

***EEOC & Pettis v. Royer Homes of Mississippi, Inc.,***

No. 02-60039 (5th Cir.)

Brief as Appellee

Filed June 5, 2002

Pettis sold manufactured homes for Royer Home. Convinced that the company would never promote her because of her gender, she resigned. A company official told Pettis that she would be paid \$3,000 in accrued salary and commissions only if she first signed a release of all claims she may have against the company. Pettis refused to sign the release and Royer refused to pay any of the \$3,000.

The Commission sued, alleging that the company discriminated against Pettis by denying her promotions on the basis of her gender and retaliated against her by demanding that she release a viable Title VII claim before the company would pay her for work already performed.

Commission contends that company's refusal to pay former employee \$3,000 in earned salary and commissions unless she released her Title VII claims constituted retaliation

After trial, the jury returned a verdict for Royer Homes on the discrimination claim but for the Commission on the retaliation claim, awarding \$75,000 in damages. The district court entered judgment on the verdict, denying the company's

post-judgment motion.

In its appeal, Royer Homes argued that Pettis did not engage in any protected activity. In response, the Commission contended that the facts demonstrated otherwise. First, Pettis' supervisor had made openly discriminatory comments and thus knew that Pettis had a viable Title VII claim against the company. Second, the company had refused to pay Pettis money owed for work she had already performed unless she first released all her claims. Under these circumstances, Pettis's refusal to sign the release is protected under Section 704(a). Although the company may have been free to request a release in return for extra benefits, it is not permitted to demand a release before paying an employee money it already owed her.