

# **Bond Case Briefs**

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## **UBS Left Off Texas Muni Deal After It's Named Energy Boycotter.**

UBS has been dropped from the underwriting ranks of a municipal-bond deal that Laredo, Texas, plans to sell next week after state Comptroller Glenn Hegar included the bank on a list of firms he deems "boycott" the fossil-fuel industry.

The decision to remove the Zurich-based bank from the underwriting syndicate for the roughly \$119 million revenue-debt transaction came after Hegar released the list on Wednesday, according to Noé Hinojosa, Jr., the chairman and president of Estrada Hinojosa, the financial adviser on the deal. Wells Fargo & Co. took UBS's spot, he said.

There was "concern" over whether the transaction would close if UBS remained on it, according to Hinojosa. In Texas, the attorney general's office must approve most municipal-bond deals before they can close, and the inclusion of UBS on Hegar's list may have hindered that clearance.

The comptroller sent inquiries to more than 150 companies in March and April, requesting information on whether they were shunning the oil and gas industry in favor of sustainable investing and financing goals.

UBS was the only US muni underwriter included on the final list of 10 companies, which the comptroller published in accordance with a law that took effect in the state about a year ago. The measure limits Texas governments from entering into certain contracts with firms that have curbed ties with carbon-emitting energy companies.

"We firmly disagree with the comptroller's decision to include UBS on this list, which is not substantive and will be harmful to Texas issuers and their constituents," a UBS spokesperson said in an email Friday. "We are assessing the announcement, but the fact that our parent entity has been listed does not necessarily preclude a subsidiary from being a contracting party."

UBS is the 18th-largest manager of Texas municipal-bond deals this year, credited with \$477.2 million of transactions, or about 1.4% of the market, according to data compiled by Bloomberg. In the nationwide muni market, the firm ranks 16th.

### **Bloomberg Markets**

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