to control a conversation. Rebuttal books are filled with prepared answers designed to impress clients who don't want to buy, and to counter any response a client may make.

Gardner said he'd be stretching to come up with \$25,000.

The broker encouraged him to "work out over the next few days how you can get 20,000 shares." That would cost about \$120,000.

Gardner dismissed that suggestion as ridiculous. But Weber reminded him it was a way to take advantage of an "incredible" opportunity. "We'll look back at this

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in a few months and have a couple of laughs over it. I want to come out there, and you'll take me for a ride to the ocean and have a carefree, wonderful day."

Gardner eventually agreed to buy 5,000 shares of DualStar at $6 \frac{1}{4}$, for \$31,257. "This better take off," he said.

"I'm telling you, this is the one that's going to do it, Clark," his broker assured him.

Two weeks later, Weber called again. "Huge day," he said. "Huge day." DualStar was going gangbusters, climbing daily. "Yesterday morning, we were buying it at $8 \frac{1}{2}$, and now it's over 10. If we can capitalize on this, I know you're going to be very happy." Gardner suggested they talk again the next day. He needed time to review his investments.

Weber urged him to commit to at least 5,000 shares that evening. He dangled a carrot – the price could go to 15 soon.

Gardner, resisting what would be a \$50,000 investment, grumbled about the commission on his last purchase of DualStar. He'd bought it at $6 \frac{1}{4}$, and Weber had gotten $\frac{1}{8}$. So, as another enticement, Weber offered to "use my vice-presidential leverage and take the $\frac{1}{8}$ off. I want you to have the stock. I'll just buy it net for you."

A broker may tell the investor that there's no commission on a particular stock, when in fact the broker is being paid 15 to 40 percent of the sale price, as a markup or concession for getting rid of the firm's inventory of a stock that is expected to plunge in value at any time.

Gardner tried to compromise at 2,000 shares. He was still unhappy about United Leisure, which he'd lost sleep over.

"I know," Weber interrupted. "But I'm just trying to teach you something." Buying a large block of a stock like DualStar could make up for the investments that had lost value. He even suggested Gardner take money from other investments or his Merrill Lynch account to buy 5,000 shares.

Gardner erupted, saying that he'd already invested with Stratton some money earmarked for his pension plan. Eventually, though, he agreed to 3,000 shares.

"When the stock runs up to 15, you're going to thank me," Weber said.

"You won't talk to me," Gardner said. "You'll be busy when it's down to $\frac{2}{8}$."

"I'm never too busy for you," Weber protested, still pushing for a 5,000-share buy. Gardner, with great reluctance, agreed. "You're a hard sell," he said.

"I'm going to be a hero on this," Weber said. Gardner purchased 5,000 shares, at 10 1/8, for \$51,227.

Unauthorized trades; more double-talk

By early June, DualStar had backslid to \$6 per share, but Weber assured the doctor "this thing [will] move back up again."

In the meantime, Gardner invested \$3,500 in Czech Industries, another stock Weber said would help make up for the prior losses. And, once again, the doctor wound up with a loser.

On July 25, Gardner, who apparently hadn't heard from the broker in a while, called him. Weber immediately launched into a pitch on "how we can get your account back in line." He suggested Gardner sell United Leisure and invest the proceeds in Solomon-Page Group, a personnel-recruiting firm that had gone public the previous October.

The stock had peaked at 7; now it was at 1 1/2 and obviously undervalued, Weber said, "Without your adding a penny, we can buy just shy of 30,000 shares. If we simply get a \$1 move, it's an additional \$30,000 pickup," he explained.

Why hadn't the broker called him, if it was such a good deal? Gardner wanted to know.

"I called you twice today," the broker countered. "Didn't you get my messages?" Gardner hadn't. But Weber smoothly swung the conversation back to his new ploy, which he said was sure to produce "dynamic profits." Gardner surrendered.

Unknown to him, however, Weber had already sold the United Leisure shares, incurring a \$44,477 loss, and had bought 29,500 shares of Solomon-Page at 1 9/16, for a total of \$46,104.

If a client wanted to sell and no buyer could be found, the stock would be put into another account without authorization. If the second client complained, the transaction would simply be cancelled and rebilled into another client's account; this was a parking spot for those shares.

The client wins a battle – barely

Gardner had asked his broker several times to sell some of the stocks that had lost value. Each time, Weber persuaded him to hang on. In mid-August, Weber got Gardner to invest \$3,500 in MVSI, a broad based technology company. And by

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October 1995, MVSJ had risen from less than 1 to around 20. Gardner was determined to sell and get a check for his profits; his previous gains had been funnelled into other securities. But the broker was equally determined not to let him sell.

On a Friday, Weber said there would be an announcement from MVSJ early in the next week that could boost the price even higher.

Gardner was unmoved. "When I tell you to sell something, I mean sell it. When [MVSJ] was at 15, I asked you to sell it and you said, 'You were just kidding me.' I wasn't kidding you. It goes from 7 to 15 in one day and I'm finished."

A no-net selling" policy allows a broker to sell a client's position in a house stock only if another client buys the same shares. If shares are sold back to the firm, the firm takes back the broker's commission. Therefore, brokers do whatever is necessary to ensure that the stock is not sold.

Gardner went on to say how disgusted he was about the DualStar purchase that Weber had pressured him into. And he raised questions about Weber's firm, Stratton Oakmont, which he accused of "self-dealing," or selling securities to clients from the brokerage's own account.

Though Gardner didn't know it, his instincts were right. Since March 1992, Stratton had been disciplined and fined several times by securities regulators for selling speculative investments through misrepresentation and other boiler-room tactics. When Gardner was dealing with the firm, it was under the supervision of an independent consultant appointed by the Securities and Exchange Commission and was required to tape all phone conversations with its clients.

Weber brushed aside Gardner's doubts and soldiered on with his efforts to prevent a sale. If Gardner would just hold on until Monday or Tuesday, the broker would be sure to sell if he saw any downward price pressure.

"Yeah," Gardner replied, sarcastically, "you sure you can sell it at 18, or before it gets away from me? You couldn't sell DualStar when it was at 8 because it was going to 7. You couldn't sell it at 7 because it was going to 6." Weber assured the doctor that he was watching the price.

"I want to sell MVSJ now," Gardner said. "Do I have to put this in writing?"

They battled for probably 15 minutes more.

Gardner, who'd done some research on MVSI, had lost faith in it. The company was slow to respond to his requests for information. "I don't like dealing with people that are not straight with me."

"I'm totally straight with you," Weber said.

"I don't think so," Gardner replied. He was unhappy, too, because he hadn't received a statement from Stratton for two months. Weber, trying to placate him, said he'd look into it. At one point, he persuaded Gardner to hold MVSI until Tuesday, "to see if we can grab a few more points," he said. If the investment weren't sold then, Gardner vowed, he'd take some action against the firm.

Weber protested, "No, no. When you give me a direct order to sell, absolutely, you know your positions will be sold, there's no question."

Gardner said that each time he wanted to sell a stock, Weber talked him out of it. "You gave me permission to hold it, as you're doing now," Weber said.

"I've asked you 15 times to sell," Gardner said. And he insisted that it be done that day.

Weber said he'd sell, but wondered why "you're vacillating this way."

"Because you're a good salesman," Gardner said. "The final statement is S-E-L-L."

For several more minutes, Weber persisted in trying to get him to change his mind. Gardner didn't, and Weber did finally sell MVSI for \$10,303, or a profit of \$6,803, the largest gain the doctor would see on any of his Stratton Oakmont investments.

Pulling the plug in disgust

About a month later, Weber was on the phone again, recommending that Gardner invest in Hemispherx Bioapharma. This company would become the premier maker of "explosively wonderful" products for treating HIV and other diseases, Weber said. Gardner agreed to invest \$11,510. "I'm going to trust you one more time, but don't ever lead me down a primrose path again," he said. In fact, the company's technology was not new, and its effectiveness had been debated for years among pharmaceutical researchers.

Gardner asked whether people in Weber's office were manipulating the stock price. Weber stoutly denied it and quickly changed the topic.

The following week, Gardner, who'd been unable to reach Weber, complained bitterly to Weber's supervisor. He griped that the broker had refused to sell when

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he'd asked him to, had never called to let him know a stock was dropping and warn him to sell, and hadn't sent any statements for months.

The man listened sympathetically and said he was unaware of any problems with Weber. "Everyone has their bad times," he said, and he agreed to sell securities Gardner asked him to unload. The Hemispherx shares went for \$13,490, a \$1,480 profit. The Select Media shares went for a nickel each, or \$240 – a loss of \$34,950. Czech Industries sold at a loss of \$1,707.

Finally, on December 7, 1995, Gardner told Weber he wanted to liquidate his account. The never-say-die broker tried to talk up the doctor's remaining holdings, DualStar and Solomon-Page. When Gardner complained that the broker had bought Solomon-Page without his authorization, Weber half-heartedly said, "It had merit at the time."

He finally agreed to sell the doctor's securities.

"In the future, if there's anything that you want to do, give me a call," Weber said, ever the salesman. Then the two said goodbye.

A few days later, Weber finally sold Gardner's remaining investments. Like most of the others, those sales generated sorry numbers. The DualStar shares went for \$11,865, a \$70,619 loss. The Solomon-Page shares sold for \$21,203, a \$24,901 loss.

After investing approximately \$290,000, Gardner recouped \$59,506. He'd lost \$184,583 in 13 months.

Four months later, in April 1996, the National Association of Securities Dealers (NASD) voted to throw Stratton Oakmont's president out of the securities industry, suspend the firm's head trader, and fine both a total of \$275,000. The firm was fined \$500,000. The NASD also barred Stratton from selling securities that it owned to its customers.

In May 1996, Gardner filed an arbitration claim against Weber and Stratton Oakmont with the NASD. The claim charged the broker with putting the doctor into unsuitable investments, making unauthorized transactions, and churning; it also charged Stratton with failure to supervise its broker.

After investigating cases like Gardner's, the NASD closed down Stratton Oakmont in December 1996. The following April, it awarded Gardner \$10 million in punitive damages, compensatory damages of \$184,583, plus \$24,375 in interest on the money he'd lost. In an unusual move, the NASD panel said the punitive

damages were to be paid by four Stratton officials, two of whom had had no direct contact with Gardner, based “on their participation in the overall business of Stratton Oakmont.”

“The NASD was sending a message that brokerage management couldn’t hide behind claims of not knowing what a broker was doing,” according to attorney Philip Aidikoff.

Gardner’s win was the largest punitive judgment ever for a customer in securities arbitration; most claimants are awarded much less than they lost, if anything.

But it was too early for Gardner to uncork any champagne: Weber and a principal of Stratton Oakmont filed for bankruptcy, which removed them from the arbitration claim. And when Gardner won his award, the other defendants filed a petition in federal court to overturn the judgment, which delayed collection. The judge recently denied the petition.

Samuel Weber’s days of working the phones appeared to be over, however. In March 1998, the NASD barred him from the securities business. He’d left a trail of red ink in his clients’ accounts and had been the subject of 21 complaints and arbitrations between 1995 and 1997.

And those stocks he’d been touting to Gardner? As of July, 31, two were trading at less than \$1 per share, and four had minimal gains. The only winner was the first stock Weber had recommended: Dr Pepper/Seven Up, which was acquired in March 1995 by Cadbury Schweppes for \$33 per share. It recently was traded at about 55.

