

# Market Mastery



Putting Peak Performance to Work for You

## About Professional Trading

### Coach Van Tharp

As a novice trader fresh out of college, Van Tharp wanted to know why most traders lost, including himself, while a few made huge profits. His mind still in high gear from his Ph.D. in Psychology, he knew the answer was within each individual. He believed if he understood the thought processes of successful traders he could duplicate that success. He dug deep: scouring libraries and reading books. From his exhaustive research he learned something that would change his life: There was little to no work at that time on the thought processes of great traders. This led Van Tharp into what has become his lifetime career.

He discovered NeuroLinguistic Programming (NLP), the Science of Modeling, learned how to do the modeling himself, and began studying great traders. What he learned has become a wealth of information available to others who want to duplicate successful results. And, his own trading turned around dramatically.

Van Tharp is a seeker of knowledge. It is not a journey that he takes because he has to, it is his passion. His mind is open to the unknown and he is constantly asking the next question—looking behind the next closed door. As he creates new levels of understanding in himself, he in turn teaches what he learns to other seekers traveling down the same path.

## Understanding Games We Play

By

Van K. Tharp, Ph.D.

WWW.TRADING-SOFTWARE-COLLECTION.COM

**B**efore I get into the concept of games, I'd like to describe a recent experience, which has helped me clarify my thinking about games. That experience was a civil lawsuit. There was nothing "fair" or "just" about the lawsuit, even though it was part of the great American system of justice. Basically, a civil lawsuit starts when people decide they are victims and don't want to take responsibility for their own mistakes. That means they must find someone else to be responsible for their mistakes (and our civil court system is perfect for that)<sup>1</sup>. Just hire an attorney, and if you can find one good enough, make your victim pay for your mistakes. It's a great game!

I don't know if you've ever been through a civil lawsuit before, but the game is such that you are suddenly thrust into it with no ap-

parent rights—especially when the other side attacks first and does a good job in the attack. When the process starts, you have to hire an attorney at \$250 per hour (or more) to represent you. This means that even though you didn't do anything (and no one except the plaintiffs is accusing you of doing anything), suddenly you get to pay \$5,000 to \$20,000 per month in attorney's fees. In addition, you may also have to pay a retainer of \$20,000 or more up front just in case you don't pay your bills.

The next thing that happens in such a lawsuit is you get subpoenaed for documents. They might ask for a copy of every single document you have. This is a huge amount of paperwork and you might have to hire a temporary employee full time just to compile all the documents. Your attorney might object to some

*Continued on page two*

<sup>1</sup> For example, many people who lost money in the great bear market of 2000-1 are now suing the executives of one or more of the companies they owned for giving misleading information or they are suing the brokerage company they traded through for encouraging them to make foolish investments or for not talking sense into them for being foolish. It's a marvelous game that encourages people to never take responsibility for their own decisions.

## Market Mastery

PUBLISHER/EDITOR  
Van K. Tharp, Ph.D.

PRODUCTION DIRECTOR AND  
ASSOCIATE EDITOR  
Cathy W. Hasty

### Editorial Advisory Board

*Brian June, CEO, IITM, Inc.*

*D.R. Barton, CEO, One Minute  
Trader Corporation*

This publication is intended to be instructional and should not be construed as a recommendation to buy or sell any futures contracts, options, or stocks. Trading is extremely risky and may result in substantial losses. The information offered is gathered from sources believed to be reliable as well as from experiences of the editors. The publishers and editors assume no responsibility for errors or omissions or any losses resulting from the use of the information contained in this publication.

HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FORCES SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN.

### Market Mastery

is published by the International Institute of Trading Mastery, Inc., (IITM)  
519 Keisler Dr., Suite 204, Cary, NC  
27511, Telephone (919) 852-3994; Fax  
(919) 852-3942; web site www.iitm.com  
©2001 by IITM, Inc. All rights reserved.

Reproduction in whole or in part without express permission is prohibited.

**Subscriptions:** \$240 for one year; \$398 for two years.

Back issues are available: *Market Mastery* \$19.95 ea.; *Course Update* \$34.95 ea.

of the documents, especially those that request generally “all business records or every document relating to financial activity.” But remember, we’re only talking about the first round.

The next step is called a deposition. During the next step, the opposing attorneys will manage to find out what percentage of your documents they have collected and do whatever they can to get them all on the round. Who knows what kind of “nasty” thing they could infer about you from some meaningless document from your office.

During the deposition, the attorneys on the other side (after they’ve gone through all the documents they’ve collected from you), get to accuse you of everything they can think of and then ask you questions so that you’ll admit it. This is where your skill at playing games comes in. The game amounts to how well can you endure two to five days of questioning under the following rules<sup>2</sup>:

- 1) You must answer everything truthfully;
- 2) You must answer every question;
- 3) If the opposing attorney doesn’t like the answer you give, he gets to continue asking you questions on the same topic until he gets the answer he wants or gets tired and gives up;
- 4) If you get caught telling a lie, the judge will assume you are guilty and order to you pay the full

amount of the judgment the plaintiffs are asking<sup>3</sup>; and

5) If you are sued in the right state, your attorney doesn’t even get to object to questions. He just sits there the whole time letting the clock run on his bill. Oh, and by the way, here is a sixth rule:

6) The fifth amendment doesn’t apply to civil lawsuits because this is not a criminal matter and you wouldn’t want to imply that you’ve done something criminal. Thus, you HAVE TO answer each question. To survive such an ordeal, I believe, requires someone with Bill Clinton’s skills who can respond to each question with a response like, “Well, it depends upon the meaning of the word IS.”

