

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
The SCO GROUP, INC., <u>et al.</u> , <sup>1</sup>	)	Case No. 07-11337 (KG)
	)	(Jointly Administered)
	)	
Debtors.	)	<b>Related Docket Nos. 158 and 311</b>

**ORDER APPROVING EXPANSION OF THE SCOPE OF EMPLOYMENT  
OF TANNER LC AS ACCOUNTANTS TO THE DEBTORS  
NUNC PRO TUNC TO JANUARY 10, 2008**

Upon the motion (the "Motion")<sup>2</sup> of the debtors and debtors-in-possession in the above-captioned Chapter 11 cases (the "Debtors"), for entry of an order, pursuant to sections 327(a), 328 and 1107(a) of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), Rules 2014 and 5002 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), authorizing the expansion of the scope of Tanner LC's retention and employment as accountants to the Debtors to include preparation of federal and state income tax returns *nunc pro tunc* to January 10, 2008; and upon the *Debtors' Application to Approve the Retention and Employment of Tanner LC as Accountants to the Debtors Nunc Pro Tunc to October 2, 2007* (Docket No. 158), Affidavit of Kent M. Bowman (the "Bowman Affidavit"); and the Court being satisfied, based upon the representations made in the Motion, Application and the Bowman Affidavit, that Tanner LC ("Tanner") represents no interest adverse to the Debtors' estates or their creditors with respect to the expanded matters upon which it is to be

<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 shall have the meaning ascribed to them in the Application.

engaged, that it is a disinterested person as that term is defined under section 101(14) of the Bankruptcy Code as modified by section 1107(b) of the Bankruptcy Code, and that its employment is necessary and in the best interests of the Debtors' estates and their creditors; and it appearing that proper and adequate notice has been given and that no other or further notice is necessary; and after due deliberation thereon, and good and sufficient cause appearing therefore, it is hereby

ORDERED that the Motion is GRANTED as modified herein; and it is further

ORDERED that, pursuant to sections 327(a), 328 and 1107(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 5002, Tanner's retention is approved as expanded, *nunc pro tunc* to January 10, 2008, to include the preparation of federal and state income tax returns in accordance with the terms of the Engagement Letter, as modified herein; and it is further

ORDERED that, the following sections of the *Tanner LC General Business Terms* attached to the Engagement Letter ("Business Terms") are modified as set forth below:

1. Paragraph 2 of the Business Terms is modified such that late charges are waived, and payment of Tanner's invoices will be made, in accordance with the Bankruptcy Code, Bankruptcy Rules, Local Bankruptcy Rules and interim compensation procedures established in these cases.

2. Paragraph 4 is modified to delete the last sentence "The Client's exclusive remedy for any breach of this warranty shall be for Tanner, LC, upon receipt of written notice, to use diligent efforts to cure such breach, or failing any cure in a reasonable period of time, the return of professional fees paid to Tanner LC hereunder with respect to the services giving rise to such breach.";

3. Paragraphs 5 and 8 of the Business Terms are deleted;

4. Paragraph 11 of the Business Terms is modified to delete the second and third sentences, which read: "The client hereby consents to Tanner LC assigning or subcontracting any of Tanner LC's right or obligations hereunder to (a) any affiliate or related entity, whether located within or outside of the United States, or (b) any entity which acquires all or a substantial part of the assets or business of Tanner LC. Services performed by Tanner LC

subcontractors shall be invoiced as professional fees on the same basis as Services performed by Tanner LC personnel, unless otherwise agreed.”;

5. Paragraph 12 of the Business Terms is modified to reflect that the Bankruptcy Court has jurisdiction to hear and determine any disputes arising out of the Engagement Letter;

6. Paragraph 13 of the Business Terms is modified to delete the last sentence, which reads: “In the event of any unauthorized reliance, the Client agrees to indemnify and hold harmless Tanner LC and its personnel from all third-party claims, liabilities, costs and expenses; and it is further

ORDERED that Tanner shall be compensated in accordance with the procedures set forth in sections 328, 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules and Local Bankruptcy Rules as may then be applicable, from time to time, and such procedures as may be fixed by order of this Court.

Dated: February 5, 2008  
Wilmington, DE

  
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KEVIN GROSS  
UNITED STATES BANKRUPTCY JUDGE