

Sakura Dellsheer closes; Melamed was founder

By Mary Haffenberg

BRIDGENEWS

In another sign of consolidation in the futures business, Sakura Dellsheer Inc., the trading firm that industry giant Leo Melamed started in 1965, is closing its doors.

Most of Sakura Dellsheer's clearing business will go to Dutch banking conglomerate ABN Amro by mid-August. Sakura Bank Ltd., the Japanese bank that has owned 60 percent of the firm since 1993, has decided that it no longer wants to be in the clearing business. Sakura Dellsheer has about 150 employees in Chicago, New York, London, Greenwich, Conn., and San Antonio. It is a member of the Chicago Mercantile Exchange, the Chicago Board of Trade, the New York Mercantile Exchange, the London International Financial Futures Exchange and the Eurex exchange.

ABN Amro is expected to offer jobs to about 20 of Sakura Dellsheer's personnel. Melamed said he would continue to work at Melamed and Associates, a consulting firm he

started in 1993. He also will remain chairman emeritus and senior policy adviser of the Chicago Mercantile Exchange.

ABN Amro will not take on Sakura Dellsheer's energy business, which accounts for about a third of its employees. Melamed said the fate of that division remains undecided.

Industry observer Allan Zavarro, also senior managing director of ABN Amro, predicted the closing of Sakura Dellsheer would not be the last of the consolidations in the futures industry.

Zavarro said he foresees a smaller number of global giants that will clear futures, options on futures, equities and other products. "It's a commitment to clearing multiple products and it will take a lot of capital," he said.

Earlier this year, ABN Amro took over the global energy futures business of Merrill Lynch, absorbing about 30 Merrill Lynch employees.

ABN Amro employs about 400 people in its global futures division.



LEO IN NEW HOUSE Leo Melamed, futures industry pioneer and one of the most powerful figures in Chicago's financial markets, is getting laid off.

Well, not exactly, but Sakura Dellsheer Inc., the 35-year old brokerage firm headed and founded by Melamed, is being sold by majority owner Sakura Bank Ltd. of Tokyo to ABN Amro Inc. The bank is forcing the sale to divest itself of the futures business and reportedly raise cash for its own merger with Sumitomo Bank Ltd.

"In many ways I was quite pleased with the result," Melamed says. "We accomplished a very successful and profitable sale. I have no complaints about the situation other than perhaps the whole thing came about because of the decision in Japan."

Melamed will act as a consultant during the transition — not take a permanent position with ABN Amro.

Although Melamed, who says there were "a number of bidders," has expanded the firm considerably in recent years (see "Trendlines," February 1998), he claims he's not bitter about wasted labors. "The value received was enough to compensate for efforts of the last seven years," he says, refusing to disclose the value of the transaction.

Sakura ranked 46 in *Futures*' list of top 50 brokers for 1999 with \$60 million in customer equity. ABN Amro was 14 with \$850 million in customer funds.