Proposed Order

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.	)	
	)	**Related Docket Nos. 6 and 38**

ADMINISTRATIVE ORDER ESTABLISHING PROCEDURES FOR INTERIM MONTHLY COMPENSATION OF PROFESSIONALS

This matter having come before the Court on Debtors' Motion for an Administrative Order Establishing Procedures for Interim Monthly Compensation of Professionals (the "Motion"),[2] filed by the captioned debtors in possession (collectively, the "Debtors"); the Court having reviewed the Motion and having heard the statements of counsel in support of the relief requested in the Motion at the hearing before the Court (the "Hearing"); the Court finding that: (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (c) notice of the Motion and the Hearing was sufficient under the circumstances; and (d) the Court having determined that the legal and factual bases set forth in the Motion and at a hearing if held establish just cause for the relief granted herein,

IT IS HEREBY ORDERED THAT:

The Motion shall be and hereby is GRANTED.

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[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.

[2] Capitalized terms not defined herein are given the meaning assigned to them in the Motion.

Except as may otherwise be provided in other orders of this Court authorizing the retention of specific professionals, all Professionals in these cases shall seek interim monthly payment of Compensation in accordance with the following procedures (the "Compensation Procedures"):

a. On or about the 25th day of each calendar month, beginning with October 2007, each of the Professionals seeking interim compensation shall file with the Court an application (the "Monthly Fee Application") pursuant to section 331 of the Bankruptcy Code, for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during the immediately preceding month (the "Monthly Compensation Period") and serve a copy of such Monthly Fee Application on: (i) the Debtors, The SCO Group, Inc. and SCO Operations, Inc., 355 South 520 West, Suite 1000, Lindon, Utah 84041, Attention: Ryan Tibbitts, General Counsel; (ii) proposed co-counsel for the Debtors, Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, P.O. Box 8705, Wilmington, Delaware 19899-8705 (Courier 19801), Attention: Laura Davis Jones, Esq.; (iii) proposed co-counsel for the Debtors, Berger Singerman, P.A., 350 East Las Olas Blvd., Ste. 1000, Fort Lauderdale, FL 33301, Attention: Arthur J. Spector, Esq.; (iv) Office of the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801; and (v) counsel to any Official Committee of Unsecured Creditors appointed in these cases (subsequent to its appointment in these cases) (collectively, the "Notice Parties") (collectively, the "Notice Parties"). All Monthly Fee Applications shall comply with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), applicable Third Circuit law, the Local Rules of this Court, and the Guidelines established by the Office of the U.S. Trustee. Each Notice Party will have

20 days after filing and service of a Monthly Fee Application to object to such application (the "Objection Deadline"). Upon the expiration of the Objection Deadline, each Professional may file a certificate of no objection or a certificate of partial objection with the Court, whichever is applicable, after which the Debtors are authorized to pay each Professional an amount (the "Actual Payment") equal to the lesser of (i) 80% of the fees and 100% of the expenses requested in the Monthly Fee Application (the "Maximum Payment"), and (ii) 80% of the fees and 100% of the expenses not subject to an objection pursuant to subparagraph (b) below, and the Professional is authorized to apply any retainer it holds to the satisfaction of the allowed fees and expenses.

b. If any Notice Party objects to a Professional's Monthly Fee Application, it must file with the Court and serve on the affected Professional and each of the Notice Parties a written objection (the "Objection"), which must be filed with the Court and received by the affected Professional and the Notice Parties on or before the Objection Deadline. Thereafter, the objecting party and the affected Professional may attempt to resolve the Objection on a consensual basis. If the parties are unable to reach a resolution of the Objection within 20 days after service of the Objection, the affected Professional may either: (i) file a response to the Objection with the Court, together with a request for payment of the difference, if any, between the Maximum Payment and the Actual Payment made to the affected Professional (the "Incremental Amount"); or (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court will consider and dispose of the Objection if requested by the parties.

c. Each Professional may submit the first Monthly Fee Application on or about October 25, 2007, and such Monthly Fee Application shall be for the period from the Petition Date through September 30, 2007.

d. Beginning with the period ending December 31, 2007, at three-month intervals or at such other intervals convenient to the Court (the "Interim Fee Period"), each Professional shall file with the Court and serve on the Notice Parties a request for interim Court approval and allowance, pursuant to section 331 of the Bankruptcy Code, of the compensation and reimbursement of expenses sought in the Monthly Fee Applications filed during the Interim Fee Period (an "Interim Fee Application"). The Interim Fee Application must include a summary of the Monthly Fee Applications that are the subject of the request and any other information requested by the Court or required by the Local Rules of this Court. Each Professional must file and serve its Interim Fee Application within 45 days of the conclusion of the Interim Fee Period for which the request seeks allowance of fees and reimbursement of expenses. The first Interim Fee Application shall cover the time between the Petition Date through and including December 31, 2007, and shall be filed on or before February 15, 2008. Any Professional who fails to file an Interim Fee Application when due will be ineligible to receive further interim payments of fees or expenses under the Compensation Procedures until such time as the Interim Fee Application is submitted.

e. The Debtors shall request a hearing on the pending Interim Fee Applications at least every six months. The Debtors, however, may request that a hearing be held every three months or at such other intervals as the Court deems appropriate.

f. The pendency of an objection to payment of compensation or reimbursement of expenses will not disqualify a Professional from the future payment of compensation or reimbursement of expenses, unless the Court orders otherwise.

g. Neither (i) the payment of or the failure to pay in whole or in part monthly interim compensation and reimbursement of expenses nor, (ii) the filing of or failure to file an objection will bind any party in interest or the Court with respect to the allowance of interim or final applications for compensation and reimbursement of expenses of the Professionals. All fees and expenses paid to the Professionals are subject to disgorgement until final allowance by the Court.

2. Each member of any official committee appointed in these cases (once appointed) is permitted to submit statements of expenses (excluding fees and expenses of committee member's counsel) and supporting vouchers to counsel to such committee, who shall collect and submit the committee members' requests for reimbursement in accordance with the approved procedure for monthly and interim compensation and reimbursement of Professionals.

3. The Debtors shall include all payments made to Professionals on the monthly operating report, detailed so as to state the amount paid to each of the Professionals.

4. All time periods referenced in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

5. This Court retains jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: _____, 2009

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The Honorable Kevin Gross
United States Bankruptcy Judge