Anyway, if you survive such an ordeal, then your attorney gets to do the same thing to the other side and then perhaps the suit will be dismissed. You might even get your attorney’s fees back or you might even prolong the process by counter suing and possibly winning a suit against them. However, you never get reimbursed for the time and emotional pain brought by the lawsuit.

On the other hand, if you don’t survive (and not surviving simply means that your attorney says, “Well, I think we’re going to have to go to trial and this could take two years and lots of legal fees.”), then you just have a few choices—1) continue the process and spend the legal fees or 2) settle the case, which basically means they get to legally take as much of your assets as you are willing to permit (and

<sup>2</sup> Rules may vary from state to state.

<sup>3</sup> I don’t know if this is accurate, but my attorney told me it was one of the rules.

they demand) to make the process go away.

Anyway, as I've said, "It's just a game." The attorneys knew they were playing a game and they knew how to win the game. Me—I barely knew I was playing the game because it seemed so real. But that's what makes it a game.

### **The Definition of A Game**

Those of us who live on this planet play numerous games. These games give us emotion, drama, outrageousness, and everything else we can possibly think of. We love to watch such drama unfold before us on the television, while we complain about it. However, we absolutely hate it when such drama unfolds with us as one of the main characters. And these games are all around us. Investing is a game. Wealth is a game. Health is a game. Justice is a game. Being a victim is a game. And there are so many more.

Satirically, one might define a game as something that makes something much more important than it really is. It's a set of rules that define the boundaries of the game, how the game is won or lost, and how to play the game—what you can and cannot do during the game. In fact, while you are playing such games, the most important thing is to obey the rules of the game. Looking at the rules, mentioning them, or even considering that you might not want to follow the rules might even threaten the existence of the game.

Every game you play has two kinds of rules: mandatory rules and optional rules. Optional rules are rules that you make up. If you don't follow one of them, then there is an optional penalty. Mandatory rules are optional rules that you don't yet know are made up. People will always adhere to mandatory rules because they are too afraid of the penalties for not doing so. For example, the six rules of a deposition that I mentioned were all mandatory rules that were told to me by my attorney by way of preparation. I thought they were all mandatory and that the penalty was that I could be slapped with a huge judgment (many times my net worth) if I didn't follow them. However, when I think about it now, I don't know how I could possibly pay much more than my net worth. And what about the rule about "you must be honest." The plaintiff's attorneys seemed to imply at the end that I was one of the most honest defendants they'd dealt with. Hmm, did that mean I didn't play the game correctly? My guess is that I really didn't even know half of my options in playing that game. And I certainly was not at the point where I felt comfortable making up my own rules. Yet, that's how most games are won.

The bottom line is that there are no mandatory rules to games. Furthermore, in my experience, successful, happy people tend to live life without mandatory rules. Does that mean that they break the law? No. Does that mean they are bad? No. They simply realize the nature of each game and if they choose to play, they tend to invent

their own rules. Some of you probably disagree with me here, but that's simply because you've chosen to act as if most games you play are reality instead of games.

Go into your wallet and pull out a twenty-dollar bill. Do you believe that bill is real? Chances are it's quite different from the twenty-dollar bills that were printed five years ago. But now the new one is real and the old one is obsolete. Were you asked permission by the government to print it? Did you get a vote? No, but isn't this a democracy? Doesn't that bill say that its backed by the debt of the federal reserve? What does that mean? Isn't the Federal Reserve a private company that has the right to control our monetary supply?<sup>4</sup>

In most games, you are taught that you must play a certain way. If you watch the investment game unfold in front of you on CNBC, you might conclude that it's all about picking the right stock and holding it forever. However, the joke of the game is that some stocks go up, but most don't. Thus, you think the rule is to have some magic secret that involves picking the right stocks.

I was recently at EPCOT center viewing exhibits that typify America's future. In the late 1960s when Disney formed the park, the companies that were the bedrock of America's future all had exhibits there. These were companies like IBM, GM, ATT, Xerox, Exxon/Mobile, and Eastman Kodak. It wouldn't surprise me much at all if at least two of those companies ceased to exist within the next

---

<sup>4</sup> If you'd like to know some of the games of the Federal Reserve (and some of the richest families in the world play) read *The Creature from Jeckyll Island* by G. Edward Griffin.

five to ten years. And what about companies like JDS Uniphase, VA LINUX, Lucent, and Global Crossing? These were all touted to be the major companies of the future in 1999. Today, all these companies are selling for less than \$10 a share. Some might not even be around in a few years. Thus, the investment game is not what you might think it is. It's totally different.

In fact, part of what we do at IITM, Inc. is teach you how to play certain games—such as the wealth game and the trading game—in a way that allows you to be successful. This is incredible information that few people have access to in our world.

## Understanding the Rules of the Game

To determine what the rules to the game are, you must step out of the game and watch it. While you are playing it, you have no perspective. You can't see what's possible. You might be told what the rules are, but those rules might not have anything to do with how "successful" people win the game. Those rules might be just how "winners" (plus those who really don't understand the game) want you to play it.

The seriousness of a rule is usually determined by the severity of the penalty that is imposed upon you for breaking the rule. Yet most people are not aware of, and don't even understand, the rules they follow. There are rules that everyone knows and most people follow, such as stopping for red traffic

lights. However, there are also rules that almost nobody knows and everyone follows. For example, the hidden rule that you need to pick the right stock to get rich might fall under that definition<sup>5</sup>.