The Wolf Of Wall Street Method

How Belfort Cheated His Way To Riches

“The question remains,” Joseph Milord wrote in December 2013, “how did he do it? How could one firm be solely dedicated to ripping off every investor that it called up and actually prosper for a multitude of years?”

“For one, the lack of connectivity throughout the world probably helped Stratton’s cause. This was, lest we forget, the early 90s. There were little to no public forums on which victims could alert others and news didn’t travel as fast. And on the few occasions that a broadcast danger did arise, Belfort was likely to swiftly SWAT it away.

Lessons We Can Learn From The Wolf Of Wall Street

"The L.A. Times reported a \$200 million libel lawsuit filed by Stratton Oakmont in 1995 against Prodigy Services Co., which controlled an online forum that featured 2 million subscribers, one of which made "offensive" remarks about Belfort's company and its business practices.

Belfort dropped the lawsuit once Prodigy apologized and Prodigy, in turn, stopped their own investigation into Stratton's business practices (with no need to prove that what Belfort regarded as "libel" was actually the truth).

Had Prodigy continued its digging, it would have likely found out what the world knows now. Stratton Oakmont was full of professional lying cheats.

"His scam, which amounts to 'you bought, we sold' is among the oldest in the investment industry," according to Michael Maiello in Esquire magazine. "It relies only on the persistence of fast talking salespeople, which Belfort and Porush assembled in abundance."

"Once the two business partners assembled their ranks, it was only a matter of showing them the light, ironically to the darkest methods in the financial world.

"He taught them his trusted cold-calling technique, the 'Kodak pitch,'" Roula Khalaf wrote in Forbes in 1991 (an article around which one distinct scene of the movie was centered). "That is, the first tout is not some obscure over-the-counter issue but a blue chip, often Eastman Kodak. Only after an investor takes the blue-chip bait do Belfort's brokers pitch the higher-margin garbage."

Gaining investors' trust and sounding like a legit firm by name-dropping some of the biggest companies in the world was the name of Belfort's game. Then came the promotion of bogus stocks. And when investors wouldn't bite, there was always the constant pestering to resort to.

"Brokers would badger clients, asking: "Who wears the pants in your family?" and telling them "Bill Gates and Warren Buffett are going to invest, you've got to get in."

There was simply no getting out of conversation with Stratton Oakmont stock brokers until they got their way, especially if an investor had a deep sense of greed inside of them.

However buried and hidden, Belfort knew he could get to it. The head-man in charge even went to the lengths of printing well detailed scripts that had a response for every rebuttal a potential client offered.

If somebody said, "I need to talk to my wife first," you said, "Does your wife talk to you before she buys a fur coat? No."

Insults, badgering, misogyny: Belfort would seemingly stop at no lengths to pressure clients into sending him money. There even are accounts of brokers declining to sell shares that would make customers a profit, even when those same customers had blatantly asked them to.

Belfort was the master of the high-pressure cold call. A former meat salesman, he trained the brat-pack brokers at his Lake Success, N.Y. bucket shop, Stratton Oakmont, with the slogan 'Never hang up the phone until the customer buys or dies.'

Unfortunately, too many investors caved in, willing to buy, while it took just too long for the government to ensure that Stratton Oakmont and their heavy-handed tactics died.

Avoiding Nefarious Sales Pitches

"No matter what I said, he had a response. I knew he would," Stratton Oakmont victim Chuck Faffe recently wrote.

"The Scorsese movie shows a "script", but regulators that have busted real firms typically call it a "rebuttal book". It's literally a tabbed resource: When you give a reason to not be interested, the broker has a retort ready and waiting to redirect the conversation in the way they want it moving. Once they have made contact, their effort is focused on not losing it.

"Of course, today — unlike in the era when Stratton Oakmont was thriving — the threats aren't mostly coming at the other end of the phone line. Trouble arrives via the Internet, by text message and e-mail, in chat rooms, through social networks, and many other ways.

"Anyone who saw *The Wolf of Wall Street* will have an annoying feeling the next time they get any sort of securities sales pitch, no matter how legitimate. But the reason they keep making movies like this is that people keep falling for the same old tricks.

"The most legitimate complaint about financial regulators is that they are too slow. They get after the bad guys as quickly as possible, but they're not always getting complaints or tips until it's too late to get full restitution, no matter what securities agents do.

Lessons We Can Learn From The Wolf Of Wall Street

“So the moral of the story for investors is “protect yourself”, but how to do that was not part of the message of the movie.

“That said, here are some tips that will make sure you are never on the other end of a story like *The Wolf of Wall Street*.

1. Hang up the phone

The easiest way to avoid a fraudulent sales pitch is to not let it happen. Signing up for the Do-Not-Call Registry can eliminate most miscreants, but you need to look at every other way that you can be pitched as if it was that bothersome phone call, so “hang up” on the emails, the texts and any other pitch that comes out of the blue.

2. If you are not willing or able to ignore the pitch, don't swing at it out of impulse

Many legitimate brokers and financial advisers start their careers trying to build a book of clients, and cold-calling remains something they do. Having them select you as a client — rather than you proactively shopping for proper financial counsel — is far from ideal, but those advisers are not looking to make the quick buck and are trying to get you as a long-term client.

That said, a sales pitch designed to make you act immediately coming from someone you don't know is a universally bad idea. If they don't want you coming to their office and doing your due diligence, they're the bad guys.

3. Do a background check

When I told my recent cold-caller that I wanted to do a background check, he told me how the deal would be gone in that kind of time. Ask for their companies street address an ABN number. It is amazing the number of callers who refuse to supply these.

4. Learn what's in it for them

You always want to know what any financial adviser is getting paid for their services, whether they are making a commission, getting a piece of the assets you put into their care or something else.

In the short verbal joust with my recent cold-caller, I asked what was in the deal for him and he told me it was “unimportant,” because all that mattered was what was in the transaction for me.

Bzzzt. Wrong answer.

5. When something appeals to your greedy side, be fearful

Investing is a constant struggle between fear and greed. Scammers are trying to overwhelm your fear and scepticism, to get you to go for the greed. The more they push for you to be greedy, the more scared you should be.

3.

The Lifestyle.

Coke snorting and orgies were part of daily life when you worked for depraved financier Jordan Belfort.

Three rows back, a young Strattonite with curly brown hair and an active case of teenage acne was standing stiff as a ramrod with his black telephone wedged between his cheek and collarbone.

His arms were extended like airplane wings, and he had giant sweat stains under his armpits. As he shouted into his telephone, Anthony Gilberto, the firm's custom tailor, fit him for a custom made suit.

All day long Gilberto would go from desk to desk taking measurements of young Strattonites and make suits for them at \$2,000 a pop.

Just then the young Strattonite tilted his head all the way back and stretched his arms out as wide as they could possibly go, as if he were about to do a swan dive off a ten-meter board.

Then he said, in a tone you use when you're at your wits' end: "Jesus, will you do yourself a favour, Mr. Kilgore, and pick up ten thousand shares? Please, you're killing me here ... you're killing me. I mean, do I have to fly down to Texas to twist your arm, because if I have to I will!"

Such dedication! I thought. The pimply-faced kid was pitching stock even while he was clothes shopping!

My office was on the other side of the boardroom, and as I made my way through the writhing sea of humanity I felt like Moses in cowboy boots.

Brokers parted this way and that as they cleared a path for me. Each broker I passed offered me a wink or a smile as a way of showing their appreciation for this little slice of heaven on earth I'd created.

Yes, these were my people. They came to me for hope, love, advice, and direction, and I was ten times crazier than all of them. Yet one thing we all shared equally was an undying love for the mighty roar. In fact, we couldn't get enough of it.

Out of the thousand souls in the boardroom there was scarcely a warm body over thirty; most were in their early twenties. It was a handsome crowd, exploding with vanity, and the sexual tension was so thick you could literally smell it. The dress code for men — boys! — was a custom-made suit, white dress shirt, silk necktie, and solid gold wristwatch. For the women, who were outnumbered ten to one, it was go-to-hell skirts, plunging necklines, push-up bras, and spike heels, the higher the better. It was the very sort of attire strictly forbidden in Stratton's human-resources manual yet heavily encouraged by management (yours truly).

Lessons We Can Learn From The Wolf Of Wall Street

Things had gotten so out of hand that young Strattonites were rutting away under desks, in bathroom stalls, in coat closets, in the underground parking garage, and, of course, the building's glass elevator. Eventually, to maintain some semblance of order, we passed out a memorandum declaring the building a F**k Free Zone between the hours of eight a.m. and seven p.m.

The amount of money being made was staggering. A rookie stockbroker was expected to make \$250,000 his first year. Anything less and he was suspect. By year two you were making \$500,000 or you were considered weak and worthless. And by year three you'd better be making a million or more or you were a complete f**king laughingstock. And those were only the minimums; big producers made triple that.

And from there the wealth trickled down. Sales assistants, who were really glorified secretaries, were making over \$100,000 a year. Even the girl at the front switchboard made \$80,000 a year, just for answering the phones.

It was nothing short of a good old fashioned gold rush, and Lake Success had become a boomtown. Young Strattonites, the children that they were, began calling the place Broker Disneyland, and each one of them knew that if they were ever thrown out of the amusement park they would never make this much money again.

And such was the great fear that lived at the base of the skull of every young Strattonite — that one day you would lose your job. Then what would they do? After all, when you were a Strattonite you were expected to live the Life — driving the fanciest car, eating at the hottest restaurants, giving the biggest tips, wearing the finest clothes, and residing in a mansion in Long Island's fabulous Gold Coast.

And even if you were just getting started and you didn't have a dime to your name, then you would borrow money from any bank insane enough to lend it to you — regardless of the interest rate — and start living the Life, whether you were ready for it or not.

In the summers they rented lavish homes in the Hamptons, with heated swimming pools and spectacular views of the Atlantic Ocean. On weekends they threw wild parties that were so decadent they were invariably broken up by the police. Live bands played; DJs spun records; young Stratton girls danced topless; strippers and hookers were considered honoured guests; and, inevitably, at some point along the way, young Strattonites would get naked and start rutting away

right under the clear blue sky, like barnyard animals, happy to put on a show for an ever expanding live audience.

But what was wrong with that? They were drunk on youth, fuelled by greed, and higher than kites. And day by day the gravy train grew longer, as more and more people made fortunes providing the crucial elements young Strattonites needed to live the Life.

-Jordan Belfort

He ran his crooked business like a debauched Roman emperor – successful employees were rewarded with hookers, booze and drugs, failures were fired.

This is typical of many stories I encountered when researching this book.

“Coke snorting and orgies were part of daily life when you worked for depraved financier Jordan Belfort,” the Sunday People reported.

“Workers were encouraged to have sex in a glass lift in full view of the office, there were naked marching bands and female staff at parties were expected to dance topless and sleep with the men.

“But Belfort claims the fiction doesn’t compete with the real-life drug-addled world of stock-selling firm Stratton Oakmont, which he compared to the Biblical dens of sin Sodom and Gomorrah.”

He said: “It wasn’t every firm that sported hookers in the basement, drug dealers in the parking lot, exotic animals in the boardroom and midget-tossing competitions on Fridays.”

“Even party-loving DiCaprio, 39, described Belfort, now 51, as the biggest hedonist he has ever met.

“DiCaprio said: “He was like a modern-day emperor Caligula. He held nothing back and was unapologetic about his lust for wealth and mad consumption.”

“In a single drug-fueled afternoon Belfort wrote off a yacht and one of his two helicopters.

“He smashed up his convertible Mercedes with his toddler daughter unbuckled in the front passenger seat who, luckily, escaped unscathed.

