

BUSINESS COURT OF TEXAS, ELEVENTH DIVISION

Brown v. Exxon Mobil Corporation

2026 Tex. Bus. 35 · No. 25-BC11B-0099 · Decided May 29, 2026

SUMMARY

The Business Court of Texas, Eleventh Division, considers whether it has jurisdiction over Artis M. Brown’s Texas Commission on Human Rights Act employment-discrimination action against Exxon Mobil Corporation. The court rejects ExxonMobil’s arguments that the case concerns an organization’s internal affairs or arises from a qualified transaction under Texas Government Code Section 25A.004. It grants Brown’s motion to remand the case to the 11th District Court of Harris County.

CASE DETAILS

COURT	Business Court of Texas, Eleventh Division
WRITING FOR THE COURT	Patrick K. Sweeten
JURISDICTION	Business Court of Texas, Eleventh Division
DECIDED	May 29, 2026
DOCKET	25-BC11B-0099
DISPOSITION	remanded
PROCEDURAL POSTURE	Exxon Mobil removed Brown's Texas Commission on Human Rights Act employment-discrimination action from the 11th District Court of Harris County to the Texas Business Court. Brown moved to remand.
STANDARD OF REVIEW	The court interpreted the jurisdictional statutes de novo as a matter of statutory interpretation.
PRECEDENTIAL VALUE	Published state trial-court opinion; precedential effect under applicable Texas law is not otherwise specified in the source.
PARTIES	Exxon Mobil Corporation v. M. Brown

TOPICS

- subject matter jurisdiction
- employment discrimination
- statutory interpretation
- plain meaning rule
- noscitur a sociis

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether Brown's statutory employment-discrimination action was an action regarding the governance, governing documents, or internal affairs of an organization under Texas Government Code section 25A.004(b)(2).
2. Whether Brown's status as a corporate vice president or the alleged participation of Exxon Mobil's CEO in his termination brought the action within the Business Court's internal-affairs jurisdiction.
3. Whether Brown's claim concerning forfeited restricted stock units related to Exxon Mobil's ownership interests under Texas Government Code section 25A.001(7)(B).
4. Whether Brown's employment-discrimination action arose out of a qualified transaction under Texas Government Code section 25A.004(d)(1).

HOLDINGS

1. A statutory employment-discrimination action does not fall within the Business Court's internal-affairs jurisdiction merely because a corporate officer participated in the employment decision or the plaintiff held an officer-level position.
2. The employment-discrimination claim did not concern Exxon Mobil's ownership interests merely because restricted stock units were one component of the damages sought.
3. Brown's employment-discrimination action did not arise out of a qualified transaction under Texas Government Code section 25A.004(d)(1).
4. The Business Court lacked subject-matter jurisdiction under both asserted statutory provisions and was required to remand the case to the originating district court.

KEY QUOTATIONS

“Applying the neighboring context of “internal affairs” in Section 25A.004(b)(2) reveals its character as one of internal entity governance dictated by the entity’s governing documents and governing law.” (at 15-16)

“Instead, Brown’s action concerns ExxonMobil’s ability to lawfully terminate him.” (at 20)

“The subject of disagreement is not the RSUs themselves, it is ExxonMobil’s allegedly discriminatory decision not to award them to Brown based on his race.” (at 29)

“Brown’s claim under Section 21.051 of the TCHRA does not “arise out of” a qualified transaction.” (at 33)

FACTUAL BACKGROUND

M. Brown, a longtime Exxon Mobil employee and former vice president, alleged that Exxon Mobil unlawfully terminated him and forfeited incentive compensation because of his race. His claims included allegations that similarly situated non-Black executives who violated comparable business-conduct standards were allowed to retain their incentive awards. Exxon Mobil removed the action based on Brown's employment role, the alleged participation of its CEO in the termination decision, and the potential value of forfeited restricted stock units.

PROCEDURAL HISTORY

Brown filed a race-discrimination action under Texas Labor Code section 21.051 in the 11th District Court of Harris County after receiving a right-to-sue notice from the Texas Workforce Commission. Exxon Mobil removed the case to the Texas Business Court, asserting jurisdiction under Texas Government Code sections 25A.004(b)(2) and 25A.004(d)(1). The Business Court granted Brown's motion to remand.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The case is remanded to the 11th District Court of Harris County, Texas.

CASES CITED

- Bell Helicopter Textron, Inc. v. Burnett, 552 S.W.3d 901 (Tex. App.—Fort Worth 2018, pet. denied)
- Aleman v. Tex. Med. Bd., 573 S.W.3d 796 (Tex. 2019)
- In re Tex. Educ. Agency, 619 S.W.3d 679 (Tex. 2021)
- Greater Houston Partnership v. Paxton, 468 S.W.3d 51 (Tex. 2015)
- Jaster v. Comet II Construction, Inc., 438 S.W.3d 556 (Tex. 2014)
- Thomas v. Oldham, 895 S.W.2d 352 (Tex. 1995)
- Prairie View A&M University v. Chatha, 381 S.W.3d 500 (Tex. 2012)
- City of Waco v. Lopez, 259 S.W.3d 147 (Tex. 2008)
- Wal-Mart Stores, Inc. v. Davis, 979 S.W.2d 30 (Tex. App.—Austin 1998, pet. denied)
- Albemarle Paper Co. v. Moody, 422 U.S. 405 (1975)
- Chaudhry v. Stillwater Capital Investments, LLC, 2025 Tex. Bus. 31, 721 S.W.3d 230 (1st Div.)
- Sebastian v. Durant, 2025 Tex. Bus. 4, 707 S.W.3d 124 (11th Div.)
- TGS-NOPEC Geophysical Co. v. Combs, 340 S.W.3d 432 (Tex. 2011)
- Yadav v. Agrawal, 2025 Tex. Bus. 7, 708 S.W.3d 246 (3d Div.)
- Reed v. Rook, 2025 Tex. Bus. 23, 718 S.W.3d 270 (3d Div.)
- Go Secure, Inc. v. CrowdStrike, Inc., 2026 Tex. Bus. 13 (3d Div.)
- Cadence McShane Construction Co. LLC v. Ryan BB-Blockhouse Creek, LLC, 2025 Tex. Bus. 43, 725 S.W.3d 434 (3d Div.)