

HOUSTON -DJ- AFTER THE TEXAS GULF SULPHUR MEETING EXECUTIVE VICE PRESIDENT CHARLES F. FOGARTY CHARGED THAT THE SEC REJECTED THE OFFER TO TURN BACK THE SHARES IN QUESTION BECAUSE -THEY WANT A TEST CASE IN ORDER TO GET BROADER LEGISLATION CONCERNING INSIDER TRANSACTIONS-

THE TEXAS GULF MEETING ENDED IN APPARENT HARMONY

MR STEPHENS EXPLANATIONS CONCERNING THE STOCK TRANSACTIONS SEEMED TO SATISFY STOCKHOLDERS AND NO QUESTIONS WERE ASKED ABOUT THE SUIT IN THE QUESTION AND ANSWER PERIOD FOLLOWING THE MEETING

A SHAREOWNER RECEIVED APPLAUSE WHEN HE SUGGESTED THAT TEXAS GULF SULPHUR OFFICIALS SHOULD BE COMMENDED FOR WHAT HE TERMED THEIR FULL DISCLOSURE AT THE MEETING

-V-

ADD - TEXAS GULF SULPHUR

HOUSTON -DJ- REFERRING TO THE SEC CHARGES OF INSIDER DEALINGS MR STEPHENS PRESIDENT OF TEXAS GULF SULPHUR SAID THE PURCHASES OF THE DISPUTED STOCK BY COMPANY OFFICIALS AND EMPLOYEES -HAVE BEEN A MATTER OF PUBLIC RECORD LIKEWISE OPTIONS GRANTED TO OFFICERS-

STEPHENS SAID THAT BETWEEN THE TIME THE FIRST DRILL HOLE WAS COMPLETED AT TIMMINS IN NOVEMBER 1963 UNTIL APRIL 16 WHEN THE COMPANY CONFIRMED THAT IT HAD MADE A MAJOR ORE FIND A TOTAL OF 6 100 SHARES OF THE COMPANY'S STOCK WAS PURCHASED BY OFFICERS AND EMPLOYEES CITED IN THE SEC COMPLAINT

-NONE OF THESE INDIVIDUALS HAVE SOLD ANY SHARES SINCE NOVEMBER 1 1963- MR STEPHENS SAID

HE ADDED THAT HE WASN-T ABLE TO ANSWER THE CHARGES AS -FULLY AS I WOULD LIKE- BUT THAT HE WAS -CONFIDENT THAT WE WILL CONTINUE TO HAVE THE LOYALTY OF OUR STOCKHOLDERS AND EMPLOYEES AFTER ALL THE FACTS ARE IN-

MR STEPHENS SAID THE SEC INVESTIGATION BEGAN LAST APRIL 17 -WE FULLY COOPERATED IN THAT INVESTIGATION- THE TEXAS GULF SULPHUR PRESIDENT SAID BY SUPPLYING THEM WITH DRILLING LOGS ASSAY REPORTS AND OTHER INFORMATION THEY WANTED

965 APR 22 11 22 AM '66

ADD- TEXAS GULF SULPHUR

HOUSTON -DJ- TEXAS GULF SULPHUR-S MR STEPHENS SAID THE BOARD OF DIRECTORS BEGAN ITS OWN INVESTIGATION OF POSSIBLE INSIDER DEALINGS AFTER THE S E C STARTED ITS PROBE

-I AM PLEASED TO INFORM YOU THAT YOUR BOARD IS SATISFIED THAT NO ELEMENT OF BAD FAITH WAS INVOLVED IN ANY PURCHASES BY OFFICERS OR DIRECTORS OR IN THE GRANTING OF STOCK OPTIONS- MR STEPHENS SAID - -HOWEVER WE RECOGNIZE THAT OTHERS INFLUENCED BY HINDSIGHT AND THE MAGNITUDE OF THE TIMMINS DISCOVERY MIGHT HAVE CONCERN-

MR STEPHENS SAID THAT AT A BOARD MEETING ON APRIL 15 EACH OFFICER AND DIRECTOR OF THE COMPANY WHO PURCHASED STOCK BETWEEN NOV 1 1963 AND APRIL 16 1964 OFFERED TO TURN OVER TO TEXAS GULF SULPHUR ANY AND ALL PROFITS ACCURING AS A RESULT OF THE PURCHASES . . .

IN ADDITION MR STEPHENS SAID HE AND CHARLES F FOGARTY EXECUTIVE VICE PRESIDENT -OFFERED TO RETURN FOR CANCELLATION THE OPTIONS GRANTED US BY THE STOCK OPTION COMMITTEE ON FEB 20 1964- - MR STEPHENS SAID -THIS OFFER WAS SUMMARILY REJECTED BY THE S E C WHICH COMMENCED ACTION ON APRIL 19 TO RECOVER THE VERY STOCK AND OPTIONS WE HAD VOLUNTARILY OFFERED TO SURRENDER-

MR STEPHENS ADDED -WE HAD HOPED THAT BY THESE VOLUNTARY ACTIONS THE COMPANY MIGHT MOVE FORWARD WITH THE DEVELOPMENT OF ITS -TIMMINS- MINE WITHOUT ANY SUGGESTION BEING RAISED AS TO ANY OFFICER OR DIRECTOR HAVING PERSONALLY PROFITED THEREBY-