

Alia Shahbaz
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Case No: 07-11337-KG The SCO Group, Inc.

September 2, 2008

United States Bankruptcy Court
District of Delaware
824 North Market Street
Wilmington, DE, 19801

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Honorable Judge Gross,

I, Mrs. Alia Shahbaz, am an ex-employee of The SCO Group, Inc ("SCO"). My 23 years long employment with SCO was wrongfully terminated on October 31, 2006 due to SCO's willful violations of the New Jersey law against age and gender discrimination and retaliation.

At the time of my termination, SCO owed me back pay. The SCO HR director, Eileen Gilbert, confirmed in email that my back pay issue would be worked out only after I signed the release agreement. My signing of the release agreement would prevent me from making any future claims against SCO, including any claim for my back pay. SCO left me with no choice but to seek legal counsel. SCO refused to pay me my back pay as well as my severance pay. Before, I could pursue any further legal action by filing my case in the NJ court, SCO filed for bankruptcy protection in September 14, 2007.

I have already filed three priority 1 claims along with supporting documents, with your court on September 21, 2007. The claims cover:

a. Back pay

- b. Severance pay
- c. Costs for legal counsel to attempt to recover my back pay and severance pay from SCO

On August 25, 2008, a SCO ex-employee and an ex-colleague of mine, Janet Sullivan, told me that she was able to recover her comp time or vacation pay from SCO after they had laid her off and after she had already signed her release agreement. Janet informed me that the release agreement is governed by the Older Workers Benefits Protection Act (OWBPA). A list of the OWBPA Statutory requirements is included in Exhibit A. Statutory requirement (H) (2) of OWBPA requires the employer to take the following step:

“(H) The employer who offers an incentive program to a group of employees must disclose, in writing and in comprehensible language,
....

(2) the job titles and ages of all employees eligible for the program, as well as the ages of all individuals in the same job classification or unit who are not eligible for the plan.”

SCO violated the ADEA statistical disclosure requirement for all the downsizing programs, including the October 2006 downsizing, which included me. Hence any release agreement or the terms or conditions of the release should be considered null and void.

Based on violations of the OWBPA, numerous court cases have ruled the releases as invalid. An example is *Peterson et al. v. Seagate US LLC*, (No. 07-2502). In assessing the OWBPA compliance of Seagate, Court noted that the

OWBPA provisions require strict, unqualified adherence and that substantial compliance with the OWBPA provisions is not sufficient to secure a release of claims. The court found that the allegations contained in the complaint- that Seagate failed to properly identify all of the employees subject to the reduction in force decision; that Seagate failed to include the selection criteria and eligibility factors used to select individuals chosen for termination- were more than adequate to void the releases.

After Janet pointed out to SCO that the company was in violation of the OWBPA regulations, SCO devised a plan to pay Janet for her comp/vacation time without proper approval from the court trustee. SCO contracted Janet at a high rate in return for minimal work to pay her the amount that was owed to her. Janet told me that despite this contract, SCO again tried to wiggle out of paying her. Thus, she was forced to use tough means to make SCO comply with the agreement to pay her the amount owed to her.

SCO violated the ADEA statistical disclosure requirement for all the downsizing programs, including the October 2006 downsizing, which included me. Hence any release agreement or the terms or conditions of the release should be considered null and void.

Your honor, by withholding my back pay, SCO not only caused unnecessary legal expense for me but also withheld my severance pay. SCO violated the OWBPA in my case as well. The terms and conditions of signing the release are not enforceable in my case, just like they were not enforceable in Ms. Sullivan's case.

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Your honor, with the approval of the bankruptcy court, SCO continues to cover their ongoing operational expenses including payroll, salary raises, incentive bonuses, severance pays, back pay as well as various legal expenses. My back pay, severance pay, and the legal cost that I incurred due to the illegal actions taken by SCO also fall under such court approved operational expenses. I, therefore, request your honor to kindly order SCO to pay me my back pay, my severance pay, as well as my legal cost without further delay.

Respectfully submitted,



Alia Shahbaz

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