“He also had to be strapped down in his first-class plane seat after sexually assaulting an air stewardess.

Lessons We Can Learn From The Wolf Of Wall Street

"And when he ran short of sex-enhancing Quaalude pills while staying in a £9,000-a-night suite at London's Dorchester Hotel, he told his chauffeur in New York to fly over on Concorde with more.

"Shortly before his empire crashed he persuaded Nadine's prim English aunt, a teacher played by Ab Fab's Joanna Lumley, to let him launder millions of dollars through a Swiss bank using her name. She died before he pulled off that scam.

"Star salesman Josh Shapiro at the now defunct Stratton Oakmont, recalled how he was rewarded with a £300-an-hour hooker for landing deals and Belfort even employed naked marching bands to "encourage" him during cold calls.

"Other "perks" included limitless cocaine, ecstasy and Quaaludes.

"He said: "The girls were the top of the crop, gorgeous former cheerleaders for professional football teams.

"One liked to go to all our parties in Atlantic City. They rented a bus for 40 people, and she had oral sex with everybody on the bus.

"Drug use was rampant. I took three or four Quaaludes a day.

"You thought you were the funniest person in the world but they made you aggressive on the phone, you lost any inhibitions.

"Young female staff at the firm in Long Island, New York, didn't get the same treatment.

"Men shouted obscenities at them and at parties they were free game for male colleagues.

"Belfort described them in his memoir as "rutting away under the clear blue sky like barnyard animals, happy to put on a show."

"His treatment of Miller Lite beer model Nadine was no better – he flew 100 staff and 100 hookers to Las Vegas for a stag orgy before their £600,000 Caribbean wedding.

He bragged of having sex with her on a \$3 million mattress made of \$100 bills.

Cocaine, Quaaludes and Security

As part of his sentence, Belfort was ordered to pay 50 percent of any future earnings toward restitution to the 1,500-plus people who lost their savings due to his dishonest business practices.

While Belfort's life has certainly changed since the turbulent '90s, some say he hasn't changed at all. Bo Dietl who headed a company that provided security for

Belfort during his time at Stratton Oakmont, says the former financier feels little remorse and is still a "scumbag."

When Dietl was asked if he thought Belfort had changed, he answered "bullshit," pointing to the fact that the financier has suffered little and continues to build his wealth with the publication of two books and sale of his movie rights.

Belfort is reported to be shopping around for a reality television show deal. Although he had an income of more than \$1.7 million from his works, Belfort has only paid \$243,000 in restitution since 2007. He still owes \$110.4 million to his victims.

"Does this sound like someone who's suffering from their actions?" asked Dietl, who also appeared in *The Wolf of Wall Street*.

"Just think about your life, having the greatest actors playing you ... having Martin Scorsese directing it ... having a \$100 million budget ... how would you feel? Everyone wants to interview him ... he's everywhere. He's like Robin Hood now and he stole \$200 million from grandma and grandpa he's a scumbag," Dietl said an interview at his office.

While working for Belfort, Dietl said he never saw him sober. "The guy was on f....g Quaaludes ... he was stoned every time I saw him," said Dietl. "That's how he went to work every day. He would do cocaine to pick himself up and the Quaaludes would put him into a real stupor."

Dietl saw what the drugs did to Belfort first-hand, who was extremely paranoid from the drugs and asked Dietl's company to put technology cameras, motion detectors and flood lights around his home.

"He also had the gangsters lurking ... the wise guys from organized crimes ... he was making a lot of money," Dietl said. "When [these guys] see a lot of money ... well, you need some protection. [The gangsters] want to weasel their way in so [Belfort] called me up to weasel them out."

Dietl said much of what happened in the movie actually occurred — even the part about Belfort being so high that he would fall asleep in his macaroni.

Of course, Dietl's words against Belfort's character reveal his own opinion. Maybe no one will ever really know if, or how, Belfort has changed.

Belfort and his associates didn't lose their souls all at once

According to Belfort, he and his associates at the time didn't lose their souls all at once - the decline happened bit by bit.

"What happens when you get to this section of Wall Street is it's very easy to rationalize everything you do one action at a time and then it goes further and further," Belfort told Piers Morgan in a TV interview.

After spending 22 months in prison for securities fraud and money laundering, Belfort insisted in an interview with Morgan that 95 percent of what he did was legal but he added 'the 5 percent was incredibly destructive and it poisoned everything.'

Those moments were hard to watch in Scorsese's three hour epic, he confessed.

"It was shocking ... I saw the movie with my fiancée the first time, and we were speechless afterwards," he said.

"I had come to terms with my old life. I wrote this book, and that was like a cathartic experience for me. But to see it on film like that, with someone that did such a good job, I literally, I felt myself sweating at certain points, when some of the cocaine was being snorted. I got almost sympathetic reactions to it."

Belfort then saw the movie again with his 18-year-old son and his ex-wife, who he is shown punching in the stomach in the movie - something he claims didn't happen in real life.

Certain larger-than-life things that did take place, however, include a scene where a woman shaves her head for \$10,000, which she used to pay for breast implants.

Another scene shows stock brokers throwing a dwarf at a dart board in the office. Belfort's pal really did eat a live goldfish and there was a 'sex-free zone' in the promiscuous workplace.

"It started with the elevator, someone christened the elevator early on," he explained. "There were all these young guys and girls, 18-23, and everyone's making a lot of money. These things do happen."

The most outrageous thing he ever witnessed happened at his bachelor party, Belfort told Morgan, but didn't elaborate.

"I can't say it on TV. It was an act of sexual depravity that made even me speechless," he said. "It happened in front of a crowd of 100 people, there were 50

prostitutes there and they said it was the most depraved thing they ever saw. It was absolutely disgusting.”

Belfort told Morgan his lowest moment though was when his family fell apart.

“My marriage unwound and the thought of losing my children was the bottom,” he said.

“Thankfully, his kids were young enough when he quit his addictions that they only know him as the man he is today, he said.

“I was an amazing father and I was proud of that. I got sober when my daughter was 3 and my son was 1,” he said. He added that his parents never judged him and always showed him unconditional support despite his criminal behaviour.

When Morgan noted that if Belfort had stayed legitimate, the hardworking salesman would have been worth a fortune today, he responded: ‘That’s the shame of it all. The biggest mistake I made was not delaying my gratification, I would have been worth \$10-20 billion now!’

Belfort reportedly owed some \$110 million to the victims of his scam. But he said he’s paid back around \$12 million of his debt and is giving 100 per cent of cash made from the book sales and the movie to the compensation fund.

“I think it’ll be many, many millions of dollars and I’m really happy about that,” he told Morgan.

He praised DiCaprio for making the film that he calls a cautionary tale rather than glorifying the excessive behaviour, as many critics have claimed the film does

During the hour-long interview, Morgan listed some of the people impacted by the behaviour that landed Belfort in prison - Peter Springfield, an architect in Mystic, Connecticut, who lost half of his life savings, Dr. Alfred Vitt, a retired dentist, who lost \$250,000 and Bob Shearin, who reportedly lost \$130,000.

But Belfort said he hadn’t met with any of his victims.

“I have not ... no one has sought me out,” he said.

“What I’m doing here, by turning over 100 percent of the profits, is probably the most genuine thing I can do. Honestly I feel terrible about what happened. You asked if I had shame: back then, yes. Now, no. I’m not going to live my life in shame. I think that’s a toxic emotion.

Lessons We Can Learn From The Wolf Of Wall Street

"I live with remorse, and that means I go out and do things actively to make up for the wrongs that I committed in the past."

But the former Wolf said he was open to meeting some of the people he swindled in a bid to make amends.

Jordan Belfort was afraid of his own leftovers

In January 2014 *The New York Post* reported, "The body-conscious former stock scammer would spray Windex on food in his fridge so he wouldn't be tempted to eat it. And served a bowl of pasta, he'd suck out the tomato sauce and leave the macaroni.

"He lived on Gatorade and put lifts in his custom Ferragamo shoes to boost his 5-foot-7 frame.

"He has the lowest self-esteem in the world," said Michael Peragine, a former business associate and friend of Belfort.

"Peragine saw Belfort struggle to redeem himself after his 1998 arrest for ripping off thousands of investors. Peragine grew enamoured with Belfort's salesmanship as the two worked at a Nassau County mortgage brokerage in the early 2000s.

"Belfort was sober then, cooperating with authorities to reduce his prison time and trying to go legit.

"But Peragine, 38, said he ended up being another of Belfort's victims, left with empty promises, hard feelings and a stack of bills.

"I got screwed," said Peragine, now in Palm Beach Gardens, Florida, where he is running for City Council.

Peragine hasn't seen Leonardo DiCaprio's portrayal of Mr Belfort in *The Wolf of Wall Street*.

In 2003, Peragine left Long Island and moved to California with Belfort, then 41, to set up a business venture. He rented a Manhattan Beach house for \$US6,900 (\$7,870) a month.

Then Belfort dropped a bombshell.

"Four months later ... he told me that he had just cut some deal with the government," Peragine said.

"Belfort was to do time at a California prison. And he needed Mr Peragine's help.

"He asked to make sure that I come and spend time with him at least once a week, bring his kids up when I could and take care of his bills," Peragine said.

"He said that the Wolf left him about \$US100,000 to pay bills and that he felt obligated to comply even when the money ran out and he was digging in his own pocket.

"My theory was Jordan taught me a lot about sales," he said. "I would consider him one of the top five salespeople in the world. Jordan is a guy who can mesmerise you."

"Belfort began to write his memoir in prison and Peragine hashed over it during visits and later took it to a literary agent.

"Belfort served 22 months and after his release, continued to work on the memoir at Peragine's office. Belfort promised Peragine half the proceeds of the book and the film he was sure would come of it.

"Then, after he's out of the halfway house, he tells me that it's his life ... I can't own his life," Peragine said.

'The book deal brought in more than \$US1.4 million, with Belfort getting half after he paid his agent and the government taking \$US701,709 for restitution.

"Belfort's sentencing agreement called for him to pay his victims a total of \$US110 million. So far, he has paid just \$US11.6 million.

"He got \$US940,500 from the sale of the film rights in 2011 but paid the government just \$US21,000 that year, court papers show."

"Inside the restaurant young Strattonites carried on their time honoured tradition of acting like packs of untamed wolves. They were drunk on youth, fuelled by greed, and higher than kites."

Travel and Entertainment

"The three of us exchanged glances but said nothing. After all, what was there to say? The truth was that hookers did take credit cards—or at least ours did!

"In fact, hookers were so much a part of the Stratton subculture that we classified them like publicly traded stocks: Blue Chips were considered the top-of-the-line hooker, zee crème de la crème.

Lessons We Can Learn From The Wolf Of Wall Street

“They were usually struggling young models or exceptionally beautiful college girls in desperate need of tuition or designer clothing, and for a few thousand dollars they would do almost anything imaginable, either to you or to each other.

“Next came the NASDAQs, who were one step down from the Blue Chips. They were priced between three and five hundred dollars and made you wear a condom unless you gave them a hefty tip, which I always did.

“Then came the Pink Sheet hookers, who were the lowest form of all, usually a streetwalker or the sort of low-class hooker who showed up in response to a desperate late-night phone call to a number in Screw magazine or the yellow pages.

“They usually cost a hundred dollars or less, and if you didn’t wear a condom, you’d get a penicillin shot the next day and then pray that your dick didn’t fall off.

“Anyway, the Blue Chips took credit cards, so what was wrong with writing them off on your taxes? After all, the IRS knew about this sort of stuff, didn’t they?

