

# Business

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## Melamed stepping down as chairman of Globex

By William B. Crawford Jr.

Leo Melamed, the high-profile former chairman of the Chicago Mercantile Exchange, announced Tuesday that he is stepping down as head of Globex, the after-hours electronic trading system owned by the Merc, the Chicago Board of Trade and Reuters PLC of London.

Melamed's decision to relinquish the Globex chairmanship caught futures industry leaders by surprise, even though Melamed had said many times that he would remain only until the system had achieved a modicum of success. His resignation takes effect May 21.

Though Melamed's brief tenure as chairman of Globex was praised by market leaders Tuesday, his resignation fueled speculation that he

was driven to take the action after a yearlong tug-of-war over control of the venture.

Last spring, after Melamed proposed making Globex independent of the Merc and the Board of Trade, the Globex bylaws were modified to guarantee that the entire Globex system would remain subservient to the Merc and CBOE governing boards. Subsequently, reports of feuding between Melamed and his successor as Merc chairman, John F. Sandner, have occasionally bobbed into view.

Melamed, who was on a plane to his winter home in Arizona, could not be reached for comment. But in a prepared statement released by his publicist, Melamed said, "When I announced my departure from

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## Globex

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[Merc] leadership in 1990 I promised to continue as chairman of Globex only during the inception and formative stages of this unique undertaking.

"This has been accomplished. Henceforth, I intend to devote my energies in developing my own futures commission merchant organization. Nevertheless, I will continue to serve in the best interests of Globex in every way I can."

Globex began operation June 25 following a five-year development period that cost Reuters an estimated \$100 million. Since then, the world's first and only near-global electronic futures trading system has performed well, though volume hasn't been extraordinary.

After nine months of operation, trading volume has been averaging about 3,000 contracts a session, with an occasional spike upward to 10,000 contracts. It lists about a dozen contracts: all the important financial contracts from the CBOE and the Merc and two leading contracts belonging to Paris' MATIF.