

**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. :
: **Objection Deadline: 7/12/10 at 4:00 p.m.**
----- : **Hearing Date: Only in the Event of an Objection**

**FOURTH COMBINED MONTHLY FEE APPLICATION OF BLANK ROME LLP,
COUNSEL TO THE CHAPTER 11 TRUSTEE OF THE SCO GROUP, INC., ET AL.,
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE
PERIOD OF JANUARY 1, 2010 THROUGH FEBRUARY 28, 2010**

Name of Applicant: Blank Rome LLP

Authorized to Provide Professional Services to: Chapter 11 Trustee of The SCO Group, Inc., et al.

Date of Retention: September 22, 2009, *nunc pro tunc* to January 1, 2010

Period for which Compensation and Reimbursement is Sought: January 1, 2010 through February 28, 2010

Amount of Compensation Sought as Actual, Reasonable, and Necessary: \$195,869.20 (80% of \$244,836.50)

Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary: \$3,783.55

This is a: Monthly Quarterly Final Application

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.

Prior Fee Applications

Date Filed - Docket No.	Period Covered	Requested		Approved		Holdback
		Fees	Expenses	Fees	Expenses	
12/09/2009 [Dkt. 986]	08/25/2009 – 10/31/2009	\$286,517.50	\$4,327.48	\$229,214.00	\$4,327.48	\$57,303.50
2/18/2010 [Dkt. 1054]	11/01/2009 – 11/30/2009	\$132,602.50	\$1,381.97	\$106,082.00	\$1,381.97	\$26,520.50
6/18/2010 [Dkt. 1128]	12/01/2009 – 12/31/2009	\$140,847.00	\$7,019.45	<i>Pending</i>	<i>Pending</i>	<i>Pending</i>

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This fourth combined monthly fee application for compensation and reimbursement of expenses (the “*Fee Application*”) is filed by Blank Rome LLP (“*Blank Rome*”) requesting payment for services rendered and reimbursement of costs expended as counsel for the Chapter 11 Trustee (the “*Trustee*”) of The SCO Group, Inc., *et al.* (the “*Debtors*”) for the period of January 1, 2010 through February 28, 2010 (the “*Fee Period*”). In support of this Fee Application, Blank Rome respectfully states as follows:

Jurisdiction

1. This Court has jurisdiction to consider the Fee Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2). The statutory predicates for the relief sought herein are 11 U.S.C. §§ 327, 328, 330 and 331, Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”) and Rules 2014-1 and 2016-2 of the Delaware Bankruptcy Local Rules (the “*Local Rules*”).

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.

Background

2. 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. 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 (the “*Appointment Date*”) when this Court appointed a chapter 11 trustee.

3. On October 5, 2007, this Court entered the Administrative Order Establishing Procedures for Interim Monthly Compensation of Professionals (the “*Administrative Order*”) [Docket No. 95].

4. 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.

5. 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 an Order Approving Appointment of Chapter 11 Trustee [Docket No. 900].

6. On August 31, 2009, the Trustee filed the Application of Chapter 11 Trustee for Entry of an Order Pursuant to Sections 327(a), 328, 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2014(a) and 2016 and Local Rule 2014-1 Authorizing the Employment of Blank Rome LLP as Counsel to the Chapter 11 Trustee *Nunc Pro Tunc* to August 25, 2009 (the “*Blank Rome Retention Application*”) [Docket No. 902]. On September 22, 2009, the Court entered an order approving the Blank Rome Retention Application [Docket No. 914].

7. Blank Rome is a nationally recognized law firm with extensive experience and expertise in bankruptcy and reorganization proceedings. Presently, the attorneys at Blank Rome

having the day-to-day responsibility for representation of the Trustee in these chapter 11 cases are Bonnie Glantz Fatell, Regina Stango Kelbon and Stanley B. Tarr. Blank Rome has drawn and will draw upon the knowledge and skills of other firm attorneys to provide services as the need arises.

8. The Trustee is charged, not only with the statutory duties set forth in the Bankruptcy Code, including operating the Debtors' businesses, but also with the responsibility of reviewing and analyzing the litigation between the Debtors and Novell, IBM and others.

Relief Requested

9. Blank Rome submits this Fee Application pursuant to Bankruptcy Code sections 330 and 331, the Bankruptcy Rules, the Administrative Order, and Del. Bankr. LR 2016-2. By this Fee Application, Blank Rome seeks interim allowance of compensation for actual and necessary professional services rendered in the amount of \$244,836.50 for the Fee Period, and seeks payment of 80% of this amount, \$195,869.20, and seeks the allowance and payment of 100% of its actual and necessary expenses in the amount of \$3,783.55, in accordance with the terms of the Administrative Order.

Summary of Fees

10. The total number of hours expended by Blank Rome professionals and paraprofessionals in performing professional services for the Trustee during the Fee Period was 478.40 hours at a blended billing rate of \$511.78 per hour. The value of these services has been computed at the rates Blank Rome customarily charges for similar services provided to other clients.

11. A detailed chronological itemization of the services rendered by each attorney and paraprofessional during the Fee Period, calculated by tenths of an hour and categorized in

accordance with the appropriate project code, is attached hereto as **Exhibit “A”**. Every effort has been made by Blank Rome to categorize daily time entries in accordance with the correct project code. However, in some instances, services overlap between project codes. Thus, some services may appear under more than one code, although in no instance is a specific time entry recorded more than once.

