

# Merc's Melamed sells clearing firm to big Japanese bank

By Greg Burns  
Financial Markets Writer

Ending months of speculation, Chicago Mercantile Exchange Chairman Emeritus Leo Melamed said Wednesday he's selling his clearing firm to one of Japan's largest banks.

Tokyo-based Mitsui Taiyo Kobi Bank Ltd. has agreed to buy a majority interest in Dellsher Investment Co. and plans to expand the business. Neither side would disclose the size of the stake or purchase price. The deal is subject to U.S. Federal Reserve and Japanese Ministry of Finance approval.

Melamed, who owns Chicago-based Dellsher along with minority family partners, said Wednesday he will remain chairman and chief executive officer. The bank will transfer several of its executives to Dellsher, though "Leo will continue to run the business," said Mitsui Vice President Tomohiko Sumihara.

Mitsui will be Dellsher's biggest client, and bank units such as its recently opened Global Capital trading firm in New York also will be customers, Sumihara said. The move will allow the bank, a major player in Eurodollar and other financial futures markets, to

save brokerage fees on its own trading and offer high-grade advice and assistance to its customers, he said.

Melamed said Dellsher's small size limited its potential for growth. To fund any significant expansion, "We had no choice but to find a partner

with capital," he said. With more than \$400 billion in assets, Mitsui is "about as strong as you can get." As for Dellsher, "It's bound to expand as we move forward," he said. "Make no small plans."

Dellsher plans to pursue additional institutional business worldwide with particular emphasis on Japan, where the bank's reputation is strongest, Melamed said. It has no immediate plans to seek clearing member status at other exchanges beyond the Merc

and Chicago Board of Trade. The firm's present 55 to 60 employees are sufficient to handle its needs for now, Sumihara added.

The transaction comes after months of rumors regarding a sale of Dellsher. Melamed said his talks with Mitsui began in earnest after he decided last year to retire as chairman of the Merc executive committee and special counsel.

Until he quit those exchange jobs, he said, "I knew I couldn't commit to the time. It's going to be a major commitment." Melamed will continue to head a Merc-CBOT common goals committee and the Globex electronic trading network that's set to debut around midyear.



Leo Melamed

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## Dellsher Investment Co.

### Leo Melamed Agrees to Sell Majority Stake in Company

Former Chicago Mercantile Exchange chief Leo Melamed said he agreed to sell a majority stake in his small futures firm, Dellsher Investment Co., to Mitsui Taiyo Kobe Ltd., the big Japanese bank.

A Dellsher spokesman wouldn't disclose terms of the proposed sale. Dellsher's equity is just \$4 million.

Mr. Melamed, who at year's end relinquished his \$500,000-a-year job as chairman of the Merc's executive committee to devote more time to his firm, had been rumored in futures circles to be seeking an investor for Chicago-based Dellsher for some time. The spokesman denied that.

Dellsher, which doesn't deal with individual, or so-called retail, customers, has 55 employees. The spokesman said the firm has been profitable, but wouldn't elaborate. Mr. Melamed is the sole owner and would continue as chairman and chief executive officer under the agreement.

The sale is subject to regulatory approvals.