Acting like a rule is mandatory, when it is optional, might be defined as crazy. But that's how most people play the games of life. In fact, quite often we join a group and part of group membership means that you accept the group's mandatory rules as a condition of membership. And let's look at some of the mandatory rules you've probably played your life by. In fact, you define yourself by what rules you follow and what rules you break. What if all of these rules were optional?

- Thou shalt work.
- Thou shalt be busy and do things to prove it.
- Thou shalt distract thyself and not really live life.
- Thou shalt go to school in order to get a good job.
- Thou shalt speak a particular language in a particular way in order to communicate, substituting symbols for real experience.
- Thou shalt love thy parents.
- No matter what thy parents do, they are always thy parents and you are always the child. And typically thy parents are the controllers and, you, the child are the one who is being controlled.
- Thou shalt have a point of view

- Thou shalt go to the doctor when you feel sick and pay the doctor money whether you feel better when you finish or not.
- Thou shalt go to the doctor when you are sick, no matter how bad you feel. Under extreme emergencies, an ambulance might bring you to the doctor.
- Thou shalt buy health insurance in case you get really sick.
- Thou shalt buy life insurance in case you die.
- Thou shalt believe that the only cures for cancer are surgery, radiation, and chemotherapy.
- Thou shalt believe that your health is beyond your control.
- Thou shalt believe that as an American, you are free and you need to defend that freedom (especially from terrorists).
- Innocent people may be killed when we defend freedom. It's just the price someone (i.e., the innocents) has to pay for freedom.
- Thou shalt limit your attention because there is not enough of it to go around.
- Thou shalt know "right" from "wrong."

Let's take a look at the last one because most of you probably think that one is mandatory. Rules basically define what is right and wrong. However, as a culture matures and delays, it generally increases the number of rules it

<sup>5</sup> I recently heard someone say that "the stock market would kill you if you didn't know the rules." This is another example of a hidden rule that someone might adopt who didn't know that trading or investing was a game.

has. Today in America, it takes hundreds of lawmakers to add to our rules. It takes millions of police and attorneys and judges to enforce and defend our system of rules (i.e., the law). Teachers spend lifetimes trying to figure out our rules and criminals spend lifetimes on how to get around them. Lawmakers think they make our rules. But even that game is fuzzy. Instead, the justice system tends to rely on case law (prior court case results) to interpret the law. And you can find case law to support almost every interpretation of the law that you could possibly imagine.

The rules of the American game have become very complicated. You can defend and support hundreds of interpretations of the law. In addition, you can spend hundreds of thousands of dollars to figure out how to do something the way you want to do it. That interpretation may be useful for a while, and then perhaps some more rule changes will occur and the money you spent will be worthless. In fact, part of the game of American business is that you need to set aside a large part of your budget to support the government (i.e., taxes to support the rule makers and the rule enforcers) and you also need to set aside a huge portion of your budget to defend yourself against lawsuits such as the one I went through. It's one of the optional/mandatory rules of the game of American business.

### **Games Are Destructive to the Participants**

Any game will become sufficiently

complicated, given enough time, to destroy the participants who elect to play the game. It will do so through contradictory rules. It will even have different rules for while the game is being played versus the time out periods when the game isn't being played.

For example, I love football. I'm a true green and gold Green Bay Packer fan. (Notice, by the way, how I've allowed the game to define me.) Yet when you look at the rules of the game of football, it amounts to nothing more than controlled violence waged for an audience that loves the drama. It's a lot like the Gladiators of Roman times or perhaps the Christians and the lions, but the rules are a bit more complicated. The average football player has to get himself in superior shape so that he can tear his opponents apart (within the rules of the game). For example, the tearing apart must occur after the ball is hiked and before the whistle is blown. Even then certain things are not allowed, but the average player is taught to do as much damage as possible—just don't get caught by the referee or umpire doing those things that are defined to be "too rough." The rules are loose enough to allow a tremendous amount of violence because that's why people come to games<sup>6</sup>. They love the sound of bodies crunching together. Football players get paid well, but many retire with crippling injuries that will nag them for the rest of their lives. Some get paralyzed and some even die. But of course the rules get changed a little when too much of that happens—the

crippling and dying, that is. It's okay, however, for many of these professionals to retire with injuries that stay with them for the rest of their lives. After all, they did get paid well.

However, the fate of former NFL players is much worse than just facing a lifetime of injury. Within the first two years of leaving the National Football League, 87% of ex-players become bankrupt, divorced or unemployed. Only 20% of former players are in the financial position where they won't have to work again. And of all the ex-players that wind up divorced, half of those take place in their first year out of football. These men, perceived as pillars of strength by the majority of America, really have no clue what life away from football is all about. And they have virtually no idea how to cope. However, this is just one example of how playing the game (any game!) will tend to destroy the participants. It also suggests that getting a large salary (and the NFL veteran minimum salary is about a half million dollars each year) has nothing to do with winning the money game.

### **We Play Games to Feel Important**

Games depend upon value, the process of making something more important than something else. Let's look at the game of football to understand that. The ultimate goal is to win the Superbowl every year. However, there are 31 teams and only one of them gets to win

---

<sup>6</sup> I recently went to a hockey game. The fans cheered loudly when a fist fight erupted about 25 minutes into the game. I noticed that rough behavior is penalized in hockey by putting the offender in a "penalty box" for a period of time while his team plays short-handed. But somehow, power plays (scoring when the other team is short handed) is a secret to winning the hockey game. Does that mean that violence on the part of the other team is good?

the Superbowl each year. On the average, a professional team might only win 2-4 Superbowls in a century and some might never win. Many professional football players will spend their entire football lives without even playing in a Superbowl game.

