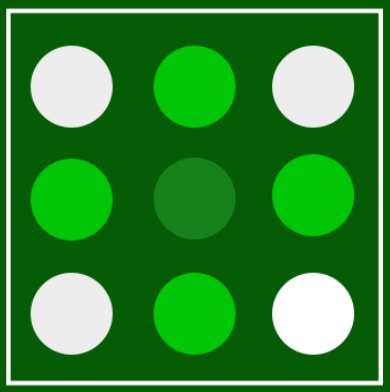

no commission baccarat

BY RAKESH WADHWA

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Email everest@mos.com.np

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note

While the author has experience in developing this new game and its operation and management, it is understood that the author is not rendering any legal advise. This booklet provides information on a new game which has proven to be greatly advantageous to casinos in Sri Lanka, Nepal, India and the Krgyz Republic.

Our experience shows that any casino introducing it would find its baccarat earnings increasing by a minimum of 50%. It has also been so well liked by guests patronizing these casinos that the classic version is now extinct in Nepal.

The booklet, however, does not provide any legal advise, and, wherever necessary, this may be sought before introduction of the game. Legal or other approvals, if required, for offering of this new game the sole responsibility of the casino or organization seeking to do so.

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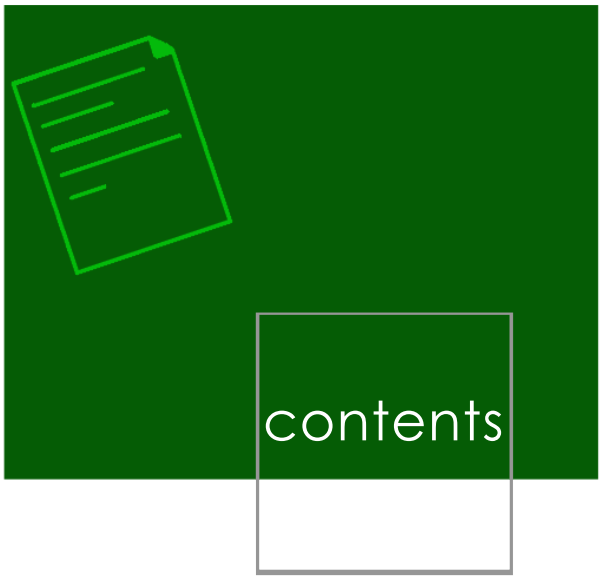

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the original game

part I

Baccarat – Brief History and Present Status

Baccarat is now played the world over. Whenever you think of casinos, high stakes gambling and elegance, you would automatically associate it with baccarat. Baccarat tables usually have the highest limits in any casino and also the highest limits for maximum amount you could bet on a single hand.

Baccarat probably originated in Italy and around 1200 AD was first introduced into France. It appears that the game was originally devised by Felix Falguiere a gambler. The game seems to have been based on the ancient Roman ritualism of the '9 Gods'. Legend has it that over 2500 years ago the '9 Gods' prayed to a golden-hair virgin in Etruscan, Roma. The virgin then cast a nine sided die. If she threw a 8 or 9 she became a priestess, if a 6 or 7 come up she was barred from holding religious office, and if the throw was 5 or below the virgin would walk into the sea. Baccarat has similar outcomes, though the wins and losses are not quite as drastic.

The game now is offered by casinos the world over. We have it in all Nevada casinos. One could go to the extent of saying that no one would think of opening a casino in Las Vegas – the Mecca of world gamblers without providing for a deluxe part of the casino exclusively for its high-stakes baccarat high rollers.

In Atlantic City all casinos offer baccarat. Trump' s Taj Mahal has allowed some of the highest individual bets on its baccarat tables .A few years ago a VIP Japanese billionaire was personally allowed by Donald Trump to bet US$ 100,000 per hand and the baccarat tables after he agreed to play for a minimum number of hours. The casino initially lost millions of dollars but recovered and finally came out ahead a few million dollars.

The Variations

Two versions of baccarat evolved. One was called baccarat (also referred to as baccarat-en-banque in certain places) while the other was chemin-de-fer. Both these versions became popular in casinos and in private game in Europe during the 1830's. Baccarat with its variations withstood the test of time and from Europe moved to the USA where the casinos have consistently featured it in one form or the other from the 1950's.

Chemin-de-Fer is a two-person game and evoked greater interest and has been played in the US since the 1920's. This game is played with 6 or 8 decks and there is discretion allowed in drawing additional cards after the initial two card draw.

