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Investors' Story Left Out of Wall St. 'Wolf' Movie

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The Wolf of Wall Street is about to have his day.

The Martin Scorsese film about the Wolf — Jordan Belfort in real life, played by Leonardo DiCaprio — tells how Mr. Belfort swindled thousands of investors out of more than $100 million as head of a penny-stock boiler room in the 1990s.

The film, which is coming out on Christmas Day, is an "almost nonstop parade of sex, drugs, nudity and rock and roll," according to the online magazine Deadline Hollywood.

Left untold is the story of the victims, disparaged as "garbage" by Mr. DiCaprio's character in the movie.

For many of them — small-business owners and people like Steve Orton, a State Farm insurance agent from Alpharetta, Ga. — the publicity for the movie has brought back the old pain. Still, Mr. Orton said, while "it kind of sickens me, I really feel like I owe it to myself to complete the circle to see it."

Ken Minor, a real estate appraiser in Gilroy, Calif., said the experience "hurt me pretty bad." He drew on a home equity line of credit to buy stocks with Mr. Belfort's brokerage firm, Stratton Oakmont, and still has not repaid it. "I'm not a rich guy," he said, "and I've been paying for it ever since."

Will he go to the movie when it opens? "If I see it," Mr. Minor replied, "it will be for free."

Stratton was shut down by industry regulators in 1996, and Mr. Belfort was sentenced to four years in prison for securities fraud and money laundering. He was released from federal prison after serving 22 months, in April 2006. A little more than a year later, he published his tell-all about the go-go years, "The Wolf of Wall Street." He followed up in 2009 with "Catching the Wolf of Wall Street." According to court records, Mr. Belfort received $940,500 for the movie rights to his two books.

"My father lost practically a quarter-million dollars," said Dr. Louis E. Dequine III, a veterinarian in Oak Creek, Colo., whose father, Louis E. Dequine Jr., an engineer, was cold-called at his home in Pensacola, Fla., by a Stratton broker. Mr. Dequine suffered a stroke under the stress of his losses.

Dr. Dequine, whose parents have since died, said that he was distressed to get a call one day from his father, who was "confused about what had happened" in his account.

"He had been persuaded to take his money out of the brokerage firm where he'd had a very long-term relationship and put it with Stratton Oakmont," Dr. Dequine recalls. "I remember thinking, 'Oh gosh, he's finally getting old enough where people are taking advantage of him.' "

Dr. Alfred E. Vitt, a retired dentist in Heath, Tex., who lost $250,000, described a typical strategy that Stratton brokers used.

"They started off selling me good stocks, but it wasn't long before I didn't know what they were doing," he said. After Dr. Vitt had made a quick profit on a blue-chip company, his broker moved on to sell him penny stocks that regulators would later deem to have been manipulated by Stratton.

"It started to cost me more and more," Dr. Vitt said. "I finally just said 'no' and they became downright hostile." Sometimes a second broker would join in on a phone conversation to help bully Dr. Vitt into making a purchase. "I had to struggle for a while to make ends meet" after losing so much money, he said.

Mr. Minor said he took his case to a predecessor of Wall Street's self-regulatory organization, the Financial Industry Regulatory Authority, and arbitrators granted him the full $57,000 he lost after a one-day hearing. But Mr. Minor said all the money went to his lawyers.

He had not realized that he was a victim of fraud until he heard all the facts at arbitration. "At first I thought it was bad luck," he said. "But after I found out I was taken advantage of, it didn't feel good."

Like Mr. Minor, many Stratton customers were victorious at their hearings before arbitrators and mediators. But when the firm filed for bankruptcy protection in January 1997, that shut off any chance for investors to collect. Mr. Orton, for instance, lost $68,500 with Stratton and won the full amount in mediation. But the bankruptcy made it impossible to collect the money, which, he said, he had expected to use for his child's college tuition.

Tim Dennin, a New York lawyer who represented about 20 Stratton investors, including the Dequines, said that the customers who called him "were absolutely shaken to the core" about their losses.

Investors can take some comfort, though, in the possibility that all of Mr. Belfort's movie and book proceeds may wind up in a restitution fund for the 1,500 investors on the government's trustee victim list.

In a letter to Judge Gleeson on Oct. 11, Mr. Belfort's lawyer said that he had offered to give all of the profits from the movie and the two books to the restitution fund but that the government had rejected the offer. Loretta E. Lynch, the United States attorney in Brooklyn, said in a letter to Judge Gleeson on Oct. 25 that her office was reviewing documents from Mr. Belfort and exploring "a resolution of outstanding issues."

Amy Deschodt, a spokeswoman for Weil Gotshal & Manges, the law firm representing the trustee, said she could not comment on the case.

Joel M. Cohen, a former assistant United States attorney in Brooklyn who worked on the Belfort case, said that while he was pleased that investors might get some money back from the movie proceeds, Mr. Belfort might have been better advised to keep a low profile that did not display the "sordid, embarrassing details" of his life.

He might also have reconsidered the title of his book and movie, Mr. Cohen added. "In all the years that we investigated him, the hundreds of hours I spent with him and his cohorts, I never heard anyone call him 'the Wolf of Wall Street.' "

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