Thus, there are secondary values to the game or other ways to make yourself important. First, there is money. Players get paid very high salaries these days. Second, there is the importance of winning a game. You get a small reward for each game that you win. In addition, many football players play for an intangible value called RESPECT. They want other players to respect them and their team.

This idea of value and importance must be constantly fed or it will starve. However, the very nature of the game helps define and feed value. No game is simple; in fact, games tend to increase complexity in the world. In each game, you have the perception of the individual players mixed with the rules of the game to define importance. Some players may just play for money. Others may play only to win, with money being of secondary importance. Still others play only to win Superbowls. And when you've won several, you can play to win more—to be the all time best.

Notice some of the presuppositions involved in defining what's important in a game. First of all, games help define differences. Each football team will have 11 players on

offense and 11 players on defense, plus special teams players, each with a different role. There is a perception that some players are more important (i.e., the quarterback) than others. In addition, the goal of the game is to determine the best, which team plays better than others. Every year 30 teams will lose<sup>7</sup>, while only one team gets to be the best. Of course, there is a consolation prize for the worst team, the first pick in the NFL draft. Notice how this entire process is set up to make everything unequal, to divide us up and make some parts of the whole better than others. And, of course, there is the presupposition that one should never question the rules of the game which produce this division. Think about what I've said here. Never question the game itself. Just keep busy and keep playing.

How about the following presupposition in football? Football is a spectator sport that is designed to please and pleasure the fans who pay for it. Isn't that the basic presupposition? Yet every football team, except one—The Green Bay Packers—is privately owned. The bottom line of the game is really the ego of the owner. The owner gets to have the status of owning a pro football team and, in most cases, gets to have huge profits. If those profits tend to dwindle, they get to move the team to another city where they are usually offered huge tax incentives for moving. When this happens the fans from the old city are totally neglected.

Now didn't we just assume that the purpose of football was to pleasure and please the fans? The Packers, being a non-profit team owned by fans, is an exception—no owner can move the team and the fans tend to be loyal for life. However, the other owners have made certain that the Packers will be the only non-profit team. They've made a rule that says, "all teams (except the Packers) will have a for-profit owner." Hmm! And remember that the owners made up that rule. Does that mean that it is mandatory?

Remember; never question the assumptions of the game. Just keep busy. Just keep playing. Allow the illusion to continue forever. Yet, no game will survive persistent questioning. If you are a football fan, perhaps my questioning of the game of football has tweaked you a little.<sup>8</sup>

### Other Keys to Understanding Games

There are two other key aspects to games that you need to understand if you want to become a game master. First, each game has certain participants. Those participants will be different for everyone who plays the game, but the nature of the participants will be the same for everyone. I've done a lot of psychological clearing work in an area called game spheres and this description of participants comes from that model. Games spheres tends to explain a lot about human behavior that doesn't make sense

<sup>7</sup> Those thirty teams and all of their fans will feel bad until next season when they believe there is new hope. This means that almost everyone gets to lose in this game.

<sup>8</sup> I am a stockholder of the Gr□ . Yet I know deep down that the whole game is total illusion and that by being a strong fan, I keep myself deep in illusion. Yet ultimately, I have to ask myself the question: Do I want to keep the illusion or not? I feel bad when the Packers don't win the Superbowl. Yet somehow I feel that the joy of that potential glory is worth the inevitable heartache that occurs when my team gets eliminated. And yet I still want to be part of the illusion? Why?

without it, including why we behave so irrationally and continually sabotage ourselves. Basically, we do so because we play games with different roles in each game.

Second, each game has three levels. At level one you are an involuntary player. The rules seem totally mandatory for you because you don't even know you are playing a game. Most football fans, for example, don't realize that they are playing a game. Instead, they think they are watching a game and that their activity is real. You might be the central character in the game, but you really are not aware you are playing a game. But when you don't know you are playing a game, the game seems like reality and you have no choices in how you play. Yet, being a fan is part of the game. You have certain rules to follow to play the fan game.

At the second level of game playing, you are aware of the fact that you are playing a game and you choose to play actively. When you wake up to this level, you can, depending upon your level of personal power, invent your own rules. People who win games, usually play at this level.

Finally, at level three, you decide that the game limits you and you elect not to play. To some extent the game may be all around you, but the game has no power over you because you have elected not to play.

We'll illustrate both of these concepts with our football metaphor and then go on to discuss the game of money in detail.

## Game Participants

Each game you play will have a central character. This character is usually in the form of some archetype such as "The HERO." You decide who this main character is and what his/her archetype is depending upon how you play the game. This is why the same game can be different for nearly everyone who plays it. That is, each person will assign a different archetype to the main role of the game.

This central archetype in your game will have two attached characters; the supporter and the enemy. Thus, if you were playing the game as the Knight in Shinning Armor, then your supporter might be the Squire and the enemy might be the Evil Wizard. However, everyone will play games from a different perspective. A female playing the same game might be the Damsel in Distress as the major archetype. Her supporter would be her Knight in Shinning Armor and her enemy might be the Dragon that wants her for himself. Note that the Knight and Dragon are meaningless without each other and the presence of the game.

For each game, you will also have another main character who is the opposite to your main archetype. For example, if you are playing a game as the Knight in Shinning Armor, then your opposite might be the Black Knight. This opposite character would also have his/her attached characters, his/her supporter and his/her enemy. The Black Knight's supporter might be his "Trusty Horse" and his enemy might be "The Dragon."

