

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.)

**AFFIDAVIT OF LAURA DAVIS JONES IN SUPPORT OF
APPLICATION OF THE DEBTORS PURSUANT TO SECTION 327(a)
OF THE BANKRUPTCY CODE, RULE 2014 OF THE FEDERAL
RULES OF BANKRUPTCY PROCEDURE AND LOCAL RULE 2014-1 FOR
AUTHORIZATION TO EMPLOY AND RETAIN PACHULSKI STANG ZIEHL
& JONES LLP AS BANKRUPTCY CO-COUNSEL FOR THE DEBTORS AND
DEBTORS IN POSSESSION NUNC PRO TUNC TO THE PETITION DATE**

LAURA DAVIS JONES, ESQUIRE, being duly sworn, deposes and says:

1. I am a partner in the firm of Pachulski Stang Ziehl & Jones LLP (“PSZJ” or the “Firm”), located at 919 North Market Street, 17th Floor, Wilmington, Delaware 19801, and have been duly admitted to practice law in the State of Delaware, the United States District Court for the District of Delaware, the United States Court of Appeals for the Third Circuit, and the Supreme Court of the United States. This Affidavit is submitted in support of the *Application of the Debtors Pursuant to Section 327(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014-1 for Authorization to Employ and Retain Pachulski Stang Ziehl & Jones LLP as Bankruptcy Co-Counsel for the Debtors and*

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.

Debtors in Possession Nunc Pro Tunc to the Petition Date, which is being submitted concurrently herewith.

2. Neither I, the Firm, nor any partner, of counsel or associate thereof, insofar as I have been able to ascertain, has any connection with the above-captioned debtors (collectively, the “Debtors”), their creditors or any other parties in interest herein, or their respective attorneys, except as set forth below.

3. The Debtors have and will retain various professionals during the pendency of these cases, including co-counsel for these cases, Berger Singerman P.A. The Debtors may retain other professionals after the date of the filing of their chapter 11 petitions (the “Petition Date”), including Boies Schiller & Flexner LLP, Dorsey & Whitney LLP, and Mesirow Financial. PSZJ has previously worked and will continue to work with these professionals on various representations, at times representing the same parties and at other times representing parties with similar interests or parties with adverse interests.

4. PSZJ represents many committees, whose members may be creditors in the Debtors’ chapter 11 cases; however, PSZJ is not representing any of those entities in these cases and will not represent any members of these committees in any claims that they may have collectively or individually against the Debtors.

5. Although PSZJ is not aware of any current or past relationship with another party that would disqualify or disable PSZJ from representing the Debtors, the Firm hereby discloses, out of an abundance of caution, that in late May 2007, one of PSZJ’s partners, Henry Kevane, was contacted by Novell, Inc. (“Novell”) regarding possible retention as an expert witness in certain litigation known as the *The SCO Group, Inc. v. Novell, Inc.*, 2:04 CV

139DAK, pending in the United States District Court for the District of Utah (the “Novell Litigation”). In connection with the proposed engagement, Mr. Kevane reviewed publicly available documents and met with counsel for Novell in June 2007. Mr. Kevane did not have access to any of Novell’s privileged information or documents or any non-public documents. Mr. Kevane was not retained by Novell in connection with the Novell Litigation. He has had no involvement in the Novell Litigation. Mr. Kevane has not been involved in the Debtors’ chapter 11 cases in any way. In an abundance of caution, the Firm has established an ethical screen to ensure that Mr. Kevane will not be involved in any aspect of the Debtors’ chapter 11 cases.

6. We further disclose that PSZJ has represented and continues to represent, Oracle USA, Inc. (“Oracle”) in matters unrelated to the Debtors’ cases. On information and belief, Oracle is a counter-party to an agreement with the Debtors. PSZJ has not and will not represent Oracle in these cases. Oracle has also provided PSZJ with a waiver of any conflict of interest.

7. PSZJ is a “disinterested person” as that term is defined in section 101(14) of title 11 of the United States Code (the “Bankruptcy Code”) in that PSZJ, its partners, of counsel and associates:

- a. are not creditors, equity security holders or insiders of the Debtors;
- b. are not and were not, within 2 years before the date of the filing of the petition, a director, officer or employee of the Debtors; and
- c. do not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason.

8. PSZJ has received payments from the Debtors during the year prior to the Petition Date in the amount of \$72,928 plus the Debtors' aggregate filing fees of \$2,078 in connection with the preparation of initial documents and the prepetition representation of the Debtors. PSZJ is current as of the Petition Date, but has not yet completed a final reconciliation as of the Petition Date. Upon final reconciliation of the amount actually expended prepetition, any balance remaining from the payments to PSZJ will be credited to the Debtors and utilized as PSZJ's retainer to apply to postpetition fees and expenses pursuant to the compensation procedures approved by this Court.

9. PSZJ and certain of its partners, of counsel and associates may have in the past represented, and may currently represent and likely in the future will represent creditors of the Debtors in connection with matters unrelated to the Debtors and these cases. At this time, PSZJ is not aware of such representations, except as disclosed above. PSZJ will be in a position to identify with specificity any such persons or entities when lists of all creditors of the Debtors have been reviewed and will make any further disclosures as may be appropriate at that time.

10. PSZJ intends to apply for compensation for professional services rendered in connection with this chapter 11 case subject to approval of this Court and compliance with applicable provisions of the Bankruptcy Code, on an hourly basis, plus reimbursement of actual, necessary expenses and other charges incurred by the Firm. The principal attorneys and paralegals designated to represent the Debtors and their current standard hourly rates are:

- | | | |
|----|----------------------|----------|
| a. | Laura Davis Jones | \$750.00 |
| b. | James E. O'Neill | \$475.00 |
| c. | Rachel L. Werkheiser | \$375.00 |

d. Lynzy Oberholzer \$175.00

11. The hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. Other attorneys and paralegals may from time to time serve the Debtors in connection with the matters herein described.

12. The hourly rates set forth above are the Firm's standard hourly rates for work of this nature. These rates are set at a level designed to fairly compensate the Firm for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. It is the Firm's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document retrieval, photocopying charges, charges for mailing supplies (including, without limitation, envelopes and labels) provided by the Firm to outside copying services for use in mass mailings, travel expenses, expenses for "working meals," computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime. The Firm will charge the Debtors for these expenses in a manner and at rates consistent with charges made generally to the Firm's other clients. The Firm believes that it is fairer to charge these expenses to the clients incurring them than to increase the hourly rates and spread the expenses among all clients.

13. No promises have been received by the Firm or by any partner, of counsel or associate thereof as to compensation in connection with this case other than in accordance with the provisions of the Bankruptcy Code. The Firm has no agreement with any

other entity to share with such entity any compensation received by the Firm in connection with these chapter 11 cases, except among the partners, of counsel and associates of the Firm.

Dated: September 14, 2007



Laura Davis Jones

SWORN TO AND SUBSCRIBED before me
this 14th day of September 2007



Notary Public

My Commission Expires: July 18, 2009

DEBRA L. YOUNG
NOTARY PUBLIC
STATE OF DELAWARE
My commission expires July 18, 2009