“In fact, back in the good old days, when getting blasted over lunch was considered normal corporate behaviour, the IRS referred to these types of expenses as three-martini lunches!

“They even had an accounting term for it: It was called T and E, which stood for Travel and Entertainment. All I’d done was taken the small liberty of moving things to their logical conclusion, changing T and E to T and A: Tits and Ass!”

Pretty Young Things

“It was all good, though, and it all made perfect sense. Everyone was young and beautiful, and they were seizing the moment. Seize the moment — it was this very corporate mantra that burned like fire in the heart and soul of every young Strattonite and vibrated in the overactive pleasure centres of all thousand of their barely post adolescent brains.

“And who could argue with such success?

“It was so out of control that kids still sporting teenage acne and only recently acquainted with a razor blade were going out and buying mansions.

“Some of them were so young they never even moved in; they still felt more comfortable sleeping at home, with their parents.”

The Niche-Service Providers

“There were the real estate brokers who sold them the mansions; the mortgage brokers who secured the financing; the interior decorators who stuffed the mansions with overpriced furniture; the landscapers who tended to the grounds (any Strattonite caught mowing his own lawn would be stoned to death).

The exotic car dealers who sold the Porsches and Mercedes and Ferraris and Lamborghinis (if you drove anything less you were considered a total f**ing embarrassment).

There were the maître d's who reserved tables at the hottest restaurants; there were the ticket scalpers who got front-row seats to sold-out sporting events and rock concerts and Broadway shows.

“There were the jewellers and watchmakers and clothiers and shoemakers and florists and caterers and haircutters and pet groomers and masseuses and chiropractors and car detailers.

“And all the other niche-service providers (especially the hookers and the drug dealers) who showed up at the boardroom and delivered their services right to the feet of young Strattonites so they wouldn't have to take even one second out of their busy day or, for that matter, engage in any extracurricular activity that didn't directly enhance their ability to commit one single act: dial the telephone.

“That was it. You smiled and dialled from the second you came in to the office until the second you left. And if you weren't motivated enough to do it or you couldn't take the constant rejection of secretaries from all fifty states slamming the phone down in your ear three hundred times a day, then there were ten people right behind you who were more than willing to do the job. And then you were out — permanently.”

4.

The Film.

“I made \$49 million last year. That pisses me off a bit. If I had made an extra \$3 million that would have worked out nicely at \$1 million per week.”

- Jordan Belfort, early in the film

The sale of the film rights to Belfort's two memoirs, *The Wolf of Wall Street* and *Catching the Wolf of Wall Street*, are estimated to have earned him \$2 million. The film was nominated for a Golden Globe (Best Comedy) and in early 2014 the film was nominated for a Best Picture Oscar.

All over the world during the festive season, film-goers flocked to see DiCaprio playing Belfort marching hookers on to the office floor, receiving the attentions of a young lady at the wheel of his Ferrari and tearing up a sofa to find a stash of cocaine.

In Australia the film received huge publicity in the media and those who saw it came away awed, and in many cases inspired and motivated, by the excessive and hedonistic behaviour.

Of particular interest for Australian viewers was the performance of former Gold Coast girl Margot Robbie as Belfort's mistress and later is wife, who began her career in *Neighbours* at age 17.

According to gossip magazines, "The chemistry between Margot Robbie, 23, and Leonardo DiCaprio, 39, was instant, sparking an intense romance between the on-screen love interests."

Predictably, there was outrage that the film glorifies these exploits. "All of which, one imagines," Nick Harding wrote, "gave Belfort his best Christmas in years - as he wrote on his blog at the end of last month: "Visit the theatre and watch DiCaprio portray me as I was and remember the man I have become."

The amount of nudity in *The Wolf Of Wall Street* isn't the film's only major faux-pas though according to Variety. Eagle-eyed viewers have now calculated that the f-word is used 506 times in the drama, which is a new record.

Variety reported, "According to Wikipedia, the word 'f***' is used 506 times over *The Wolf of Wall Street's* 180-minute running time. Previously, the record for a non-documentary was Spike Lee's 1999 film *Summer of Sam* with 435 instances."

In an Interview with Piers Morgan in January 2013 Belfort applauded the movie, and said he spent more than 100 hours with DiCaprio, helping him prepare for the role of his life.

Belfort said it was difficult to watch the film in parts. He praised the actor for making the film, which he calls a cautionary tale rather than glorifying the excessive behaviour, as many critics have claimed the film does.

Lessons We Can Learn From The Wolf Of Wall Street

"I lost my soul as much as a person can and still be walking around," he told Morgan as he described the first time greed got the better of him and the moment he learned he was selling a scam, cheating innocent people out of millions of dollars.

"Originally when Leo saw this project, he wanted to get it on screen – and he said this publicly – because it represented the mistakes that I made, and the attitude I had at the time, represents a lot of what went really wrong ultimately, many years later with Wall Street," he told Morgan.

"It was important to him, and I think that - what impressed Leo, I think about my new life so much, is he saw me make this really radical turn, and I think that moved him. And I was really proud and shocked that he did that."

After spending 22 months in prison for securities fraud and money laundering Belfort insisted to Morgan that 95 percent of what he did was legal. However, he added, "The 5 percent was incredibly destructive and it poisoned everything."

And he says he's willing to meet victims of his multimillion dollar fraud.

A manipulative messiah of money

Michele "Izzy" Galgana is a freelance writer and film festival programmer. This is how she described *The Wolf of Wall Street*.

"The film begins in 1987, when legendary white-collar criminal Jordan Belfort was just beginning his career as a stockbroker. We start out with one of Matthew McConaughey's latest trademarks -- mental, aggressive characters, who are arguably more interesting than any of the stoned beach bum or hero types for which he was once known.

"Here, he teaches the young Belfort how to take total advantage of clients -- the shocker is that we see it unabashedly admitted. He's a total sociopath addicted to sex, booze, and drugs, the very first of many addicts in this film, and this display foreshadows Belfort's future madness.

"One might even say that because of the setting and the gluttony for wealth and rank on display, that *Wolf* is *American Psycho* remade with an entire army of Patrick Batemans on display, without the homicidal tendencies.

"Let us never forget how many sociopathic/psychopathic killers roam the horror genre, be they supernatural monster humanoids like Freddy or Jordan, or your run-of-the-mill giallo slasher.

"The next character we come across is Donnie Azoff, based on Belfort's right-hand sleaze ball, Danny Porush (Jonah Hill). In the film, Azoff saddles up to Belfort at a diner and tells him that they live in the same building.

"If that isn't weird enough, Azoff continues, vocalizing his lust for Belfort's car. With glazed over, blackened eyes ("like a doll's eyes") the dullard asks inappropriate questions like "how much did you make last month?"

"Instead of kicking his ass, Belfort answers honestly. Hill's character then ogles Belfort like he's a naked hooker (plenty of those to come) or a killer selecting his prey, and does everything but drool when given the answer: \$72,000.

"I haven't read the real Belfort's autobiographies, but the character Belfort strangely accepts the incredibly creepy Azoff's offer of servitude if he can pony up a pay stub. Also in the first few sentences to come out of Azoff's mouth, he confesses to having an ugly wife.

"Incredulously, Belfort also lets this stalker-esque guy take him into a tiny room to smoke crack. Rob Ford would be proud, but it's insane.

"Anyone who's seen *Requiem for a Dream*, *Jacob's Ladder*, or *Dead Ringers* can attest to how frightening movie depictions of being under chemical influence can be.

"Later, when Belfort asks Azoff if the rumour that he married his first cousin are true -- it recalls inbred horrors like *The X-Files* "Home" episode and films like *The Hills Have Eyes* -- he admits that he couldn't let anyone else sleep with her and that if they were to have a retarded child, he would "drive north and let it loose in the woods."

"Just let that sink in a little.

"Next, Belfort is training his old townie friends on how to trade and dump penny stocks and essentially steal from people, because he justifies that, "I know how to spend money better."

"He eventually turns his company into a cult of obsessed followers who will do anything for him. Leonardo DiCaprio playing Belfort is mesmerizing. He truly becomes a manipulative messiah of money, a charismatic cultivator of cash, who uses promises of wealth as well as threats of poverty and verbal abuse to motivate his clan of worshipping lemmings.

Lessons We Can Learn From The Wolf Of Wall Street

"Not quite like Jim Jones and his Jonestown Massacre, but not unlike the cult leader/maniac. In Belfort's church, the spirit of malevolence is alive and well on Wall Street. "Buy or die," he says upon his pulpit.

"Known for off-the-wall work parties that involve sex, drugs, booze, bare-knuckle fighting, and dwarf tossing (and yes, we see all of this on screen), there's a scene in which he offers one of his female employees a hefty sum to have her head shaved right then and there.

"She accepts the money, simultaneously horrified and thrilled (verging on Marilyn Burns' screaming laughter at escaping slaughter in Texas Chainsaw Massacre) at her financial windfall, and ends up looking like a glammed up Chop Top from Texas Chainsaw Massacre 2.

"But hey, it's okay--Belfort announces that she'll promise to use her new funds to get DD implants! (Apparently a C cup is not sufficient for this version of Babylon.)

"In addition to the happy hookers that Belfort and his brokers buy and use for part of the entertainment at his weekly parties -- the dwarves who rent themselves out for throwing at huge velcro dart boards, human bowling, and the like -- are referred to as "it" and compared to animals.

"In the boardroom over negotiations over the dwarf rental, it's declared that you "never look one in the eyes," and that "we need a tranquilizer gun ready" in case the dwarves charge like wild animals on the Serengeti.

"And then there comes the completely unexpected, "one of us, one of us, gooba gabba, gooba gabba, one of us," chant from Todd Brown's 1932 masterpiece, Freaks, complete with pounding and chanting on the boardroom table. Amazing.

"Later on, there's a Perfect Storm-like sequence in which an avaricious Belfort forces his yacht's captain to sail to Monaco (in order to reclaim hidden, illegal tax haven funds) in what turns out to be a terrifying storm that sinks his the boat and nearly kills him, his second wife, and Azoff and his wife-cousin.

"Inspired by the actual sinking of Belfort's yacht off the coast of Sardinia, it's astonishing that anyone survived at all, as if they do it just to spite the rest of humanity.

"At this point, Belfort is a full-fledged addict who refuses to die sober. The drug use, as repugnant as it becomes, leads to a full-on, chemical-fuelled, Dr. Jeckyll

and Mr. Hyde meets Gilbert Grape scene once the Belfort character's ingested too many expired contraband Quaaludes and develops a drug-induced cerebral palsy after driving his Lamborghini to the local country club and back home.

"It's a horrifyingly hilarious Popeye and spinach-inspired scene that truly must be seen to be believed. Cocaine is Belfort's spinach, and after he tries to kill Azoff, he's there to save the day.

"Overall, the film is incredibly misogynistic, but how could one expect anything more from a troupe of entitled, money- and status obsessed jerks?

"In addition to the pathological lying and copious cheating, you'll see wife slapping and punching when his second wife Naomi has decided she's had enough and wants to take the kids and leave in a harrowing scene highlighting domestic abuse. This is an issue across socio-economic lines that plagues families the world over.

"DiCaprio is slowly filling Jack Nicholson's crazy shoes in terms of recklessness and brilliance in acting and role choice; he's absolutely superb here. And in a lesser director's hands, this film would likely be a B-movie at best, given its salacious origin and content. Scorsese makes this train wreck one of the most entertaining films in history.

