

As filed with the Securities and Exchange Commission on
May 18, 1998. Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
under
THE SECURITIES ACT OF 1933

STRATUS PROPERTIES INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation or organization)

72-1211572
(I.R.S. Employer
Identification No.)

1615 POYDRAS STREET
NEW ORLEANS, LOUISIANA 70112
(Address, including zip code, of registrant's
principal executive offices)

STRATUS PROPERTIES INC. 1998 STOCK OPTION PLAN
(Full title of the plan)

JOHN G. AMATO
GENERAL COUNSEL
STRATUS PROPERTIES INC.
1615 POYDRAS STREET
NEW ORLEANS, LOUISIANA 70112
(504) 582-4000
(Name, address, including zip code, and telephone number,
including area code, of agent for service)

Copy to:

MARGARET F. MURPHY
JONES, WALKER, WAECHTER, POITEVENT, CARRERE & DENEGRÉ, L.L.P.
201 ST. CHARLES AVENUE
NEW ORLEANS, LOUISIANA 70170-5100

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock (par value \$.01 per share).....	850,000 Shares	\$6.1875 (2)	\$5,259,375.00 (2)	\$1,551.52 (2)
Preferred Stock Purchase Rights.....	850,000 Rights	\$--.-- (3)	\$ --.-- (3)	\$ --.-- (3)

- (1) Upon a stock split, stock dividend or similar transaction in the future and during the effectiveness of this Registration Statement involving Common Stock of the Company, the number of shares and rights registered shall be automatically increased to cover the additional shares and rights in accordance with Rule 416(a) under the Securities Act of 1933.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, based on the average of the high and low price per share of the Common Stock on The Nasdaq Stock Market on May 14, 1998.
- (3) Preferred Stock Purchase Rights are attached to and trade with the Common Stock of the Company. The value attributable to such Rights, if any, is reflected in the market price of such Common Stock. Because no separate consideration is paid for such Rights, the registration fee for such securities is included in the fee for such Common Stock.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The following documents, which have been filed by Stratus Properties Inc. (formerly, FM Properties Inc.) (the "Company") with the Securities and Exchange Commission (the "SEC"), are incorporated herein by reference:

(1) The Company's Annual Report on Form 10-K for the year ended December 31, 1997 filed pursuant to Section 13 of the Securities Exchange Act of 1934 (the "Exchange Act");

(2) The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998 filed pursuant to Section 13 of the Exchange Act;

(3) All other reports filed by the Company pursuant to Section 13 of the Exchange Act since December 31, 1997; and

(4) The description of the Company's Common Stock contained in the Company's Registration Statement on Form 10 dated March 25, 1992, filed under the Exchange Act, including any amendment thereto or report filed for the purpose of updating such description.

All documents filed by the Company with the SEC pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act subsequent to the date of this Registration Statement and prior to the filing of a post-effective amendment that indicates that all securities offered have been sold or that deregisters all securities then remaining unsold shall, except to the extent otherwise provided by Regulation S-K or any other rule promulgated by the SEC, be deemed to be incorporated by reference in this Registration Statement and to be part hereof from the date of filing of such documents.

ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of Delaware empowers the Company to indemnify, subject to the standards therein prescribed, any person in connection with any action, suit or proceeding brought or threatened by reason of the fact that such person is or was a director, officer, employee or agent of the Company or is or was serving as such with respect to another corporation or other entity at the request of the Company. Under the Company's Certificate of Incorporation, the Company is obligated to indemnify its directors and officers to the fullest extent permitted by Delaware law. The Company's Certificate of Incorporation makes such indemnification rights contract rights and entitles directors and officers to initiate legal action against the Company to enforce such indemnification rights.

The Company's Certificate of Incorporation also provides that, to the fullest extent permitted by Delaware law, a director shall not be liable to the Company or its shareholders for monetary damages for breach of fiduciary duty as a director. However, the Company's Certificate of Incorporation does not eliminate a director's liability for breach of the duty of loyalty, acts or omissions not in good faith, certain payments not permitted under the Delaware General Corporation Law, or transactions in which the director derives an improper benefit.