To summarize, people tend to play games in the role of an archetype character such as the Knight in Shinning Armor. The overall game would tend to have six types of participants, the archetype character and his/her opposite are two of them. Each pair of opposites would have at minimum an enemy and a supporter of some sort. These would also be archetypes of lesser importance, depending upon how one was playing the game.

This might sound a little strange to you if you tend to play games unconsciously, as if they are real. It's only when you really look at the games you play that you can decide the type of role you are playing. And guess what? At some level, you tend to play all six roles in your life.

In our football game, the main archetype might be the HOME TEAM. The opposite archetype might be the VISITORS. The supporter of the home team might be the COACHES, while the enemy might be the BAD PRESS. The supporter of the VISITORS might be their COACHES, while the enemy of the visitors might be the HOME TEAM FANS.

While the model I laid out seems quite generic, different people who play the game will have entirely different roles laid out for the game, depending upon how they play. Here are some possible examples of who the main archetype, and its opposite, might be for different individuals, all playing the football game.

THE CHAMPIONS vs THE LOSERS



THE ROOKIE vs THE VETERAN

THE GOOD GUYS vs THE BAD GUYS

THE GREAT QUARTERBACK vs THE EVIL DEFENSE

THE GENERAL vs THE EVIL ONE

THE FUN GUYS vs THE SPOIL SPORTS

THE RETIRING HERO vs THE NEWCOMER

THE LOYAL FAN vs THE DRUNKEN BUM

THE WINNER vs THE LOSER

THE STRATEGIST vs THE SEAT OF THE PANTS PLAYER

These are just a few ideas of roles people could adopt to play the same game—football. Your primary role could be that of a fan (with some particular role or that of a player or coach or broadcaster or almost anything). Most people, of course, will have some type of fan role as the primary character. The key thing is to remember, that in each case, both your primary role and its opposite will have an enemy and a supporter.

The next important thing about the participants in the game is that each of the six roles gets to be “right” in some way. They all have some belief about themselves that makes them right. Thus, each game would have six metaphorical participants, each knowing that their existence was somehow justified by their being right in some way.

For example, the home team might

believe that “it’s important to protect the honor of the people of the home city.” You can fill in the blank with the name of the city. The visitors might believe that “it’s important to have respect wherever you go.” Notice that now each of them has a reason to play the game. The supporter and the enemy of each archetype would also have some reason to justify their respective existences.

The coaches, for example, as supporters of the home team, might believe that “the team cannot win without our support.” That would certainly justify the existence of the coaches. And the enemy of the home team, the bad press, might justify their existence by believing that “overpaid football players need to win all the time to justify their existence and their high salaries.” The coaches of the visitors might believe that the visitors “can only win with our support” which would certainly justify their existence and make them right. The home team fans, who continually harass the visitors, might believe that “we can only feel good about ourselves when our team beats these bad guys.” And that would justify them continually harassing the visitors.

Remember, six participants and their justifications will tend to be a little different for everyone who participates in a game. For example, my main role in football focuses on being a Green Bay Packers fan and the archetype that I’d say best describes me is that of “Distant Stockholder Who Loves his Team.” My justification for that role is that “I was born in Green Bay and I’ll always love my team.” However, that just gives you one

of the six participants in the way I participate in the game of football. And, it’s not important to find all six for the purpose of this discussion. My main point is that everyone will be a little different, depending on the role he or she plays as a central character in the game and how he or she seems to relate to the rest of the game in defining the other participants. This is what makes games so interesting and so addictive for each participant.

Think about it. Most people don’t even know they are playing a game, so the participants and the rules are all unconscious. Nevertheless, everyone picks a central participant for the way we play a game and has some justification to make his/his participation right.

In addition, the nature of the game changes for everyone, depending upon how they define the other key participants in the game. For example, my wife is also a Green Bay Packer stockholder. However, she was born in the city of Singapore, not Green Bay. She usually enjoys a game when she goes to one, if it’s not too hot or too cold in the stadium. However, she doesn’t like the game to get too exciting. She’d prefer that the Packers just win easily. However, when she’s not at a game, she could care less about football. She might watch the Packers on television if they played in the Superbowl, but even then she’d probably have something else she’d rather be doing. And if she does watch the game, she’s probably doing something else at the same time. As a result, don’t you think her primary role in the game is a lot different from mine? And don’t you think her ideas about



what make each participant right is totally different from mine.<sup>9</sup> You'd better believe it! And it's the same for all of you who in some way choose to participate in the game of football—even as a fan!

### Levels of Game Participation

Games become even more complicated because of various levels of participation that one might select. In my opinion, there are at least three levels of game participation: unconscious participation; aware participation; and a conscious decision not to play any game that limits you (and all games limit you in some way).

**Unconscious Participation:** Most of us participate in games on an unconscious level. We never even know we're playing the game. For example, have you ever thought that you were playing a money game or a trading game? Or, did you at some level decide that this was real and that everything was very serious? If you answered "yes" to either question, then you are playing these games at an unconscious level. This means that you play by someone else's rules. You're on automatic pilot and your chances of winning the game are very slim.

Most people play most of their games unconsciously. Thus, they believe that everything that happens is real and that they have no choice in the matter. And if you find this article strange and hard to believe (although most people

who might do so will have stopped reading it long ago) then you are probably on automatic pilot with little or no choice. All the rules of the game are real. All the rules are mandatory. And you didn't make any of the rules...they did, so it's out of your control. This is the level at which most people play the game of life.