"However, the most incredible feat Scorsese pulled off was crafting a film that truly transcends genre. *The Wolf of Wall Street* is "boys will be boys" all the way -- glutted with sensuous flesh and luxury goods, and hysterically funny at times - until the plot sways towards the dramatic and leads toward the implosion of the American Dream. It eventually becomes frightening as hell, as the best horror movies always are."

Why is it movies about white-collar criminals remain so popular?

Why do people go to the movies? They go to be entertained and to escape from their own, in many cases dull, reality for a while. A movie such as *The Wolf of Wall Street* certainly does that for viewers.

The popularity of films like *The Wolf of Wall Street*, *American Hustle*, *Wall Street* and *American Psycho* confirms that people love watching rich people commit heinous crimes, albeit often with luxury settings and accessories to titillate the eye.

Lessons We Can Learn From The Wolf Of Wall Street

Do we glorify these films? Do we welcome white collar criminals because they're typically charming, educated, wear designer suits and usually don't look like what most of us imagine a criminal to look like?

Maybe we're comforted in that we can't see the victims and without the victims, it's hard to imagine a crime. As a result, these white collar criminals rarely understand the impact that their actions have on their victims. No one ever forces them to face it.

In the end, Wall Street has a long way to go before it can change its money-centric, toxic culture. But in the meantime, it may help if we remember that criminals are criminals — whether they come from the slums or Wall Street.

Seduced by the financial environment of the time

Belfort gives the impression that he was seduced by the financial environment of the time. The market of the early 1990s made a lot of people a lot of money and, by Belfort's reckoning, his endeavours cost no one more than they could afford.

"I don't like to come off like what I did was not wrong. But I wasn't dealing with poor people. I was dealing with very rich people. No one lost their life savings," he argues.

This revisionism, however, is not the account Belfort gave to court when he pleaded guilty to charges of international securities fraud and money-laundering in 1999.

Facing 20 to 30 years in jail, he agreed to gather evidence against his friends and colleagues in a year-long undercover operation in exchange for a lighter sentence.

It is also not an account that the two key investigators behind his downfall recognise.

FBI Special Agent Greg Coleman began investigating Belfort in 1992. "I have run into individuals who were bad people doing bad things and I've run into ones who were basically good people who made a mistake and will never do it again," says Coleman.

"Belfort was really bad. And while there is some attempt on his part to clean up and change, I think he is still a work in progress. There were a lot of victims who could ill afford to lose that kind of money."

Joel Cohen concurs. "My sense is that he is only half-repentant, for whatever reason - whether he thinks it sells books and movies better. He says he is sorry to his victims but on the same token he tells the world that only 5 per cent of his behaviour was criminal."

Both have mixed feelings about the movie. Says Cohen, "It's not going to be about his prosecution. It will be about his rise and dwarves being thrown out of cannons. I fear it is being marketed as a general comment of all that ails society, when in fact it is a sordid story about bad people who do not represent society at all."

While the debauchery depicted in the film is true, plenty of the Belfort story is myth. His supposed links to the mafia have never been proven and Stratton Oakmont - a name chosen as it sounded British and reputable - was never a Wall Street firm: the Wolf of Wall Street operated from a shopping mall in suburban Long Island.

Stratton Oakmont was a so-called "boiler room"; ostensibly a call centre where young workers rang investors and random names from the telephone directory, pushing them to buy shares in companies it financed and floated on the stock exchange (in a process called Initial Public Offerings or IPOs).

Stratton Oakmont practised a technique called "pump and dump": investors were first hooked with the promise of shares in stable companies and then persuaded to invest in Stratton's IPOs.

The greater the number of people who invested, the higher the share prices rose. Illegally, Belfort and a group of insiders he tipped off also bought shares in these businesses.

When the prices peaked, Belfort tipped off his cohorts to sell. They all made fortunes while the share prices plummeted, leaving everyone else with worthless stocks.

The film devotes a considerable amount of time in a number of scenes showing Belfort teaching his sales and persuasion technique to his broking staff. His sales and persuasion techniques were a key part of his success.

Lessons We Can Learn From The Wolf Of Wall Street

The close of the film shows the FBI agent who was Belfort's main prosecutor travelling home alone on the New York subway in a contemplative mood.

Earlier in the film aboard his luxury yacht Belfort had said to the agent as part of what could be construed a bribe, "You probably earn fifty to sixty thousand a year," as he flaunted his wealth.

5.

Jordan Belfort's Success Tips

The only thing standing between you and your goal is the bullshit story you keep telling yourself as to why you can't achieve it.

Lessons We Can Learn From The Wolf Of Wall Street

"I believe in total immersion, if you want to be rich, you have to program your mind to be rich. You have to unlearn all the thoughts that were making you poor and replace them with new thoughts – rich thoughts."

"No matter what happened to you in your past, you are not your past, you are the resources and the capabilities you glean from it. And that is the basis for all change."

"The easiest way to make money is, create something of such value that everybody wants and go out and give and create value, the money comes automatically."

"If you want to be rich, never give up. People tend to give up. If you have persistence, you will come out ahead of most people. More importantly, you will learn. When you do something, you might fail. But that's not because you're a failure. It's because you have not learnt enough. Do it differently each time. One day, you will do it right. Failure is your friend."

"When you live your life by poor standards, you inflict damage on everyone who crosses your path, especially those you love."

"Successful people are 100% convinced that they are masters of their own destiny, they're not creatures of circumstance, they create circumstance, if the circumstances around them suck they change them."

"Winners use words that say 'must' and 'will'."

"Act as if! Act as if you're a wealthy man, rich already, and then you'll surely become rich. Act as if you have unmatched confidence and then people will surely have confidence in you. Act as if you have unmatched experience and then people will follow your advice. And act as if you are already a tremendous success, and as sure as I stand here today – you will become successful."

"If you give people a good enough 'why', they will always figure out the 'how'."

"You don't choose who you fall in love with, do you? And once you do fall in love—that obsessive sort of love, that all-consuming love, where two people can't stand to be apart from each other for even a moment—how are you supposed to let a love like that pass you by?"

How to ask for a raise

There are three things you have to communicate when you want to ask for a pay raise.

"Number one is the value of the product, which is you, and both the job you're doing now and what you can do for the company over the long term."

Then in the moment when you're actually selling your idea to your boss, you have to get into a rapport where they trust and connect with you (see how to do that below).

Finally, you have to be clear about what you're asking for.

"You say I'd like a raise for X amount of dollars and you offer the benefits that you're going to give for that raise."

How to persuade someone to hire you

You have to think about it in terms of "selling yourself" to your prospective employer.

"Saying 'I really want a job here' would be the lowest level of persuasion. Versus 'Let me tell you what I can add here in value and how I see myself fitting in!'"

And where do you see yourself in five years?

"It's a question you always get asked, and the best answer is "I see myself growing in my own job here and eventually getting to the point where I can manage other people and pass on the skills I've learned to the people around me."

The first four seconds

You have to make a good first impression and you can't do it just using words.

"It's your tonality and your body language which allows you to be established as someone worth listening to. Certain tones are pleasing to the ear and imply certainty about what you're saying."

Build a rapport

Now you have their attention, you need to open somebody up to want to talk to you.

"It's how you phrase your questions and how you listen to somebody.

"If somebody's talking to you and it's a logical thing they're talking about, like about their business, you're leaning back and listening intently.

"And when it's emotional, about the struggles they're facing or if their family comes up, you lean forward and [nod to show you understand]."

You should also match the general posture and pace at which the other person is talking.

"So if someone is unenthusiastic and seems disconnected to your message you don't keep talking at them in a tone that is overly positive and enthusiastic - you match their tone and build up to a level where you sound enthusiastic again."

Always be asking questions

When you ask someone a lot of thoughtful questions you make the person feel like they're in good hands.

"The thing with great sales people, top level entrepreneurs and business people is that they're experts in asking questions and based on that they know how to offer a solution."

So what counts as a "good" question?

Your goal is to work out what people need, but you also need to understand the context.

"What do they value? What are their beliefs about buying and making decisions? What's causing them the most discomfort right now?"

You have to listen and don't try to solve their problem while you're still working out what it is.

"The biggest mistake that novice salespeople make is they try to sell their product before they get the full picture [of what someone wants] which is very disempowering for the client," he said.

How to identify what's wrong with people

To convince people to buy something they have to love the product both logically (so they believe they need it) and emotionally (so they feel good about having it). They have to trust and connect with you as the salesperson. And they have to be thinking about the problem they have and why you can solve it.

"At a certain point one of the questions I always ask is 'What is your greatest headache right now?'

"I wouldn't ask it first but as I get into deeper and tighter rapport it opens me up to ask those more invasive, troubling questions and if they already sense I'm an expert and a figure of authority they'll reveal their pain to you.

How to use it to get a job or a promotion

"Whatever your job is the people who are your superiors are facing struggles.

"If you can build a successful rapport with your boss they'll tell you what their struggles are and what they want you to do.

"Know the people who hired you, what are they looking for and how you give them the most value.

"When you know what to focus on in your work, and once you are performing and proving you are valuable you can go back and ask for that pay rise or promotion."

Jordan Belfort's guide to the art of persuasion:

Keep Your Powder Dry

If aiming to convince everybody that what you're selling is worth buying, you're already on the wrong track.

According to Belfort, in a room full of prospective buyers, everyone falls under four categories: those who are curious, those empowered buyers who are browsing, those who are desperate to make a decision, and those who are hopeless.

Lessons We Can Learn From The Wolf Of Wall Street

"In any given room like that, you will find people that will never buy.

"There is no reason to waste your time and effort on those who don't even need what you're selling.

When dealing with those who are either curious or simply not buying, Belfort says "to keep your powder dry," to essentially save your best stuff for when it matters.

It's easy to weed out those who aren't worthy of your words, he adds. If they don't have the money, aren't in need of what you have, or if your service isn't relevant to them and their priorities, don't waste your time.

Conquer The First Four Seconds

The most important part of a conversation is the time during which you're trying to either promote yourself or your business.

During the first four seconds, Belfort says, it's imperative that you establish that you are enthusiastic, sharp and authoritative.

No one will be inspired by someone who doesn't even sound like he or she is inspired his or herself. From the get-go, Belfort says it's important to establish your competence in the subject of relevance. "Tonality" is the word he likes to key in on and a lot rides on it.

Understand The Action Threshold

Part of knowing how to sell, whether you're selling an idea or a product, is knowing what exactly to touch on during the limited amount of time you have a person's attention.

While some salespeople might try to build rapport by talking about things the buyer and seller might have in common (the same hometown, for instance), Belfort emphasises the fact that it's important to immediately crack what he calls the "action threshold."

The action threshold is otherwise known as the point when a person's need exceeds the amount of doubts he or she has about what you're trying to sell.

Furthermore, limiting beliefs are what drive these doubts, so it's important, while trying to persuade someone, that a person *directly* attacks these beliefs.

When Belfort owned his firm, for example, he said that as soon as a prospective employer walked into his office, he told that person what they could accomplish together, though the employer never imagined it possible.

Belfort pushes people to think about what they have to offer someone. He asks what doubts they think buyers may have about their idea or service.

Whatever doubts there may be, it's important to attack those beliefs, and any common misconceptions that may be behind an idea or service, emphatically.

Take Control Of Your State

The Three C's

"I did it out of anger." For some people, bad decisions can be traced back to those words.

Belfort believes this can be attributed to the fact that our state drives what we do and when it comes to persuasion, the amount of success we have while in that state.

This is why, he says, it's essential to be cognisant of the Three C's when trying to persuade someone: certainty, clarity and courage.