In (baccarat-en-banque) the house opposes all players.

The modern version, popular with the present day casinos, involves a fixed set of rules and no discretion is permitted. The banker has to follow fixed rules. The house charges a 5% commission on all 'banker' bets. No commission is charged on player bets as the rules automatically result in an advantage for the house. The house percentages are fixed and involve an advantage of 1.169% over 'the banker' bets and of 1.365% over 'the player' bets.

For the sake of simplicity, this is the version we are concerned with through this booklet. The illustrations are of a semi-circular table with a baccarat layout on top commonly referred to as mini-baccarat. The table

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permits seating for 7 bettors. It was with the recent advent of this 'mini baccarat' that even novices can enjoy the game with bets small as $ 1 being offered by some casinos.

It is to be noted that the principles of "No Commission Baccarat" can be adapted to whatever version of baccarat the casino may be offering to its guests. The game basically remains the same in this newest version now being explained except for the elimination of the 5% house cut on all winning 'banker' bets.

How the Game is Played

The game is dealt from a dealing box known as a shoe. Six or eight decks of cards are usually shuffled and placed in the shoe.

There are three possible bets. The two principle bets are "Banker" and "Player" while bet on "Tie" is the third bet. Any bettor may bet either on the "Banker" or "Player" and/or "Tie" before the start of any round of play.

The play starts with two cards being dealt to the "Player" and "Banker" each. Picture cards (Jack, Queen, King) and tens count as zero while cards ace through nine are each worth their face value. A hand is evaluated only by the last digit of the total. Hence a 7 and a 6, though equals 13, would be rated as a '3'. A picture card or a 10 with a 5 would be rated as a '5'. If either the 'Banker' or the 'Player' has made a 'natural' which is either a 8 or a 9, the game ends at once and all bets are immediately settled. If neither the 'Banker' nor the 'Player' have a "natural" (8 or a 9) then the 'Player' or the 'Banker' would either stand or be dealt a third card in accordance with a fixed set of rules (see Annexure 1).

The higher of the two hands wins. If the ranking of both the 'Player' and 'Banker' is identical, then the hand is declared a 'Tie'. If however there is a bet on 'Tie' then the bettor on 'Tie' wins.

The Bets and Their Pay- Offs

Bets on the 'Player' are paid even money i.e. a person betting US$ 100 on the 'Player' and winning would get his original $ 100 plus another $ 100. However a person betting on the 'Banker' and winning is paid even money less 5% commission i.e. the winner would get his $ 100 back plus another $ 95. This 5% tax on 'Bankers' winnings is also referred to as 'vigorish'. A winning 'Tie' bet is paid at 8 to 1 (or 9 for 1) i.e. a person betting US$ 100 on a winning "Tie" hand would get his 100 back plus be paid an additional US$ 800.
The house (casino) advantage after computing probabilities for a eight deck shoe work out as follows. Please note that ties are not considered as outcomes as neither the 'Player' nor the 'Banker' wins.
House advantage over the 'Banker' is 1. 169%.
House advantage over the 'Player' is 1.365%.
The 'Tie' bet is the worst bet for the bettor as the house advantage is 14.36% for this bet.

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the new game

part II

Origin and Development

The game as played the world over has been explained. However, this suffers from a serious drawback. Every time the dealers have to pay a winning 'Banker' bet, they have to compute the 5% commission and either deduct it while making the payoff for the winning bet or keep a separate track of this commission via special markers and collect it periodically. Both methods involve computations and are error prone, the latter method in addition, involves the risk that the bettor might have no money left to settle his commission markers. Another drawback is that these calculations, necessary every time there is a winning banker bet, delay the game. Delay in dealing hands leads to a reduction of the house income.

The search for elimination of these handicaps led to the development, in mid 1887 of the new "No Commission Baccarat". This was introduced in the Palm Beach Casino in Sri Lanka in late 1987. In 1989 it was offered at the newly opened "Le Casino" located at the Hotel Galadari Meridien in Colombo. All Sri Lankan casinos were closed by the government in mid 1991.

The game was initially offered as an "option" to the existing original baccarat game However, after a few weeks the original baccarat tables stood empty, while the new "No Commission Baccarat" had crowds waiting to place their bets. Hence the old baccarat, in face of invasion by this new "No Commission" game, met its end.

Some of the VIP Indians who visited Sri Lanka liked the game so much that they insisted that the then only casino in Nepal also offer this game.

In Nepal too, the normal 5% commission Baccarat died. "The New No Commission Baccarat" flourishes in Kathmandu, Nepal in all of its six casinos.

