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James E. O'Neill

August 3, 2009

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The Honorable Kevin Gross
United States Bankruptcy Court for the
District of Delaware
824 North Market Street, 6th Floor
Wilmington, DE 19801

Re: The SCO Group, Inc, et al.
Chapter 11 Case No. 07-11337 (KG)

Dear Judge Gross:

As a brief follow-up to IBM's and Novell's points raised last week concerning the basis for an examiner in the absence of a specific motion, the Debtors wanted to direct the Court's attention to pages 51 and 52 of Debtors' Response to those parties' and the U.S. Trustee's Motion to Dismiss or Convert, where an examiner was suggested as one option for the court. An examiner was also discussed during the July 27th hearing as a potential alternative to a chapter 11 trustee. The Debtors contended at the hearing that a trustee is unwarranted. On the other hand, we think an examiner would meet the objectives of all constituents of these cases, if the Court decrees an auction with third-party involvement .

The Debtors also believe that the Court has the inherent power under Section 105 of the Bankruptcy Code to appoint an examiner if independent third-party oversight is deemed warranted under the circumstances. Our suggestion of an examiner was prompted by IBM's and Novell's assertion that the Debtors could not assess objectively a competing bid submitted by LNS Acquisition. We disagree with that proposition and suggest that the auction process and stalking horse protections provided for in the unXis contract would effectively serve all interests with verifiable integrity. Nevertheless, an independent examiner would allay any concern on this point and the Debtors support this approach for assured objectivity and transparency.

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The Debtors are available to address this issue with the Court or provide any additional information which maybe helpful to the Court.

Respectfully,



James E. O'Neill

cc: William K. Harrington, Esquire (via email)
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