

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
The SCO GROUP, INC., et al.,¹) Case No. 07-11337 (KG)
) (Jointly Administered)
)
Debtors.) **Related Docket No. 139**

**ORDER APPROVING THE DEBTORS' EMPLOYMENT
OF CFO SOLUTIONS TO FURNISH CHIEF FINANCIAL OFFICER
TO THE DEBTORS *NUNC PRO TUNC* TO OCTOBER 1, 2007**

THIS CAUSE came before the Court upon *Debtors' Motion For Approval of Employment Of CFO Solutions To Furnish Chief Financial Officer To The Debtors* (the "Motion"); and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties in interest; that this Court has jurisdiction over the matter pursuant to 28 U.S.C. § 1334, and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A); that, pursuant to 11 U.S.C. §§ 105(a), the Court may issue any order, process or judgment as may be necessary or appropriate to carry out the provisions of the Bankruptcy Code; that due and adequate notice of the Motion was provided under the circumstances; and after due deliberation and cause appearing therefor; it is

ORDERED that the Debtors' employment of CFO Solutions, LC ("CFOS") pursuant to the terms of the Consulting Agreement dated as of October 1, 2007 between CFOS and the Debtors attached to the Motion as Exhibit A (the "Agreement") is APPROVED, *nunc pro tunc* to October 1, 2007, as modified herein; and it is further

¹ The Debtors and the last four digits of each of the Debtors' federal tax identification numbers are as follows: (a) The SCO Group, Inc., a Delaware corporation, Fed. Tax Id. #2823; and (b) SCO Operations, Inc., a Delaware corporation, Fed. Tax ID. #7393.

ORDERED that CFOS may charge the Debtors a total of \$150 per hour, with \$105 per hour being paid to Ken Nielsen ("Nielsen") directly through the Debtors' payroll and \$45 per hour being paid to CFOS for each hour worked by Nielsen; and it is further

ORDERED that CFOS will provide monthly invoices to the Debtors based upon the number of hours worked by Nielsen and the Debtors are authorized to pay Nielsen, in the ordinary course of their business, through their bi-weekly payroll, and to pay the amount invoiced by CFOS on a monthly basis; and it is further

ORDERED that the Debtors may pay or reimburse expenses incurred by Nielsen as they would in the ordinary course of business pay or reimburse the expenses of their Chief Financial Officer, including travel, meals, and other ancillary business expenses; and it is further

ORDERED that CFOS is not required to submit fee applications pursuant to sections 330 and 331 of the Bankruptcy Code. However, the Debtors shall separately account in their monthly operating reports for payments to CFOS. Parties in interest (including the U.S. Trustee) shall have twenty (20) days from the date of service of the monthly operating reports to object to compensation paid to CFOS; and it is further

ORDERED that if the Debtors terminate the Agreement and hire Nielsen prior to the expiration of the initial six-month term of the Agreement, then the Debtors are authorized to pay CFOS an amount not to exceed 30% of Nielsen's annual salary, less all amounts paid to CFOS under the Agreement as of the date of the termination as a placement fee; and it is further

ORDERED that if prior to the expiration of the initial six-month term of the Agreement, the Debtors terminate Nielsen, without cause, or Nielsen is unable to perform the services contemplated in the Agreement, then the Agreement shall terminate and the Debtors are

authorized to pay CFOS \$40,000, less 70% of any severance amounts paid to Nielsen by the Debtors; and it is further

ORDERED that, notwithstanding anything in the Motion, the exhibits attached thereto or this Order to the contrary, the following terms apply to the Debtors' engagement of CFOS:

(a) CFOS and its affiliates shall not act in any other capacity (for example, and without limitation, as a financial advisor, claims agent/claims administrator, or investor/acquirer) in connection with the above-captioned cases.

(b) No principal, employee or independent contractor of CFOS and its affiliates shall serve as a director of any of the above-captioned Debtors during the pendency of the above-captioned cases.

(c) The Debtors are permitted to indemnify Nielsen on the same terms as provided to the Debtors' other officers and directors under the corporate bylaws and applicable state law, along with insurance coverage under the Debtors' D&O policy.

(d) There shall be no indemnification of CFOS or its affiliates.

(e) CFOS shall disclose any and all facts that may have a bearing on whether the firm, its affiliates, and/or any individuals working on the engagement hold or represent any interest adverse to the Debtors, their creditors, or other parties in interest. The obligation to disclose identified in this subparagraph is a continuing obligation; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: DECEMBER 5, 2007
Wilmington, DE



The Honorable Kevin Gross
UNITED STATES BANKRUPTCY JUDGE