12. Specifically, the services rendered by Blank Rome to the Trustee during the Fee Period included the following:

(Project Code 2) Blank Rome Fee/Employment Applications:

Blank Rome prepared and filed its second monthly fee application for November 2009.

Total Hours: 4.90 Total Fees: \$1,975.00

(Project Code 3) Other Professionals’ Fee/Employment Issues:

As counsel to the Trustee, Blank Rome reviewed, filed and served the second and third monthly fee applications for the Trustee’s financial advisors, Ocean Park Advisors, LLC’s (“OPA”). With respect to all of the applications filed by Blank Rome, certificates of no objections were also filed on behalf of such professionals.

Total Hours: 7.00 Total Fees: \$2,689.00

(Project Code 4) Debtors’ Business Operations:

As counsel to the Trustee, Blank Rome, among other things: (1) negotiated and finalized documents in connection with financing; (2) reviewed and analyzed the Debtors’ monthly operating reports; (3) prepared, filed and served a stock option motion; (4) negotiated and memorialized certain distribution and services agreement; (5) reviewed cash flow and liquidity analyses; (6) analyzed certain licensing issues; and (7) attend to various insurance matters. During this Fee Period, Blank Rome participated in regular telephonic meetings with the

Debtors' management, the Trustee and OPA, conducted legal research on various issues, reviewed and analyzed pertinent documents, corresponded with various parties, and engaged in telephone calls and meetings to facilitate the Trustee's oversight and management of the Debtors' businesses.

Total Hours: 262.40 Total Fees: \$141,571.50

(Project Code 5) Case Administration:

The time billed to this category includes services related to general administrative and case management matters, including, but not limited to, reviewing and filing pleadings, monitoring the docket, and reviewing pertinent pleadings and transcripts of court hearings, and reviewing motions, objections, responses and orders. This category also includes time that otherwise might not comport with an identified project code.

Total Hours: 4.60 Total Fees: \$1,288.50

(Project Code 6) IP Litigation:

The IP litigation is the main issue on which Judge Gross directed the Trustee to focus his attention. As counsel to the Trustee, Blank Rome continued to undertake efforts related to the causes of action and other facts related to the Debtors' respective litigation with IBM, Novell, and others. Blank Rome professionals coordinated with other professionals retained by the Debtors' estates, conducted legal research and participated in numerous conferences, telephone calls, and email correspondence in connection with providing strategic and procedural advice to the Trustee.

Total Hours: 34.10 Total Fees: \$22,343.50

(Project Code 7) Executory Contracts and Unexpired Leases

Time billed to this category includes services performed regarding various lease

agreements.

Total Hours: 0.70 Total Fees: \$472.50

(Project Code 8) Claims Analysis and Objections:

During this Fee Period, Blank Rome participated in a teleconference regarding certain claims against the Debtors' estates.

Total Hours: 0.50 Total Fees: \$337.50

(Project Code 9) Employee Benefits / General Labor:

As counsel to the Trustee, Blank Rome counseled the Trustee, OPA and the Debtors' management team regarding certain employee benefits and consulting agreements.

Total Hours: 1.80 Total Fees: \$1,165.50

(Project Code 11) Sale of Assets/Asset Purchase Agreements:

Time billed to this matter relates to the sale of the Debtors' assets, including the mobility business, de minimis assets, and certain intellectual property. During this Fee Period, Blank Rome also filed and served a motion seeking approval for the sale of the mobility business and certain intellectual property, respectively.

Total Hours: 158.50 Total Fees: \$72,029.50

(Project Code 15) Hearings - Attendance / Preparation:

Time billed to this matter relates to preparation for and attendance at the January 27, 2010 omnibus hearing.

Total Hours: 3.90 Total Fees: \$964.00

Actual and Necessary Costs and Expenses Incurred

13. Reimbursement of expenses in the amount of \$3,783.55 is sought herein. A

categorized summary of the actual and necessary costs and expenses incurred by Blank Rome during the Fee Period, and an itemization of each expense within each category, is attached as **Exhibit “B”**. Blank Rome reserves the right to request, in subsequent fee applications, reimbursement of any additional expenses incurred during the Fee Period, as such expenses may not have been captured to date in Blank Rome’s billing system.

Compliance with the Bankruptcy Code, the Bankruptcy Rules and Local Rules

14. In accordance with Del. Bankr. LR 2016-2, a summary schedule of hours and fees for each attorney and paraprofessional, and a summary of hours and fees categorized by project code follow the cover sheet to this Fee Application. The undersigned submits that this Fee Application complies with Del. Bankr. LR 2016-2.

15. Blank Rome submits that the services rendered and expenses incurred were actual and necessary and that the compensation sought is reasonable and in accordance with the standards of Bankruptcy Code section 330.

16. No agreement or understanding exists between Blank Rome and any other entity (other than members or employees of Blank Rome) for the sharing of compensation received or to be received for services rendered in or in connection with the chapter 11 cases.

Notice

17. As required by the Administrative Order, a copy of this Fee Application has been served upon: (a) the Debtors; (b) Debtors’ Counsel; and (c) the Office of the United States Trustee. Notice of this Fee Application was served upon all parties requesting notice pursuant to Bankruptcy Rule 2002.

WHEREFORE, Blank Rome respectfully requests an award of compensation for professional services rendered as counsel to the Trustee during the Fee Period in the sum of \$195,869.20 (80% of \$244,836.50), together with the reimbursement of disbursements in the amount of \$3,783.55; and such other and further relief that the Court deems just and proper.

Dated: June 22, 2010
Wilmington, Delaware

Respectfully submitted,

BLANK ROME LLP

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