No Commission Baccarat

Rules and Procedures

This new game has the same rules as the old game with a few important time saving variations involving pay off of winning "Banker" bets. The method of dealing the game, counting of hands and declaration of the winning hand remain the same.

As its name implies, the 5% commission is eliminated and all winning 'Banker' bets are settled at even money. The only exception is when the 'Banker' wins on a six.

In the event of this happening, and, only in this event, is the 'Banker' paid at 0.5 to 1. This means that if you bet on the 'Banker' and you win with a six then instead of even money, you would get your bet back plus only half your bet. To make it clear, in case a bet of US$ 1,000 is placed on the 'Banker' and the hand wins with a 6 (the 'Player' must have totaled from 0 to 5), then the original bet of $ 1000 will be returned along with a win of $ 500 (half of the original bet of $ 1000).

The rules of this version are shown as Annexure II. Annexure II is the replica of the rules of "No Commission Baccarat" as offered at Casino Everest in Kathmandu, Nepal. All the other 5 casinos – Casino Nepal,

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Casino Anna, Casino Royale, Casino Rad, and Casino Tara have the same rules. One would notice the following:

Annexure I and Annexure II are similar except for the last three lines in Annexure II which state “if banker wins on 6, only half of the original bet will be paid. 5% commission is not charged on any hand.”

Annexure II is the new “No Commission Baccarat”. The older version which involved a take of 5% for the house from ‘Banker’s’ winning hands stands forgotten, such has been the power of this new game. Since the 5% commission game has died, there is no confusion in referring to the newer “No Commission” game simply as baccarat and that is how casinos in Nepal term this game.

Annexure III illustrates diagrammatically three combinations when banker wins on a 6. In these three instances and in other instances when banker wins with a 6, the pay off is at 0.5 to 1 (or 1.5 for 1) instead of even money

Annexure IV is a diagrammatic representation of what happens when ‘the banker’ wins on 6. The table layout along with the initial bet and the payoff involving return of initial bet plus half of the amount bet is shown.

This then is the difference: in the traditional game the house takes a 5% cut on all ‘Banker’ winning hands; in this “No Commission” game the house dispenses with the 5% commission, but takes a 50% cut, if and only if, the ‘Banker’ wins on a 6.

Advantages

This new “No Commission Baccarat” has many advantages over the normal 5% commission game. There are three parties involved in this game – the house or the casino, the betting public and the casino employee. This is perhaps the only new game which is not resisted by any of the three parties involved as offers distinct advantages to all.

For the House or Casino

• The game is speeded up. Once the need for computation of 5% commission on every winning “Banker” hand is eliminated there is tremendous saving of time in dealing hands. The exact savings would depend on the number of people placing bets on the ‘Banker’ and on the efficiency of the dealer computing the 5% commission. Hence, the speeding up of the game may vary from a low of 25% to a high of 100%. In an experiment conducted at Casino Everest, with four persons betting, the game speeded up by 50%.

• The time for training of new dealers is reduced as they do not have to be taught how to compute the 5% commission. Teaching dealers to make half payment on ‘Banker’s’ winning 6 takes no time.

• The casino gets to offer its customers a new game which is greatly liked. Ultimately the old game dies and the new game takes over.

• The need for supervision is reduced. The old 5% computation is subject to errors, no such problem exists with the new “No Commission” game.

• Thus we see that house profits increase due to (i) a higher number of hands dealt every hour and (ii) the ½ payment (50%

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commission) on 'Banker's' winning 6 more than makes up for the relinquishment of the 5% commission by the house on every 'Banker's' winning hand. The percentage for the house for bets placed on the 'Banker' improves from 1. 169% to 1.61% - an increase of 37.72 %.

The bottom line is that the casino introducing this new game would see its baccarat earnings go up by a minimum of 50%.

For the Customers

• The irritation of waiting for the dealer to compute the 5% commission is eliminated.

• The game proceeds faster and that is what the bettors want. They are, after all, in the casino to gamble.

• As the game is far less prone to errors, customers can relax and do not have to watch out for dealer's mistakes.

• As, most of the time, the 'Banker' is paid even money, the customers avoid the negative strokes associated with a continuous house-cut. Customers feel better about the new game.

For the Casino Dealers

• The dealers learn the game much faster.

• They do not make as many mistakes as with the earlier game, and, therefore, are less subject to being reprimanded by their bosses.
• Lesser number of errors and a faster game usually lead to higher tips.