The Company's Certificate of Incorporation also authorizes the Company to enter into indemnification agreements with any such persons providing for indemnification rights to the maximum extent permitted by law.

The Company has purchased from Reliance Insurance Company and Executive Risk Indemnity Inc. directors and officers liability policies with a combined annual aggregate limit of \$15,000,000 to insure certain liabilities of its directors and officers.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable.

ITEM 8. EXHIBITS.

5 Opinion of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P.

23.1 Consent of Arthur Andersen LLP.

23.2 Consent of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P. (included in Exhibit 5).

24 Powers of Attorney pursuant to which this Registration Statement has been signed on behalf of certain officers and directors of the Company.

ITEM 9. UNDERTAKINGS.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceedings) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final

adjudication of such issue.

SIGNATURES

THE REGISTRANT. Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New Orleans, State of Louisiana, on May 18, 1998.

Stratus Properties Inc.

By: /S/ Richard C. Adkerson
Richard C. Adkerson
Chairman of the Board

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/S/Richard C. Adkerson Richard C. Adkerson	Director and Chairman of the Board	May 18, 1998
* William H. Armstrong, III	President and Chief Executive Officer (Principal Executive Officer) (Principal Financial Officer)	May 18, 1998
* C. Donald Whitmire, Jr.	Vice President and Controller (Principal Accounting Officer)	May 18, 1998
* James C. Leslie	Director	May 18, 1998
* Michael D. Madden	Director	May 18, 1998

*By: /S/ Richard C. Adkerson
Richard C. Adkerson
Attorney-in-Fact

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGE
5	Opinion of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P.	
23.1	Consent of Arthur Andersen LLP.	
23.2	Consent of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P. (included in Exhibit 5).	

Powers of Attorney pursuant to which this Registration Statement has been signed on behalf of certain officers and directors of the Company.

JONES, WALKER
WAECHTER, POITEVENT
CARRERE & DENEGRE, L.L.P.

May 18, 1998

Stratus Properties Inc.
1615 Poydras Street
New Orleans, Louisiana 70112

Gentlemen:

We have acted as counsel for Stratus Properties Inc., a Delaware corporation (the "Company"), in connection with the preparation of a Registration Statement on Form S-8 (the "Registration Statement") to be filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, relating to the offering by the Company of 850,000 shares (the "Shares") of common stock, \$.01 par value for each share, pursuant to the terms of the 1998 Stock Option Plan (the "Plan") of the Company.

Based upon the foregoing and upon our examination of such matters as we deem necessary to furnish this opinion, we are of the opinion that the Shares have been duly authorized and, when issued for at least par value upon the terms described in the Plan and the Registration Statement, will be validly issued and outstanding, fully paid and nonassessable.

We consent to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

JONES, WALKER, WAECHTER,
POITEVENT, CARRERE & DENEGRE, L.L.P.

By: /S/ Margaret F. Murphy
Margaret F. Murphy, Partner

NEW ORLEANS OFFICE: PLACE ST. CHARLES 201 ST. CHARLES AVENUE
NEW ORLEANS, LOUISIANA 70170-5100 504-582-8000 FAX 504-582-8012
BATON ROUGE OFFICE: FOUR UNITED PLAZA 8555 UNITED PLAZA BOULEVARD
BATON ROUGE, LOUISIANA 70809-7000 504-231-2000 FAX 504-231-2010
WASHINGTON, D.C. OFFICE: SUITE 245, REPUBLIC PLACE 1776 EYE STREET,
N.W. WASHINGTON, D. C. 20006 202-828-8363 FAX 202-828-6907
LAFAYETTE OFFICE: SUITE 210 201 RUE IBERVILLE LAFAYETTE, LOUISIANA
70508 318-232-5353 FAX 318-232-5415

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our report dated January 20, 1998 included in Stratus Properties Inc.'s Form 10-K for the year ended December 31, 1997 and to all references to our Firm included in this registration statement.