We all think of football as a being a game, but knowing that, we still think it's real. If your team doesn't win the championship, you might take it very personally and become upset about it and life in general. Somehow, you might feel less of a person just because your team didn't win the Superbowl. And yet only one team out of 31 will do so each year, so your odds are about 3.3% of having a team win the Superbowl. In fact, I guess I should be happy that the Packers have won three Superbowls in the 35 years since that trophy was first awarded. That's about 10% of the time and about 3 times the rate that one might consider fair.

**Conscious Participation:** The next level at which you can play is consciously and voluntarily. When you realize you are playing a game and you decide to do so voluntarily, then you have a real chance in the game because you are now at a level of awareness where you can make your own rules up. This is a huge jump for most people.

When you begin to think of your participation in football as being a game, then you can think about it at

another level. Suddenly, the game takes on a new dimension because you can make up your own rules—at least as far as your participation is concerned. For example, you can decide that you'll be happy if the team simply improves from last year. Or you can decide that your happiness has nothing to do with the team's performance. Hmm, that's a revolutionary idea! Or you can decide that if you watch a football game and your team wins, you can be ecstatic, but that you won't have any emotions if your team loses. It's all your choice because you start to make up the rules as soon as you begin to realize that your participation in the game is voluntary.

Wait a minute, you might say, people don't really make up their own rules. The owners decide what the football rules are each year! That's true, but within that framework, everyone can still make up their own rules. You can decide as a fan that you'll only go to one game each year and that you'll be delighted for whichever team wins the game. That way, you leave the game happy no matter what the score will be. At the opposite end of the extreme, if your role is that of an owner, you can determine how big a role you have in making up the rules, including determining how those rules might influence you financially.<sup>10</sup> As a coach, you have lots of leeway about making up rules. Yes, you have to play within the overall structure of the game, but you can control how your

---

<sup>9</sup> She might play the role of the spouse who wants to support her husband. She's right because she's a good wife who supports her husband when forced to do so. The enemy might be her husband who forces her to go to games occasionally. And her supporter might be the football team that wins. This is just one of many possibilities and I'm only guessing at what the real roles might be.

<sup>10</sup> Al DaAngeles, then threatened to move to a different part of Los Angeles, and even dollars.

players operate within the structure and to some extent how willing your players will be to break the rules. In addition, you can make up your whole set of rules that guide the conduct of your players. Even players can make up their own rules about their level of effort, participation, willingness to bend the rules, etc. that they bring to the game. And the more you understand your freedoms, within the rules, the more likely you are to win the game.

### **Conscious Non-Participation:**

The final level, the most advanced level, is conscious non participation. Any game you decide to play (consciously or unconsciously) will limit you. First, the game defines you and as soon as you define yourself, you narrow yourself and limit who you are. For example, when I say “I’m a Packer fan” my internal feeling is that I’m part of an exclusive club that makes me very special. The club becomes even more exclusive when I say, “I’m also a Packer stockholder.” Yet, in reality, all I’ve done is limit myself by narrowing my focus. Suddenly, I’m only a Packer fan. I don’t get to be joyful when another club wins the Superbowl (and that’s going to happen most years). I don’t get to cheer when Kurt Warner throws six TDs and the Rams win their game by 40 points because that’s not what Packer fans do. If anything, that becomes a threat to me because some other team might be better than my team. Do you see how calling myself a Packer Fan narrows down my definition of who I am and limits me?

In addition, games tend to make things exclusive and narrow down who is “in” and who is “out.”

While this might make me feel important when my team is winning and I’m in, most of the time (on the average) they probably will not win and I’m going to feel bad. And it’s all because I’ve narrowed my definition of what makes me feel important.

Thus, games very definitely limit the participants. And when you begin to realize that, you can step out of the game. Does this mean that I’m going to decide not to be a Packer fan. I don’t know, but I do know that my team is in the playoffs this year.

However, in the meantime, the Packers have only qualified for the fourth playoff spot and it’s quite possible that they could be eliminated in the first round. Thus, I could become very sad, especially if I allow my sense of who I am to be determined by how well the Packers do at the end of the season. And if I were to do that, then my chances of being sad at the end of any given season are quite large.

Furthermore, let’s assume the Packer’s win the Superbowl. As a result, I get a momentary high (lasting a day or two at most), followed by the realization of “what’s next?” What’s next is that other teams will attempt to hire away the Packer’s best coaches and players. In addition, they’ll face a very tough schedule next year and it will be very hard for them to repeat as champions. (They play five of this year’s playoff teams on the road next year.) They’ll have the last pick in the NFL draft. Thus, no matter what happens, I’m probably in for a let down. That’s not a very happy prospect—and this will occur if the best possible

scenario occurs and they win the Superbowl.

As a result, I can decide to exit the game and avoid all of these letdowns. Suddenly, I’m no longer limiting myself. Instead, I’m expanding myself. I don’t define myself at all by how well the Green Bay Packers (or any other football team, for that matter) perform. That’s a much more whole and complete approach. However, many people enjoy the high of identifying with a big winner so much, that they are willing to constantly go through the downs that also occur.

### **The Money Game**

We’re going to look at the money game from the three levels of participation. First, we’ll look at the money game from the participation level of the average American, which is unconscious participation in the game. These people play the game robotically without understanding the rules. The result is that they are, at best, average performers, but remember most of these people don’t even know that they are playing a game.

Next, we’ll look at the money game from the viewpoint of those who consciously play the game and thus become capable of making their own rules. When you compare the rules and presuppositions of this group with those of the first group, you should understand why people who adopt these rules tend to win the money game.

