

Kup's column

LEO MELAMED'S DECISION to step down as de facto head of the Chicago Mercantile Exchange deprives the exchange of a dynamic personality who helped build it from a butter-and-egg operation to one of the financial giants of the nation. As an example of the Merc's growth under Melamed, a seat on the exchange cost approximately \$25,000 when he first became active. Today the price of a seat is in excess of \$500,000. And Melamed is recognized as one of the most important figures in the futures industry.

ONE MORE TIME: Melamed probably would deny this, but friends report his decision to relinquish his two posts was partly influenced by the petition circulated to force any executive earning more than \$50,000 a year to stand for election. Melamed, an officer appointed by the board of governors and earning \$500,000, was deeply hurt by the petition and regarded it as a slap at him by a number of ungracious members with short memories.



Leo Melamed
Hurt by move to elect execs?

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Melamed leaves power vacuum

By Deborah Hargreaves

MR LEO MELAMED'S decision to step down from his two posts at the Chicago Mercantile Exchange has shocked the US futures industry over which he has presided as the high priest of financial futures for more than two decades.

The ebullient Mr Melamed has led the CME from its roots as a torpid agricultural exchange into the innovative leader of an aggressive industry, where billions of dollars-worth of contracts change hands daily.

Mr Melamed's surprise announcement comes after a year in which CME trading volume rose by more than a third, but which also saw the exchange become embroiled in a massive fraud inquiry by the FBI and an often acrimonious battle to renew the authority of

the industry regulator, the Commodity Futures Trading Commission.

His departure from the CME leaves a power vacuum at the top. While Mr Melamed held the relatively obscure posts of special counsel to the board and chairman of the executive committee, he has been the driving force behind the exchange for 23 years. He admitted yesterday that it will be hard to reproduce his combination of trading knowledge and experience.

The force of Mr Melamed's energetic personality, coupled with his passionate commitment to the futures business, has made him a prominent figure in the industry's long-running public relations campaign.

He fought to defend futures

after they received part of the blame for the 1987 stock market crash and has been consistent in his efforts to reform the CME's trading rules in the wake of the FBI probe.

Mr Melamed says he has delayed his departure by three years to fight for futures in the controversies that have rocked the industry since the stock market crash. "I simply need to recapture my life," he said yesterday.

He will concentrate on trading for his personal account, building up his investment firm, Dellsher & Co, and continuing to write. After the publication of his first science fiction novel recently, Mr Melamed intends to write a sequel as well as a book about his experiences in the futures industry.