/s/ Arthur Andersen LLP

New Orleans, Louisiana
May 18, 1998

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, in his capacity or capacities as an officer or a member of the Board of Directors or both of Stratus Properties Inc. (the "Company"), does hereby make, constitute, and appoint WILLIAM H. ARMSTRONG, III, JOHN G. AMATO, C. DONALD WHITMIRE, JR., and MICHAEL C. KILANOWSKI, JR., and each of them acting individually, the true and lawful attorney of the undersigned with power to act without the others and with full power of substitution and resubstitution to execute, deliver, and file, for and on behalf of the undersigned and in the name of the undersigned and in the capacity or capacities of the undersigned as aforesaid, a Registration Statement of the Company on Form S-8, or on such other Form as may be determined to be applicable, providing for the registration under the Act of shares of Company common stock that may be issued under the 1998 Stock Option Plan of the Company, and any amendment or amendments to such Registration Statement and any other document in support thereof or supplemental thereto, and the undersigned hereby grants to said attorneys and each of them full power and authority to do and perform each and every act and thing whatsoever that said attorney or attorneys may deem necessary or advisable to carry out fully the intent of the foregoing as the undersigned might or could do personally or in the capacity or capacities as aforesaid, hereby ratifying and confirming all acts and things that said attorney or attorneys may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, the undersigned has executed this power of attorney this 18th day of May, 1998.

/S/ Richard C. Adkerson
RICHARD C. ADKERSON

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, in his capacity or capacities as an officer or a member of the Board of Directors or both of Stratus Properties Inc. (the "Company"), does hereby make, constitute, and appoint RICHARD C. ADKERSON, JOHN G. AMATO, C. DONALD WHITMIRE, JR., and MICHAEL C. KILANOWSKI, JR., and each of them acting individually, the true and lawful attorney of the undersigned with power to act without the others and with full power of substitution and resubstitution to execute, deliver, and file, for and on behalf of the undersigned and in the name of the undersigned and in the capacity or capacities of the undersigned as aforesaid, a Registration Statement of the Company on Form S-8, or on such other Form as may be determined to be applicable, providing for the registration under the Act of shares of Company common stock that may be issued under the 1998 Stock Option Plan of the Company, and any amendment or amendments to such Registration Statement and any other document in support thereof or supplemental thereto, and the undersigned hereby grants to said attorneys and each of them full power and authority to do and perform each and every act and thing whatsoever that said attorney or attorneys may deem necessary or advisable to carry out fully the intent of the foregoing as the undersigned might or could do personally or in the capacity or capacities as aforesaid, hereby ratifying and confirming all acts and things that said attorney or attorneys may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, the undersigned has executed this power of attorney this 14th day of May, 1998.

/S/ William H. Armstrong, III
WILLIAM H. ARMSTRONG, III

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, in his capacity or capacities as an officer or a member of the Board of Directors or both of Stratus Properties Inc. (the "Company"), does hereby make, constitute, and appoint RICHARD C. ADKERSON, WILLIAM H. ARMSTRONG, III, JOHN G. AMATO, and MICHAEL C. KILANOWSKI, JR., and each of them acting individually, the true and lawful attorney of the undersigned with power to act without the others and with full power of substitution and resubstitution to execute, deliver, and file, for and on behalf of the undersigned and in the name of the undersigned and in the capacity or capacities of the undersigned as aforesaid, a Registration Statement of the Company on Form S-8, or on such other Form as may be determined to be applicable, providing for the registration under the Act of shares of Company common stock that may be issued under the 1998 Stock Option Plan of the Company, and any amendment or amendments to such Registration Statement and any other document in support thereof or supplemental thereto, and the undersigned hereby grants to said attorneys and each of them full power and authority to do and perform each and every act and thing whatsoever that said attorney or attorneys may deem necessary or advisable to carry out fully the intent of the foregoing as the undersigned might or could do personally or in the capacity or capacities as aforesaid, hereby ratifying and confirming all acts and things that said attorney or attorneys may do or cause to be done by virtue of these presents.

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/S/ C. Donald Whitmire, Jr.
C. DONALD WHITMIRE, JR.

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has executed this power of attorney this 18th day of May, 1998.

/S/ James C. Leslie
JAMES C. LESLIE

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has executed this power of attorney this 14th day of May, 1998.

/S/ Michael D. Madden
MICHAEL D. MADDEN