

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

-----  
In re : Chapter 11  
:   
The SCO GROUP, INC., *et al.*,<sup>1</sup> : Case No. 07-11337 (KG)  
: (Jointly Administered)  
Debtors. :  
-----  
:

**THE CHAPTER 11 TRUSTEE’S OMNIBUS RESPONSE TO AND  
RESERVATION OF RIGHTS WITH RESPECT TO ALLOWANCE  
OF DEBTORS’ PROFESSIONALS’ FEE APPLICATIONS**

Edward N. Cahn, Esq. (the “Chapter 11 Trustee” or “Trustee”), in his capacity as Chapter 11 Trustee for The SCO Group, Inc. and SCO Operations, Inc. (collectively, the “Debtors”), by and through the undersigned counsel, hereby submits this omnibus response to and reservation of rights (the “Reservation of Rights”) with respect to the reasonableness of interim and final allowance of all fee applications filed by Professionals<sup>2</sup> in these cases (the “Fee Applications”) and respectfully represent as follows:

**JURISDICTION**

1. This Court has jurisdiction over the Reservation of Rights under 28 U.S.C. §§ 157 and 1334. The Objection is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper before this Court under 28 U.S.C. §§ 1408 and 1409.

<sup>1</sup> 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.

<sup>2</sup> Capitalized terms not defined herein are given the meaning assigned to them in the Administrative Order Establishing Procedures for Interim Monthly Compensation of Professionals [Docket No. 95] (the “Interim Compensation Order”).

2. The basis for relief requested is Rule 2016 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”), sections 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), and the Interim Compensation Order.

### **BACKGROUND**

3. On September 14, 2007 (the “Petition Date”), the Debtors commenced their bankruptcy cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

4. On September 18, 2007, this Court entered an Order Authorizing Joint Administration of Related Chapter 11 Cases: 07-11337 and 07-11338 [Docket No. 25]. The Debtors continued in the management and operation of their businesses and property as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108 until August 25, 2009 when this Court appointed a chapter 11 trustee.

5. No committee or examiner has been appointed in these cases.

6. On October 5, 2007, this Court entered its Interim Compensation Order which, among other things, establishes Compensation Procedures regarding the Objection Deadline for Monthly and Interim Fee Applications, as well as, making all fees and expenses paid to Professionals subject to disgorgement until final allowance by this Court. See Interim Compensation Order ¶¶ 2 (a), (b), (d) and (g).

7. In connection with contested motions to convert the Debtors’ chapter 11 cases to chapter 7 cases, on or about July 27, 2009, this Court directed the United States Trustee to appoint a chapter 11 trustee.

8. On the Appointment Date, the Office of the United States Trustee filed its *Notice of Appointment of Edward N. Cahn, Esquire as Chapter 11 Trustee* [Docket No.

898] and, on the same day, this Court entered its *Order Approving Appointment of Chapter 11 Trustee* [Docket No. 900].

**RELIEF REQUESTED**

9. The Trustee has been diligently reviewing the Debtors' pending litigation and business operations and prospects. Indeed, the Trustee's recent appointment has not allowed for sufficient opportunity to review and evaluate fees incurred and sought in these cases. Moreover, the Trustee is evaluating the retainers received by professionals and any unused retainers available to certain professionals. The Trustee interposes this Reservation of Rights to request additional time to review and evaluate the reasonableness of the Fee Applications that have been filed. Absent a more fulsome review of the Fee Applications, the Trustee is unable to take a position on the reasonableness of the fees requested by the Fee Applications.

10. Accordingly, the Trustee files this Reservation of Rights to reserve all rights to object to interim and final allowance of the Fee Applications, if any, until the Trustee has completed his review process. Any failure by the Trustee to have filed or to file an Objection with respect to a Monthly or Interim Fee Application shall not serve as a waiver to the Trustee's right to object to the reasonableness of any Professional's fees on a final basis.

**WHEREFORE**, the Trustee respectfully requests that (a) this Court refrain from approving interim and final allowance of the Professionals' fees as requested in the Fee Applications until such time as the Trustee has reviewed and evaluated the Fee Applications, (b) any fee applications listed on Exhibit A not be considered allowed under the Interim Compensation Order until further review and evaluation of the fees and case status has been determined and (c) granting such other and further relief as is just, proper and necessary.

Dated: Wilmington, Delaware  
September 25, 2009

**BLANK ROME LLP**

/s/ Bonnie Glantz Fatell  
Bonnie Glantz Fatell (No. 3809)  
1201 Market Street, Suite 800  
Wilmington, DE 19801  
Telephone: (302) 425-6400  
Facsimile: (302) 425-6464

Counsel for Edward N. Cahn, Chapter 11  
Trustee