Even in the face of failure, it's a must that everyone be able to channel a sense of positivity, courage and control to move forward. Rather than lamenting the fact that you failed while hesitant and jittery in a state of timidity, you might just say:

Dos and don'ts

Jordan Belfort teaches us that it is not only important to know what you have to do, but also what you shouldn't do.

After being released from prison, Belfort learned the hard way that you should listen to your conscience at all times, no matter what impact it will have on your life or business.

Always take into consideration the pros and cons before taking a step whilst making sure that you are not prejudicing anybody.

Jordan Belfort's Straight Line sales and persuasion technique

After his release from jail Belfort needed to make a living as well as pay back a huge amount of money to former clients as part of his agreement with authorities.

Lessons We Can Learn From The Wolf Of Wall Street

What better course of action for a master salesperson than to set up an eponymous sales training program?

According to his marketing material, “Belfort’s proprietary sales training techniques and daily motivational speeches are the stuff of legend — earning him a reputation as a motivator without peer. His testimonials confirm he can take virtually any individual, regardless of age, race, sex, educational background or social status, and empower them to attain goals they never dreamed themselves capable of.

“The Straight Line is a sales and persuasion technique that Jordan Belfort created on Wall Street and implemented in his business to build one of the fastest growing brokerage firms in Wall Street history.

“In essence, it is a structured set of guidelines on how to navigate a sales conversation. It’s elegant and simple, but best of all it de-mystifies selling by teaching a syntax of what’s required and when, in order to close the sale.

“Simply, the Straight Line involves creating absolute certainty in a prospect’s mind about three key things: the product, the salesperson, and the company.

“Certainty must be created on both a logical and emotional level – at the same time. It provides guidelines and checkpoints so salespeople can, in the moment of a live sale, analyse the situation – evaluate their progress and implement a range of pre-prepared tactics and very well developed language patterns.

“This is a sophisticated, yet simple and elegant process which will move a prospect ‘down the straight line’ from the ‘open to the close’.

“The technique can be adapted and applied to all types of sales; from consulting and services to pure product sales. It equally applies to sales with long and short sales cycles. Best of all, the Straight Line is very trainable and easily scalable, providing Sales Directors enormous leverage.

The Straight Line is made up of two dimensions or worlds:

Your Inner World is built on your Vision, Beliefs and Standards and how you manage your emotions and State.

The Outer World defines the Straight Line techniques you will learn to maximise your potential and your chance of success.

Traditional training methods and dated sales techniques are not delivering improved sales performance – this will change people's lives!

A cautionary tale

“But what I sincerely hope is that my life serves as a cautionary tale to the rich and poor alike; to anyone who's living with a spoon up their nose and a bunch of pills dissolving in their stomach sac; or to any person who's considering taking a God-given gift and misusing it; to anyone who decides to go to the dark side of the force and live a life of unbridled hedonism. And to anyone who thinks there's anything glamorous about being known as a Wolf of Wall Street.”

6.

Life Lessons

Success cannot be achieved one goal at a time, because it cannot be measured and it's recipe does not mention how many goals a person should have before they make their dream come true

Rich thoughts trigger wealth

When Jordan Belfort opens up on how to make money, you start listening, even if your brain tells you that he is an ex-convict. Starting a business from scratch and eventually having around 1,000 highly trained and motivated people working for you is a major achievement by any standard.

Belfort's current marketing blurb reads, "A star was born when Jordan Belfort started making millions of dollars and his fame continued to be legendary even after he was convicted for securities fraud and money laundering."

A key plank of his success was the sales training and motivation Belfort offered to his employees.

Belfort was released after twenty-two months in prison and now he is an author, entrepreneur and motivational speaker. "His redemption is to offer us his life on a silver platter, including life lessons that are worth his weight in gold," thus runs Belfort's sales blurb for his new venture, his Straight Line Sales Psychology course.

In this chapter I will look at some of the sales and motivational issues - life lessons - that powered Belfort to success.

Sell me a pen

What does the customer really want to buy?

A key scene early in the film has Jordan Belfort applying for a job in a run down suburban office full of scruffy salespeople. The person interviewing Belfort gives him a pen and asks him to sell it to him.

Many salespeople have been put to this test. Most start reciting the obvious features and benefits of the pen. "Looks nice, writes well, easy to hold ..."

Belfort asked his interviewer to write down what he would use the pen for. "Don't have a pen."

Interview successful. Belfort had managed to focus on what the pen's owner really wanted from the pen.

Similarly people buying a drill don't really want the drill; they want the hole the drill can provide them.

People don't go to see a movie; they go for entertainment.

People don't buy a telephone company; they want it for tele communications.

People buy a motor car for personalised transport and prestige.

Lessons We Can Learn From The Wolf Of Wall Street

When people buy a house, they are buying shelter and prestige.

And of course the people Belfort was pitching his stocks to wanted the windfall profits, not the paper stocks. Belfort played on their greed.

Interestingly, the end of the film depicts Belfort at one of his sales training seminars in Auckland, New Zealand asking hapless attendees to sell him a pen.

Forget about who you were

Jordan Belfort talks about making a change in life, especially if you want to feel proud when you look into the mirror. He talks about mistakes and the fact that we have all made them. However, that does not mean that we have to remain anchored in the past, otherwise the past will dictate the future.

If you don't like who you were, forget about that person and try living the way you always wanted. Change is not a one-way street and it does not make you a failure; change makes you a winner simply because you chose to fight back and distance yourself from the person you used to be.

You are who you think you are

The theory of the Universe says that a negative thought attracts negative actions but as long as you stay positive, you will become the person you think you are. Therefore, if you look in the mirror and give yourself a pep talk, you will become more enthusiastic about your future actions and decisions, which will ultimately make you the person you say you are.

Look the part

Any photographs of Jordan Belfort, whether before or after his troubles, always show him to be immaculately dressed, usually complete with a tie and jacket. As the old adage goes, "You only get one chance to make a first impression."

Failure is your friend

We have all fallen so hard, that the moment we hit the ground it felt like an explosion. However, this does not make us a failure. Failing is not only an essential characteristic of mankind, but it is also the best way to succeed.

Philosopher Friedrich Nietzsche's saying "what doesn't kill you makes you stronger" should echo in your head at all times. The moment you are on the floor, you bounce back and become stronger.

This is how Belfort has become a better person after he was released from prison and this is how you are going to be the successful person you wanted to be.

Master your own destiny

Another valuable life lesson that Belfort offers us is the notion that you shouldn't accept your destiny if you are not satisfied with it.

According to him, "successful people are 100% convinced that they are masters of their own destiny, they're not creatures of circumstance, they create circumstance; if the circumstances around them suck, they change them".

Attitude

An important lesson we can learn from Jordan Belfort is about having an attitude that can generate wealth.

Belfort teaches us that becoming wealthy means replacing all the thoughts that were making us poor, with rich thoughts.

Being rich is a state of mind and if we don't embrace the fact that we are going to succeed or die trying to become wealthy, we cannot escape from the poor thoughts.

Motivation

Motivation in the workplace is about creating an environment so employees can find their personal level of challenge and satisfaction; it is the internalised drive towards the dominant thought of the moment. To encourage motivation all you can do as a manager is to generate a situation to which people will respond because they want to.

The generally accepted motivators in the workplace, and those that are taught in business schools are achieving a goal by doing something worthwhile by being part of a team; participation - doing one's share - people listen to me and take my input seriously.

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Recognition - they recognise me as a person for what I can do. Money is not considered to be the main motivator, as long as fair wages or salary are paid, and feeling that your pay seems right for the skills, conditions and importance of the job.

Social companionship, ambition, work ethic and communication - knowing what is going on.

However, in Belfort's eyes the one and only motivator was money. Early in the film at a job interview Belfort was told the commission rate was 50 percent, instead of the 1 percent he previously earned at a traditional broker on Wall Street.

One of the major factors in his success was the very high commission rate paid to his brokers, though the ready availability of drugs and hookers on top of the high commission rates fits the social companionship category.

No excuses

Another important lesson Jordan Belfort teaches us is when it comes to succeeding in life is: "The only thing standing between you and your goal is the bullshit story you keep telling yourself as to why you can't achieve it".

There will be no tomorrows if you want to be successful. Changing your life for the better means being fearless in the face of the unknown; as long as you have faith in yourself and don't procrastinate the moment you offer yourself the gift of full independence; you will be fine.

Vision above goals

There are some motivational speakers who say that vision and goals are almost synonyms, which means they are inter-dependent. However, Belfort does not agree with what he calls this "bullshit".

He believes that having a vision is everything you need, while goals keep you anchored to the ground.

Success cannot be achieved one goal at a time, because it cannot be measured and its recipe does not mention how many goals a person should have before they make their dream come true.

Therefore, goals will be met automatically if you have a strong, healthy vision, which will point you in the right direction.

Give and create value

When thinking about creating an irresistible item or service, professionals tell us to have a Unique Selling Proposition (USP). Belfort pushes us to create something valuable for everybody and says that the money will come automatically.

The only thing you need to take into consideration when offering a certain service or item is to ask yourself if you would pay to have it. If the answer is “yes”, your life has already improved.

Position your business

Positioning is the art of defining how your product or service should be perceived by your customers relative to their perception of your competitors’ products.

Marketers take great trouble to position their, product, brand name and/or service.

Positioning is extremely valuable especially when you are not the market leader because you must establish the benefits of buying your lesser known product or service.

Instead of selling ‘penny stocks’ or blue chip stocks (shares) Belfort positioned Stratton Oakmont in the middle ground by selling stocks in the \$4 to \$10 range.

Stratton Oakmont - a name chosen because it sounded British and reputable was a major plank in Belfort’s positioning of his company.

Many businesses make the mistake of not positioning their business and trying to be all things to all people.

Customers will position brands such as Versace, David Jones, Grace Bros, Woolworths and Myer subconsciously and attach certain attributes to that position.

A simple way to work out positioning is to ask, ‘If my business were a car, what sort of car would it be?’ If the answer is Ferrari, the image conjured up is fast, flashy and expensive. A company needs to determine what image it wants to portray. Some may prefer to be seen as a Ford utility - good, solid, moderately priced, Australian made and easy to service.

How will a customer or client distinguish your product or service from those of your competitors?

Do you really need branch offices?

Not so many years ago most medium to large sized companies had a branch office in every capital city in Australia. However, with the advent of 1800 and 1300 telephone numbers, it was soon realised that massive savings could be made in rent, wages and other overheads by diverting calls to one central phone number.

Stratton had only one office, which according to Belfort, "... made it easier to control the negativity that would spread throughout a sales force after the SEC filed a lawsuit. And with only one office to manage, it had been easy to keep the troops motivated, and not a soul left."

Training

"As volume on the NASDAQ soared, I, coincidentally, was embarking on an intensive three hour-a-day training program with my young Strattonites. From out of the smouldering ashes of the Great Crash, the investment banking firm of Stratton Oakmont was born. And before any regulator knew what hit, it had ripped through America with the force of an atomic bomb," Jordan Belfort wrote in his book.

The key words in this paragraph are "intensive three hour-a-day training program."

Many businesses fail to provide any training whatsoever to their staff, expecting them to learn on the job, with obvious setbacks including embarrassing mistakes and lost customers.

One of the most successful, upmarket restaurant chains in Australia makes a point of training their waiters for two weeks, not just a few minutes as some do.

Even the fast food chains spend time and money training their staff.

And of course, an induction program should be part of any staff training. How many new staff have been told, "Here is your desk. Ask if you have any questions."