Hence we see that, even as the house speeds up the game and increases its hold percentage, it enhances customer satisfaction and employee happiness as well.

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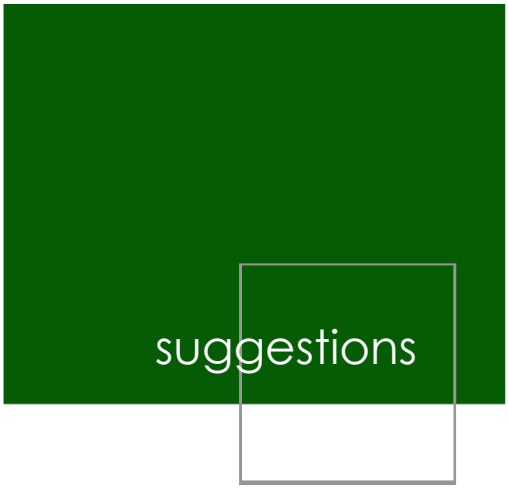
Suggestions for Offering This New Game



A casino should initially offer it as an option to the old game. This way the casino management can evaluate the benefits and customer demand. The game could be offered as “No Commission Baccarat” or by some other name e.g. “New Baccarat” etc. The fact that the casino is offering this game as an option needs to be highlighted by posters, pamphlets, plastic signs, electronic signs and even neon signs if possible. The staff needs to be explained the new game. There is no training required for any dealer who knows how to deal baccarat. The guest and public relations team needs to be briefed about the new offering so that customers can be told about it.

The game, experience has shown, needs no selling and results in the elimination of the existing “Baccarat”. When that happens then the new version may simply be referred to again as “Baccarat”.

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annexures

rules

Origin Original Baccarat

15% Commission

PLAYER

HAVING	
1-2-3-4-5-10	**DRAWS A CARD**
6-7	**STANDS**
8-9	**NATURAL** Banker can not draw

PLAYER

HAVING	DRWAS WHEN THE PLAER'S 3rd CARD IS	DOES NOT DRAW WHEN THE PLAER'S 3rd CARD IS
0,1,2	ANYTHING	-
3	1-2-3-4-5-6-7-8-9-10	8
4	2-3-4-5-6-7	1-8-9-10
5	4-5-6-7	1-2-3-8-9-10
6	5-7	1-2-3-4-5-8-9-10
7	**STANDS**	
8-9	**NATURAL** Player can not draw	

*Pictures and tens do not count
*If player takes no card, banker stands on 6
*5% commission is charged on all banker wins

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New 'No Commission Baccarat'

(after original game dies, this becomes Baccarat)

PLAYER

HAVING	
1-2-3-4-5-10	**DRAWS A CARD**
6-7	**STANDS**
8-9	**NATURAL** Banker can not draw

PLAYER

HAVING	DRWAS WHEN THE PLAER'S 3rd CARD IS	DOES NOT DRAW WHEN THE PLAER'S 3rd CARD IS
0,1,2	ANYTHING	-
3	1-2-3-4-5-6-7-8-9-10	8
4	2-3-4-5-6-7	1-8-9-10
5	4-5-6-7	1-2-3-8-9-10
6	5-7	1-2-3-4-5-8-9-10
7	**STANDS**	
8-9	**NATURAL** Player can not draw	

*Pictures and tens do not count
*If player takes no card, banker stands on 6
*If banker wins on 6, only half of the original bet is paid
*5% commission is not charged on any hand

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annexures

rules

annexure III

Diagram showing banker winning with a 6

DIAGRAM 1

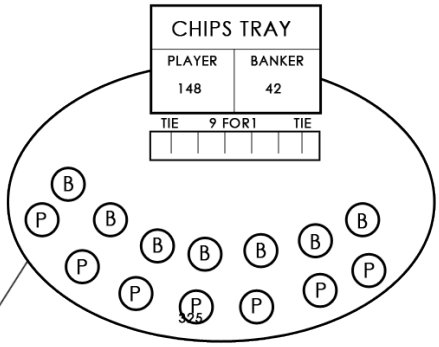
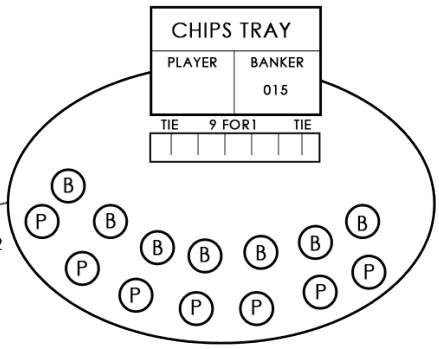


