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*Attorneys for Defendant/Counterclaim-Plaintiff
International Business Machines Corporation*

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH**

THE SCO GROUP, INC.

Plaintiff/Counterclaim-
Defendant,

v.

INTERNATIONAL BUSINESS
MACHINES CORPORATION,

Defendant/Counterclaim- Plaintiff.

DECLARATION OF KAREN SMITH

Civil No. 2:03cv0294

Honorable Dale A. Kimball

Magistrate Judge Brooke Wells

I, Karen Smith, hereby declare as follows:

1. I am over the age of majority and am competent to testify to the facts set forth in this declaration. This declaration is submitted in connection with the lawsuit brought by SCO against IBM, entitled The SCO Group, Inc. v. International Business Machines Corporation, Civil No. 2:03CV-0294 DAK (D. Utah 2003). I make this declaration based upon personal knowledge.

2. I am currently the Vice President, Routes to Market Sales, Americas Software. From approximately August 2001 through September 2003, I served as Vice President of Linux Strategy and Market Development in IBM's Server Group.

3. I am informed that SCO claims in this litigation that during or shortly after the LinuxWorld conference in January 2003, I contacted representatives from Hewlett Packard, Intel, Computer Associates, and Oracle and told them that IBM was cutting off its business ties with SCO and wanted those companies to do the same.

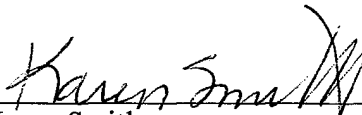
4. I did not do anything to cause any of these companies not to do business with SCO, at any time.

5. I did not have any contacts with Intel, Computer Associates, or Oracle, during or after the LinuxWorld 2003 conference, in which I advised them that IBM was cutting off its business relationship with SCO, or suggested that these companies not do business with SCO.

6. I recall a brief conversation during or shortly after the LinuxWorld 2003 conference with one individual who was introduced to me as being associated with Hewlett Packard. I do not recall telling this individual that IBM was cutting off its business ties with SCO, and I did not suggest to him that Hewlett Packard do the same.

I declare under penalty of perjury that the foregoing statements are true and correct pursuant to 28 U.S.C. § 1746.

Dated this 21st day of September, 2006.



Karen Smith