Training needs analysis

To analyse the training requirements of a sales team involves preparing a summary of the various steps involved. Many organisations carry out Training Needs Analysis on an annual basis.

This should involve a range of factors and issues including, reviewing the Job Description, specification and job needs, reviewing the performance of each

person, pinpointing problem areas and developing the methods to deliver this training.

A survey to ascertain the need for staff training should ask staff to demonstrate their competence, have prior learning assessed, identify the skills required to do the job and appraise the objectives and plans of the organisation.

Any training should have the aim of all staff 'singing from the same hymn sheet', that is they are all on 'the same page' and have a common view and philosophy of the business.

I succeeded out of courage

"If you think you're incapable of mastering the art of persuasion, or selling what you have to offer, regardless if Belfort's advice aids this or not, he states that it's a priority to remember one thing — so much so that he had to say it twice in one interview.

"You are not your past; you are the resources and capabilities that you glean from it. You are not your past; you are the resources and capabilities that you glean from it. And that is the basis for all change."

Sales results, wealth and success begin inside your mind

"All sales results—and in fact wealth and success overall in your life—begin inside your mind. Aligning your state, beliefs, standards and focus is critical to be able to implement effectively what you're learning in this training," Belfort wrote.

"In traditional Sales training, there is a lot of attention paid to 'Outer World Strategies': tactics and strategies, that, from a business perspective, directly increase a salesperson's sales results. But in order to activate these strategies, it's critical to understand and manage the Inner World Strategies as well.

"You can have the best tools, strategies and resources at your disposal, but unless you actually know how to take action, they are useless.

"Your inner strength - which comes from mastering these Inner World Strategies—is what will push you forward. And once you master the Inner World, you can translate your success into the Outer world and use the Straight Line System to take your sales to the next level.

"The Straight Line is a technique, but without a driving force to break through the "no's" and a commitment to developing the Inner World –you will not achieve

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any where near the heights you can if you integrate both. And it all starts with an ability to create a vision that inspires you.”

Seven steps to a successful sale

Any person who has ever attended a sales training course will usually have been taught and trained to work through a number of steps, often these seven steps, to achieve a successful sale. Close examination of these steps shows that Jordan Belfort’s brokers were closely following these steps to achieve sales, albeit with a lot more pressure than the usually accepted norm.

1. PROSPECTING

- To increase market share, sales and profits.
- To replace lost customers.
- To qualify leads to prospects.

2. PRE-APPROACH PLANNING

- To provide additional information about the customer needs, organisation and the competition.
- To build confidence and prevent errors.

3. APPROACH

- Securing an appointment with the customer.
- Methods can include AIDA, Benefit, Curiosity, Showmanship, Survey, Compliment, etc

4. PRESENTATION

- Making the sales pitch by use of a Canned, Outline or Programmed presentation with the object of getting a sale or commitment from the customer.
- Visual aids may be used to assist in communicating the benefits, features and advantages.

5. HANDLING OBJECTIONS

- Customers will raise objections for a number of reasons.

6. CLOSING THE SALE

- Asking for the order or obtaining a commitment.
- Remember people buy benefits, not products.

7. FOLLOW UP and AFTER SALES SERVICE

- Providing on going interest and support with the aim of gaining repeat business in the future.

Prospecting - Nuggets of Gold

"Imagine a prospector in the 1930's, mining for gold in a mountain stream. They typically sat stream side with a pan, sifting through countless gallons of water, looking for one nugget of gold," Belfort wrote.

"What they didn't do is sift through gallons of water, expecting to turn the water into gold. Just like these gold prospectors, you don't want to try to turn water into gold. Prospecting is not about alchemy. It's about influence and vision!

"There are two things you must consistently do in order to successfully qualify your prospects and determine who the individuals are that you want to actually make presentations to.

"You must be quick, elegant, and non-alienating and use a script.

"When you are prospecting, the biggest mistake you can make is to try and use your influence, tonality, and other tools to turn non-buyers into buyers. Instead, go through your sales funnel and sift out the people who are potential buyers; the nuggets of gold."

Some methods of prospecting:

Centre of influence. Developing contacts in the market who can influence other people to buy, although they may not use the product themselves.

Endless chain. Asks satisfied customers to provide the names of others they feel would have a need for the product or service.

Cold canvassing. 'Knocking on doors' or using the telephone to find prospects.

Telephone. Using the telephone to contact prospects and make appointments.

Personal observation. Using all the senses to find leads.

Spotters. Asking friends to generate leads for you and your product, usually for a 'spotters' fee.

Direct mail. Mailing letters to prospective customers, seeking responses, and developing a data base.

Networking. Developing social contacts through community and social clubs , etc.

Qualify the customer

Belfort made a point of qualifying sales leads to sales prospects. Qualifying leads to prospects involves some basic steps such as ascertaining if they have a need for the product, will they benefit from buying the product, can they afford to purchase the product (there are many leads and prospects who would love to have the product but cannot afford to pay for it).

Another important step in the qualifying process is making sure the prospect has the authority to influence the purchase. In many sales situation someone higher up the supply chain will have the final say.

As any salesperson quickly learns it is pointless trying to sell anything to a prospect who is not qualified.

According to Belfort, "There are some people who simply aren't closable, and then there are others who simply shouldn't be closed.

"What this is about is making sure you're talking to the right people and then getting those people who are on the fence—the ones reserved only for the very best salespeople up until now—to say 'yes.'

"It is not about closing every single person you contact!

"Through qualifying, you should build a huge amount of rapport and find out as much information as you need to later close the sale. If you focus just on the money and whether they can afford what you're selling, you have fallen well short of what you can achieve through qualifying.

"In qualifying prospects you are not only entitled, but obligated to ask questions in order to discover what the person's needs are and where their pain is.

"If you don't really care and are only thinking about closing, this will be obvious to the prospect and they will block you. But if you qualify elegantly, you will be perceived as a trusted advisor who truly understands and cares. Closing will follow naturally."

Who are your ideal customers?

“What I had done was uncover a murky middle ground — namely, the organized selling of five-dollar stocks to the wealthiest one percent of Americans, as opposed to selling penny stocks (priced under a dollar) to the other ninety-nine percent, who had little or no net worth,” Belfort wrote.

Who has a beneficial interest in your product or service? Who are your potential key accounts? Do you have key account management procedures in place?

Many businesses fail to identify or target the ideal potential customers - their demographic - they would like to do business with.

Similarly many businesses waste vast amounts of money advertising in the wrong medium.

Many successful businesses take the trouble to make a list of their ideal key account customers and develop marketing and selling programs for each account.

In many industries, for instance fast moving consumer goods (FMCG), if you are not selling to the major supermarket chains, you are wasting your time. Or perhaps they will not do business with you?

Stratton Oakmont targeted the wealthiest investors in America, convincing them to speculate with millions. In Belfort’s words, “For the most part, it was based on a simple truth: that a majority of the richest one percent of Americans are closet degenerate gamblers, who can't withstand the temptation to keep rolling the dice again and again, even if they know the dice are loaded against them.

The Sales Presentation

The sales presentation is the selling step that communicates benefits to the buyer.

It will assist in a purchase decision being made. The object is to get an order or commitment from the buyer! (A commitment might be the chance to quote on the customer’s usage of your product, an appointment for a further meeting, a trial of your product or various other forms of ongoing involvement).

Don’t forget to ask the prospect, whether they place an order or not, for some referrals for your product or service.

Be Scripted

"It's a fool's mistake to not have a framework of what the conversation is going to be with a buyer," says Belfort.

In expressing this, he quotes a line from Sun Tzu's famous book, *The Art Of War*, saying, "Every battle is won before it even begins."

Preparation is essential to determining that you, as a persuader, will come out successful. By no means does Belfort advocate acting like a robot, but it's important, nonetheless, to have a complete understanding of how you will deliver every facet of your message, including the buzzwords you will use for each stage of the conversation.

People who have attended a sales training course at a business college are taught to make the sales pitch by use of a Canned, Outline or Programmed presentation with the object of getting a sale or commitment from the customer.

A Canned Presentation is one that never changes - this can also be called the memorised or standard presentation.

An Outline Presentation is one in which the heading never changes and will follow each point in order. However what is said after each point heading will relate to the buyer.

A Programmed Presentation is one that is put together after a survey and is a one off for each customer and their particular needs.

The sales presentation should be:

- Accurate, ethical and truthful
- Outline the benefits to the buyer
- Follow a logical sequence
- Before the presentation the salesperson should be prepared for any probable objections.
- Visual aids may be used to assist in communicating the benefits, features and advantages.

To make a Sales Presentation

Requires knowledge of the Product, that will convert to features, advantages and benefits. Salespeople require a thorough knowledge of their product to be able to answer objections.

Requires knowledge of the Customer, their needs, knowledge of their current suppliers, their potential to buy, and the people in their company. Customer knowledge allows the sales person to match benefits to needs.

Requires knowledge of the Competition - their strengths and weaknesses, in order to be able answer objections and to provide strong reasons to change to your company.

Requires knowledge of your Company, its policies, production capacity, current and future ability to service the market, the people in your company, and internal policies and procedures.

Requires the right attitude towards the sales position, the company and the customer. The customer should be fully understood, and the sales person should use their skills in selling coupled with sincerity, helpfulness, enthusiasm, attentiveness and friendliness.

Requires the development of effective habits comprising:

- Time management
- Continual prospecting
- Knowledge
- Skills
- Qualifying the customer
- Handling objections

The sales presentation is the selling step that communicates benefits to the buyer, and will assist in a purchase decision being made.

Preparing for a sales presentation

What preparations can you make? What will you say?

1. Outline the history of your company
 - Detail aspects of the manufacturing process
 - Describe your product
 - What makes it the best?
 - Detail pricing and delivery policies
2. Outline features and benefits of your product
3. List potential prospects

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4. Plan how you will approach the customers, including the pre-approach planning
5. List some techniques to handle possible objections
6. What are some buying signals you should look for?
7. What after sales service will you provide?
8. What can you do to build relationships?

Body Language

“Body language goes beyond mere appearance—it’s that non-verbal communication that has the power to impart feelings, intentions and thought without ever saying a word. Body language at its best is the effective management of time, space, appearance, posture, gestures, facial expression, appearance and eye contact,” Belfort wrote.

The use of appropriate body language - the way you look at others sends a message. Your gestures, facial expressions and posture should support your verbal message and encourage open communication.

The feelings we experience are strongly linked with how we use our bodies. Emotion is the product of motion. The smallest changes of facial expression and gesture will affect our feelings at a given moment – and consequently our actions and responses.

Every emotion you experience has a specific physiology linked to it – posture, breathing, patterns of movement, facial expressions – habitual muscular patterns literally begin to dictate emotions. Slumping at your desk, for instance, can affect your breathing and induce back aches, making you both more tired and more irritable – both translating as ‘less productive’ – than you ought to be.

A key to success is to create patterns of movement and posture that create confidence, a sense of strength, flexibility, power – and fun.

Remember that fitness and health are by no means the same thing. True health means that all your body’s systems are working at their optimum. Pounding your body around a gym twice a week will not guarantee that. Fitness refers only to capacity to perform certain athletic pursuits.

Some care with diet and regular exercise can only make you healthier. Aim for moderate aerobic exercise. This means ‘with oxygen’ – gentle exercise sustained

over a period. It burns fat for fuel and increases your endurance and the general health of your cardio-vascular and muscular systems.