Lastly, we’ll look at the money game from someone who might decide that they don’t want to play this game—or any other game

<b>Table One: The Money Game As Played by the Average American</b>	
<b>Presuppositions</b>	<b>Rules</b>
I must have security.	I can have it all now by buying on credit.
The more security I have, the better I'll feel.	I can keep score by how many toys and how much money I can accumulate.
Security comes from a good job with great benefits.	He who wins has the greatest income.
Be afraid of the IRS, they enforce the rules	The government gets to tax your income and they get paid first.
Get it now if you can.	Play it safe because you could lose it.
When you make more money, you can have more by increasing your debt.	Own the best house you can afford.
Money requires hard work.	Own the best car you can afford.
Change is dangerous.	Do everything you can to increase your income or get a better job.
When I lose money, blame them!	Get advise from experts on how its done.
If it's too good to be true, it probably is.	The more education you have, the better job you can get.
You probably cannot do it.	Make sure you have a great resume.
People with money tend to be happy.	Don't rock the boat, it could be dangerous.
People with money tend to be corrupt.	
It's a dangerous world and evil/cunning people tend to survive	
Money is real.	

for that matter. We'll look at the person who takes a more spiritual view of money and the assumptions behind it.

**The Game as Most American's Play It:** The average person tends to have the rules and presuppositions of the money game imposed upon them. They are largely unaware of these rules, so they are totally controlled by them. And when you study the presuppositions and rules that they've adopted, you'll understand why they don't do very well at the money game. They don't even know they are playing a game. See Table One.

So what do you think of these rules and presuppositions? Are they what you live by? Do you see some conflict in them? Do you

think you'd be successful living by them?

And remember, we're just scratching the surface of the money game at this level. We haven't even defined the role you might play at this level and who the other participants might be in the way you decide to play the game. That might be a good exercise for you to consider on your own. What archetype do you play in the money game?

**The Money Game As Played by Winners:** When we teach infinite wealth, we teach a totally different set of rules. Those rules, when I first adopted them, totally changed my way of thinking and allowed me to achieve infinite wealth within six months. You might consider them as well. The rules and presupposi-

tions of level 2 are in Table Two.

Notice that there are even some conflicts on this one. However, the rules and presuppositions are much more useful to winning the game. And it's possible to win this game. In fact, you're more likely to win this game, taking on the willing participant viewpoint, than a professional football player would have of winning a Superbowl ring.

But in the end, no one can take his or her wealth (i.e., their winnings) with them. Instead, what you accumulate owns you, at least until you leave the planet. Of course, perhaps that statement defines a specific archetype for the money game that might not fit another archetype.

**Table Two: The Infinite Wealth Version of the Money Game**

Presuppositions	Rules
Money is made up.	Freedom comes when your passive income is equal to or greater than your expenses.
You don't have to work for money.	Learn to decrease your expenses.
You are responsible for your own results.	Decrease your taxes as they are your biggest expense.
When you stop working, assets will feed you and liabilities will eat you.	Get your advise from those who are infinitely wealthy already.
Losing is part of winning.	Develop a plan to become infinitely wealthy.
The establishment is not your friend when it comes to money.	Pay attention to cash flow.
Banks only help when you don't need them.	Always know how many dollars you are away from infinite wealth.
There are con artists, lawyers, and ex-spouses who will take it away from you.	Protect your assets as you acquire them.
What you have will own you.	Pay yourself first.
A fifty percent return is better than a five percent return.	Constantly work to increase your passive income and your returns on your assets.
When playing the money game, I can make up my own rules.	I can create money easily because money is made up. It's not real.
Winning the game means being infinitely wealthy.	Acquire assets that produce passive income.

**The Money Game From the Outside:** Lastly, we have the viewpoint of those who elect not to play the game. Every game you play defines you and limits you. Therefore, you can elect not to play the game at all. This is a very advanced viewpoint and most of you may not be ready for it. Nevertheless, let's examine a few of the presuppositions and rules of someone who might take this viewpoint. See Table Three.

If you are stuck in the money game at any level, the third perspective will seem horrifying and very threatening. In fact, since your rules feel mandatory, you will feel very threatened by the perspective that you could stop playing the game. However, this is the perspective of someone who chooses not to play the game by seeing it as a

game. And when people quit the game, the game ceases to exist. This, of course, also is very threatening to those who wish to continue the game.

In our Advanced Peak Performance Workshop, we will be looking at a number of key games: The money game, the trading game, the health game, and the relationship game. We'll look at each from the viewpoint of the people who play without realizing it is a game, from the viewpoint of someone who realizes that it is a game and that you can make up your own rules and actually win the game. We will also explore these games from the viewpoint of someone who realizes that people don't have to play a game at all. And, to the extent we

have time, you'll also get to explore the archetype you play at your level of participation in the money game and the other games we cover<sup>11</sup>. I think you'll find this material to be fascinating.

### More Perspectives on Games

If you keep playing the games you have always played, especially on the same level with the same roles, you will probably end up very similar to the way you are now.

Ignorance of the rules is never an excuse within the game. If you are going to play, you had better know the rules of the game. Yet, usually there are so many rules, you cannot possibly keep track of all of them. Thus, there is a clear advantage to those who best know

**Table Three: The Money Game From an Outside Perspective**

Presuppositions	Rules
God is my source.	There is only now.
There is only one and we're not separate.	All my needs will be taken care of.
There is enough for everyone.	There is no need to do anything when you totally believe God is your source
It's all about beingness.	

the rules of the game. In fact, the best advantage goes to those who know the rules and how to change the rules and make up their own rules. Why do you think there are so many lawyers in our society? To a certain extent, lawyers understand the rules and, the good ones, are able to make up their own rules.