DIAGRAM 2



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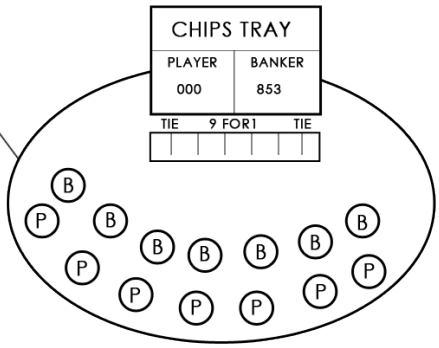
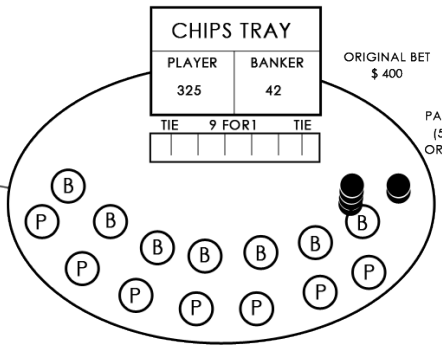


annexure I

Diagram showing payment when banker wins with a 6

DIAGRAM 4



ORIGINAL BET
$ 400

PAY OFF & 200
(50% OF THE
ORIGINAL BET)
$ 400

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profile

of Author/Inventor

Rakesh Wadhwa

Personal

- Born: March 2, 1957 in Kolkata India
- Passionate believer in capitalism and free markets from school days.
- Wife: Shalini Wadhwa, businesswoman. Promoting economic freedom through her publications.
- Son: Manav Wadhwa is studing computer science at the New York State's Syracuse University.
- Father: Group Captain (retd.) S.N Wadhwa, now in Information Technology business.
- Mother: Principal Delhi University, Vivekanand College (retd.) now in Information Technology business.

Professional

- Commerce graduate, Chartered Accountant, with a bachelor's degree in Law (LLB) from Delhi University.
- Author for the following books
  Going Abroad, published by vision Books in India
  India, The 3rd World, Why? Published by IMH, New Delhi. Sold India wide in the 90's and in the US by 'Laissez Faire Books'
- Co-Author of 'The Joy of Gambling' published by The Liberty Institute in India
- Since July 29, 2002 has been writing every Monday for the business page of 'The Himalayan Times', Nepal's leading English daily.
- Writes for and is the Advisor to 'the boss', Nepal' s foremost English business monthly promoting free markets run by Shalini Wadhwa.
- Immediate Past President – Rotary Club of Charumati, Kath mandu, Nepal
- Founder President – Everest Toastmasters Club
  As Executive Director of Nepal Recreation Centre (P) Ltd. man ages Casino Everest and Casino Royale in Kathmandu, Nepal. General Director of CJSC Gaming International, Kyrgyzstan. Majority shareholder of Update Recreation and Gaming (P) Ltd., India
- The only person in the world to be nominated thrice for the Fred eric Bastiat Prize for Journalism. In 2003 was awarded the 3 rd prize at a dinner in New York City; In 2004 was one of the seven finalists; in 2005 came 4th.
- Studied probability, researched baccarat extensively and analyzed various other casino games including blackjack, roulette, miniflush and poker during the 17 years of operation and management of casinos in Nepal, Sri Lanka, Kyrgystan and India. Has visited dozens of casinos worldwide.
- Member of the Mont Pelerin Society - An international free market organization which includes members such as: Professor Milton Friedman – Nobel Laureate and adviser to US Presidents & Governors; Professor Dr. Vaclav Klaus – President, Czech Repub lic; Dr. Otto Brons-Petersen – Deputy Permanent Secretary for Economics, Denmark; Andrei Illarionov – Adviser to the President, The Russian Federation, Moscow; Dr. Robert J Barro – Nobel Laureate, Harvard University, Department of Economics, USA.

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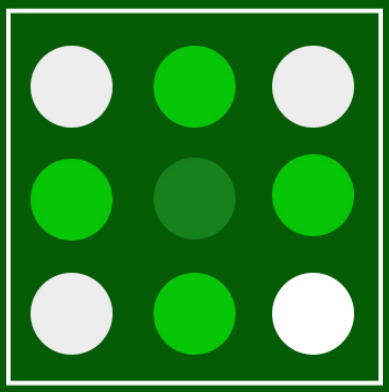

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