Anaerobic exercise is that focused on pounding heart rates and brief spurts of power. The fuel for this is glycogen and fat is stored by the body while it undergoes this type of activity. Many of the health problems of Western societies arise from our almost completely anaerobic lifestyle, combined with the stress of our work, habits like smoking, and lousy diet.

Addressing these problems in your own life can multiply your energy and potential for achievement – not to mention the time you might have left to enjoy the fruits of it.”

Many skilled salespeople, negotiators and interviewers make a special point of studying the body language and posture of the people being they are talking to. Their body language can provide a strong insight into the that person. For instance, while someone has their hands in their pockets they will most certainly never buy anything.

Clammy handshake	Nervousness
Steepling of hands	Confidence
Downcast eyes	Negative view
Face turned away	Negative view
Relaxed mouth, chin forward	Positive acceptance
Poker face	Holding something back
Mouth open	Shock, or intense concentration
Two people looking at each other	More interested in the other person than you
Rapid walk, arms swinging	Cocky, goal oriented
Walking with hands in pockets	Critical, secretive
Walking with hands on hips	Bursts of energy
Walking with hands behind back	Pre occupied
Open hands	Sincerity
Arms crossed	Defensive
Straddling a chair	Domineering
Crossed legs	Settlement less likely

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Hand to cheek	Evaluation, deep thought
Body drawn back	Distant, critical
Hands behind head	Relaxed aggressiveness
Rubbing nose	Puzzlement
Hands closed in front	Self control
Head inclined	Interested
Locked ankles	Nervous, holding back feelings
Sitting back with legs crossed	Attracted, but unconvinced
Hand to back of neck	Frustration
Playing with tie, ring, etc.	Anxious, needs reassurance
Leaning forward	Ready to go

It is generally accepted that:

- 55% of a negotiator's message is perceived non verbally
- Only 7% depends on what is said
- And 38% depends on how it is said

Handling Objections

As I showed in Chapter 2, Modus Operandi, Belfort's brokers were very good at handling objections, though perhaps to the point of being overboard.

An objection from your prospect does not mean that they are saying no! In fact many salespeople welcome objections from the prospect as a buying signal, and assume that if the prospect is asking questions they must be interested - it gives the salesperson 'a handle' to hang onto and negotiate from.

Customers will raise objections for a number of reasons, including:

- A desire to be rid of the salesperson
- A resistance to change
- The product benefits are not apparent
- Force of habit
- Desire for more information
- Lack of money
- No need
- Lack of authority

- Timing
- Product problems
- Dislike of the salesperson and / or their company

The salesperson should develop a positive attitude towards objections, and treat objections as a step toward the sale.

Some methods of handling objections are:

Direct denial - 'not true - give me an order and I will...'

Indirect denial - 'yes, but...,' or "I understand how you feel about this feature but many of our customers felt the same initially, but in due course they found that people actually prefer this."

Boomerang - turning the objection into a reason to buy.

Compensation - offering a benefit to buy, discounts, extras, warranties, service contracts, deferred payment, trial periods, etc

Problems - if problems exist ask, "What would you like me to do about that problem?"

Closing - ask, "What is it that stands in the way of you placing an order today?"

No matter how good your presentation, there will often be some objections from the sales prospect which can be:

- Excuses
- Alibis
- Personal rationalisations
- Personal objections
- A barrier for a sale which will not be approved

In group presentations, it may be a desire to win points and appear important in front of peers or subordinates.

You should also learn to recognise the objections that *are not* delaying tactics or evasions and view them as opportunities to convince the customer.

Objections need not mean the customer is saying, 'I will not buy.'

The buyer is saying, 'I need convincing', or 'I need further information' or, 'I need reassurance' Use this as an opportunity to address the specific area of objection in detail; e.g. Price.

Objections, Complaints, Change

Objections from potential buyers when selling are an inevitable part of the job, and almost an essential part of the buyers negotiating tactics. Always make sure that you answer an objection, even if it means getting back to the prospect later. Listen carefully to objections and try to find an area of agreement.

Buying Signals

Salespeople should be careful that they do not try to close a sale prematurely. They should watch for buying signals from the prospect, such as:

- Positive comments.
- Assumptive ownership, e.g.
- I'll make this room my study (selling a house).
- We could put the new (object) in the corner.
- Issuing delivery instructions, or asking about delivery.
- Disappointment about lead times for possession.
- Concentrated attention on buying details. Is it available in a certain colour?
- Asking questions that relate directly to usage of the product.
- Picking up and handling the product.
- Looking intently, touching, feeling, hearing, trying, 'smelling', - every glance is another signal.
- Asking about specific colours.
- Asking about delivery, payment terms and methods.
- Asking their spouses, partners, superiors opinion.
- Showing good humour - the euphoria of the purchase.
- Any positive response to an assumptive close.
- Open and positive body language.

The Master Closer - some suggestions

- Make the customer like you
- Ask the customer questions about them self
- Stay close to the customer - create a bond
- Tell the customer a secret about the product
- Earn the customer's respect by showing integrity
- Refuse to accept 'no'
- Care about the customer needs
- Listen to the customer
- Observe everything about the customer
- Show the customer you care and appreciate them
- Emotions are the key to closing
- Remember to thank the customer for the sale

Failure to close the sale

Many sales people fail to close sales for a number of reasons including:

Fear of failure. Many sales people hate to hear the word, 'no', and rather than meet a negative response will not try to close a sale.

Guilt. They are ashamed of their product, company or profession. Good sales people need to be proud of their work.

Imperception of need. They feel no need to close a sale; if the customer wants to buy they will ask won't they? Most customers expect, and even welcome 'a bit of a push' to close a sale.

Ineptness. They are so busy making the pitch, handling objections, confusion and fighting for their own survival, that they forget to close.

Too busy talking is another failing of some sales people.

Cultural differences that forbid asking for business and or money.

Follow Up and After Sales Service

Many sales people neglect the final step in successful selling - following up and after sales service.

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As a salesperson it is essential that you are constantly aware of providing on going interest and support with the aim of gaining repeat business in the future.

Don't just assume that the prospective customer will respond to your quotation when they are ready. Your competition may follow up and negotiate the small difference in quotes and win the business.

You should also find out why you lost any business that you quoted on. What were the reasons? What will you do next time to overcome these problems? Is there a people problem somewhere? Is there a petty dispute which should be taken care of?

A real life example of following up is a travel salesperson making sure that the client enjoyed the holiday which they organised.

Our travel agent sends us a hand written postcard after each trip saying, "Welcome home. Hope you had a great holiday." Which travel agent will we use next time?

What do you do after an unsuccessful sales presentation?

Despite diligently applying all of the appropriate selling steps and after a long and detailed presentation using what you considered to be highly effective visual aids, the prospect says, with what you suspect is a strong smirk, "Sorry, but I cannot see myself placing an order for your product."

Only another salesperson could understand how you feel right at that moment.

You are determined to make a graceful withdrawal though. What is the best way of doing it? Don't forget that you want to be welcome to call again one day.

As you shake hands try something along the lines of, "I am sorry too. I enjoyed our meeting and I will keep in touch with you though."

Circumstances can change very quickly. The buyer may be promoted or sidelined to another position or even move to another company.

A business should understand exactly what it is that makes their customers come back.

Often it is a matter of inertia: the customers cannot be bothered looking around, and none of the business's competitors has tried (yet) to entice them away.

Always make your customer or client your best friend.

Because life is all about an act.

It all comes down to how good you are as an actor.

Because life is an act - there are no rehearsals.

Role models are essential

One of my strong recommendations, and something I have written extensively about, is the absolute necessity for entrepreneurs to have a mentor as a role model and to bounce ideas off.

Before choosing a path for yourself, you should look up to somebody who became successful and has the ability to show you what is right and what is wrong.

Having a role model means knowing where to go and being sure that the direction you choose is leading somewhere.

If your thoughts walk hand in hand with actions, success is guaranteed.

How to put a cold caller on ice

Brokers like the one who swindled Los Angeles radiologist F. Clark Gardner "don't work for the Merrill Lynchs of the world," says his attorney, Philip Aidikoff. If you get a call from a broker or firm you don't know, be suspicious if you're told:

- You can't meet face to face with him.
- You must make your decision right now.
- The caller's address is a post-office box.
- You are getting in on the ground floor.
- Your money will double in a short time.
- There's no risk involved.

Whether a call seems dubious or not, ask questions such as:

- How did you get my name?
- Who are your firm's principals and officers?

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- Will you explain this investment idea to my attorney or accountant?
- How much of my investment would go to commissions? Can I see that in writing?
- Will you send me a prospectus and other information on this investment?
- When can we meet?

Be suspicious if someone avoids answering questions about his background and the investment. Watch out for comebacks like, "Are you questioning my integrity or the legitimacy of this deal?"

Party hard - but not too hard

Many successful organisations, even some of our risk-averse, conservative banks make a point of celebrating their successes.

However, in hindsight one the major faults Belfort had was partying to the point of debauchery.

I trust you have enjoyed the lessons from the life of the wolf of Wall Street.

For seasoned entrepreneurs or budding entrepreneurs the lessons relating to the ability to create powerful selling scripts and how to motivate sales teams to outperform are perhaps the most valuable lessons to be learnt - lessons which can generate instant cash for many businesses.

This is perhaps why Jordan Belfort earns \$50,000 per day from companies seeking to train their sales teams. When ethics are combined with his persuasion and sales systems then companies can grow exponentially!

I believe this is Belfort's greatest skill set and where entrepreneurial people can maximise his lessons the most.

Not only to utilise better sales scripts and selling systems but how to motivate a sales team and employees to perform well above their past results.

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Jamie McIntyre - Author

Money, drug addictions, sex, questionable business practices and a lifestyle of excesses featured heavily in the life and business career of Jordan Belfort, who had a blockbuster movie, *The Wolf of Wall Street*, made about him after he was released from jail for fraud.

In this book I have looked at what made Belfort so successful - he had around 1,000 people working for him at one stage in his stock broking business.

Despite his shortcomings Belfort, who claims he “exited the womb an entrepreneur”, developed a very successful business model that can be emulated by others across a wide range of business enterprises.

Belfort excelled at developing sales scripts and motivating his staff, factors that were major contributors to his success.

Undaunted by being branded an “ex-convict” Belfort has reinvented himself and demonstrates, “No matter what happened to you in your past, you are not your past, you are the resources and the capabilities you glean from it. And that is the basis for all change.”

A strong believer in business psychology, Belfort provides a range of tips on becoming wealthy.

“I believe in total immersion, if you want to be rich, you have to program your mind to be rich. You have to unlearn all the thoughts that were making you poor and replace them with new thoughts – rich thoughts.”

“The easiest way to make money is, create something of such value that everybody wants and go out and give and create value, the money comes automatically.”

“If you want to be rich, never give up. People tend to give up. If you have persistence, you will come out ahead of most people. More importantly, you will learn. When you do something, you might fail. But that’s not because you’re a failure. It’s because you have not learnt enough. Do it differently each time. One day, you will do it right. Failure is your friend.”

What readers can learn from this book:

- The importance of having a sales script
- The importance of motivating your sales staff
- The importance of positioning your business
- Sales results, wealth and success begin inside your mind
- Selling is a seven-step process
- Role models are essential
- Failure is your friend
- And what ever sales person should know - how to sell a pen!

“I made \$49 million last year. That pisses me off a bit. If I had made an extra \$3 million that would have worked out nicely at \$1 million per week.” – Jordan Belfort

THIS BOOK REPRESENTS THE AUTHORS VIEW WITHOUT ANY OFFICIAL CONNECTION TO JORDAN BELFORT



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