The purpose of all optional games is to keep score. This allows you to figure out where you stand—to make yourself important and right.

The more simple a game is, the less attention you have to use to follow the rules. The more complicated a game, the more it attracts you and the more important you perceive yourself to be for being able to play it.

### Multiple Games

One of the ironies of life is that most people play many games simultaneously. We have a money game. We have a career game. We have a parenting game. We have a family game. We have a friendship game. We have a health game. We have a trading or investing game. And I've only touched upon a few games here.

When you try to juggle playing multiple games, you must compromise on one or more of them. You cannot possibly know all the rules in all games. It's impossible. As a result, you play some games unconsciously, just following rules without even knowing it. However, in other games you tend to play much more consciously. You tend to do well in the games in which you play consciously, being aware of the rules. However, you tend to play miserably in those that you play robotically. Playing robotically, denying that one is playing a game, does not make you exempt from the rules of the game. What happens is that most of the rules become invisible. You don't even know you are playing a game.<sup>12</sup>

This is not a world that only you designed. Instead, it is full of games that millions of other people have designed. You cannot turn around without bumping into other people's presuppositions, rules, and games. In fact, there is little raw material with which to create afresh.

In the world of games, there are constant tests that you must pass. You must be constantly vigilant to play each game. And quitting the game seems like death. The

universal objective of all games is to have you become important. This is how you use the superficial elements of life to define who you are. In fact, the universal objective of all games is to have you be important, to make you appear good, or to win. Yet in the world of illusion there is always someone better than you. Thus, your defense is to define yourself so narrowly that within some tiny little fame, defined by rules that you invent, you can be the best.

Games are designed to maximize control and minimize freedom. Control is always illusory. It puts you between whomever you want to control and their natural behavior. It makes you superior. For example, a standard rule of the employment game is that your boss controls you. And you've learned a rule through the education game to support that idea—the rule that declares that “the teacher is always right.”

People thrive in a situation in which people are more important than rules. Under these conditions love is more important than games. In fact, under these conditions, you'll never find a shortage of anything, particularly attention.

<sup>11</sup> Our preliminary plan is to cover, at minimum, the money game and the trading game and the relationship game on the second day of the Advanced Peak Performance Trading Course.

<sup>12</sup> I notice on Saturday December 22, □

Madden, in particular, was referring to our military forces overseas. His exact words were “This is just a game, but what they are doing is real. There is a big difference.” Unfortunately, too many games are thought of as real, and thus we don't even begin to perceive the rules and presuppositions of the game.

People hate rules, but they love the illusionary security that their rules seem to provide. Generally, you do so by following the rules while pretending that they do not exist. When you follow rules, while simultaneously pretending that they do not exist, the rules do not go away. Instead, what happens is that the rules have complete control. What we do instead, is make up stories to protect and mask the rules. I can question the rules of football and begin to understand the illusion of the game. However, you can easily contradict all of that by making up some stories about football to justify the rules. For example, you can start talking about tradition and all of the great players and how their effort justifies everything and makes it all meaningful. Football players will tell you that football is all about *life!* It teaches you the game of life! Such stories are just a distraction to hide the rules. And if you need help in making up stories, just gather some statistics. Statistics will give you needed information about why the game is important and to justify the importance of certain people. You can make lots of stories out of statistics and they give you more justification for continuing the game. Will anyone every rush for 3000 yards in a season or pass for 5000 yards? Doesn't that justify continuing the game?

When you begin to examine a rule thoroughly, as I was doing with the rules of football, you start to threaten its existence. And this is a marvelous technique for escaping from the illusion for those of who you are willing to take that step. However, the step is quite scary because it means giving up

the security of the rules. Gosh, I might have to give up being a Green Bay Packer Fan? I have a lot of stories about why that would never happen.

When you systematically take apart your stories, you'll find that you have a path that will lead you back to the rules that guide your life. And, each rule will lead you back to a set of presuppositions or assumptions that guide your life. And when you look deeply into each presupposition, you'll find that they were created by you and have no reality at all—absolutely none. And if you do this process thoroughly, you find that all that is left is the real you.

Think about it. What if you didn't have to make any initial presuppositions? If that were the case, there would be no rules and there could be no games. In addition, there would be no stories to hide the rules. All that's left is just you.

But the moment you select a game or a team or a side, you are stuck. You suddenly have an objective. That objective gives you a perspective and a relationship to the game that will restrict what you say and what you do. Suddenly, you are right in the middle of a game—yet you may not even know it.

### Some Things to Think About

1. What activities occupy most of your time?
2. How do you define yourself and what makes you important?
3. The answers to questions one and two will shine a flashlight on some of your games you play in life. But look quickly

because most of you will turn the beam off and keep them unconscious.

4. If you can, look at these games in the light of daylight. What are the rules and presuppositions under which you are playing these games? Who made up those rules? Are you an unconscious player or a voluntary player who is capable of making up his/her own rules?
5. Do you want to play each game? What would happen if you decided to quit each of the games you listed?



P.S. I'm still playing the "Packer Fan/Stockholder" game. In case you wondered, the Packers have at least one home game in the playoffs. I'm going to the game and I managed to get a luxury box (i.e., out of the cold). That's historical because the luxury boxes will be torn down after this game in preparation for the Lambeau field renovation. (Notice my story that I have to justify my behavior.)

P.P.S. The examination of the games we all play will be a significant topic at the Advanced Peak Performance Course, I invite you to come and experience this life altering work!

Visit the Van Tharp  
Institute at  
[www.vantharp.com](http://www.vantharp.com)