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## **Paxton and Normangee ISD Announce Settlement with UBS to Compensate School District Over State Pro-Energy Law.**

Attorney General Paxton and Normangee Independent School District (“Normangee ISD”) announced a settlement with UBS in the amount of \$850,000. The settlement resulted from the company’s inability to underwrite Normangee ISD’s bonds under the terms of a Texas law known as “SB 13,” which stipulates the terms on which certain companies can do business with state governmental entities.

“UBS’s actions in this case were costly, and it is critical that they compensate Normangee ISD to recover losses. That’s exactly what this settlement accomplishes,” said Attorney General Paxton. “I remain committed to combatting the corporate ESG investment agenda, shielding taxpayers from the extra costs that come with it by shifting the burden to banks, and protecting Texas energy companies.”

SB 13 requires financial companies who contract with Texas governments to certify that they do not boycott energy companies. UBS certified that it does not boycott energy companies when it entered into a contract to underwrite \$18.6 million in bonds to be issued by Normangee ISD.

But the Texas Comptroller placed UBS and several other financial services firms on a list of energy boycotters in August 2022, and the Attorney General’s Public Finance Division concurred in that determination, thus disapproving the underwriting contract with Normangee ISD. Through no fault of its own, Normangee ISD then had to re-bid the contract at a higher interest rate, causing it financial harm. Attorney General Paxton then negotiated the settlement with UBS on Normangee ISD’s behalf.

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