

## CLIENT CLASSIFICATION

# Why Knockout Factors Matter

### THE FROG AND THE SCORPION

One day, a scorpion looked around at the mountain where he lived and decided that he wanted a change. So he set out on a journey through the forests and hills. He climbed over rocks and under vines and kept going until he reached a river.

The river was wide and swift, and the scorpion stopped to reconsider the situation. He couldn't see any way across. So he ran upriver and then checked downriver, all the while thinking that he might have to turn back.

Suddenly, he saw a frog sitting in the bushes by the bank of the stream on the other side of the river. He decided to ask the frog for help getting across the stream.

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“Hello Mr. Frog!” called the scorpion across the water, “Would you be so kind as to give me a ride on your back across the river?”

“Well now, Mr. Scorpion! How do I know that if I try to help you, you won't try to kill me?” asked the frog hesitantly.



“Because,” the scorpion replied, “If I try to kill you, then I would die too, for you see I cannot swim!”

Now this seemed to make sense to the frog. But he asked: “What about when I get close to the bank? You could still try to kill me and get back to the shore!”

“This is true,” agreed the scorpion, “but then I wouldn't be able to get to the other side of the river!”

“Alright then; how do I know you won't just wait till we get to the other side and THEN kill me?” said the frog.

“Ah,” crooned the scorpion, “Because you see, once you've taken me to the other side of this river, I will be so grateful for your help, that it would hardly be fair to reward you with death, now would it?!” So the frog agreed to take the scorpion across the river.



He swam over to the bank and settled himself near the mud to pick up his passenger. The scorpion crawled onto the frog's back, his sharp claws prickling into the frog's soft hide, and the frog slid into the river.

The muddy water swirled around them, but the frog stayed near the surface so the scorpion would not drown. He kicked strongly through the first half of the stream, his flippers paddling wildly against the current.

Halfway across the river, the frog suddenly felt a sharp sting in his back and out of the corner of his eye saw the scorpion remove his stinger from the frog's back. A deadening numbness began to creep into his limbs.

"You fool!" croaked the frog, "Now we shall both die! Why on earth did you do that?"

The scorpion shrugged and did a little jig on the drowning frog's back.

"I could not help myself. It is my nature."

Then they both sank into the muddy waters of the swiftly flowing river.

### Do you know any scorpions?

In *The Excellent Investment Advisor*, Nick Murray talks about human "scorpions." The typical behavior pattern for the human scorpion is that you will pull the plug on them, and they will become very apologetic. They will say "Oh yes, I will behave myself. Oh yes, you are right."

And then, before you can turn around, they are stinging you again.

This is why it is essential to have clear and documented **knockout factors**. These criteria protect you from these human scorpions.