

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11 Cases  
)  
The SCO GROUP, INC. et al.,<sup>1</sup> ) Case No. 07-11337 (KG)  
) (Jointly Administered)  
Debtors. )

**Objection Deadline: November 11, 2009 at 4:00 p.m.**  
**Hearing Date: Only if objections are filed.**

**MOTION OF PACHULSKI STANG ZIEHL & JONES LLP  
FOR LEAVE TO WITHDRAW AS CO-COUNSEL TO THE DEBTORS**

Pachulski Stang Ziehl & Jones LLP (“PSZ&J”), by this motion (the “Motion”), respectfully seeks leave of this Court allowing it to withdraw as co-counsel to the Debtors in the above captioned cases. In support of this Motion, the PSZ&J respectfully states as follows:

**JURISDICTION AND VENUE**

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the Debtors’ chapter 11 cases and this Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

2. The statutory predicate for the relief requested herein is Rule 9010-2 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) and Rule 1.16 of the Delaware Lawyers’ Rules of Professional Conduct (the “Rules of Professional Conduct”).

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<sup>1</sup> The last four digits of the taxpayer identification number for The SCO Group, Inc. is 2823. The last four digits of the taxpayer identification number for SCO Operations, Inc. is 7393. The address for both Debtors is 355 South 520 West, Lindon, Utah 84042.

## BACKGROUND

3. On September 14, 2007 (the “Petition Date”), the Debtors commenced these cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

4. Parties are referred to the *Declaration of Darl C. McBride, Chief Executive Officer of the Debtors, in Support of First Day Motions* (the “McBride Declaration”) filed on the Petition Date and incorporated herein by reference for the factual background relating to the Debtors’ business and their commencement of these chapter 11 cases.

5. On October 5, 2007, the Court entered an order retaining PSZJ as co-counsel for the Debtors [Docket No. 96].

6. On October 5, the Court entered an order retaining Berger Singerman, P.A. as counsel for the Debtors [Docket No. 97].

7. On August 5, 2009, the Court entered an order directing the U.S. Trustee to appoint a chapter 11 trustee (a “Chapter 11 Trustee”) in accordance with the provisions of section 1104 of the Bankruptcy Code [Docket No. 891].

8. On August 25, 2009, the U.S. Trustee selected Edward N. Cahn to serve as the Chapter 11 Trustee [Docket No. 898] and the Court entered its order approving Edward N. Cahn as the Chapter 11 Trustee [Docket No. 900].

9. The Chapter 11 Trustee has selected counsel in these cases and an application to approve that retention has been approved [Docket No. 914].

## RELIEF REQUESTED

10. PSZ&J seeks leave of this Court to withdraw as counsel to the Debtors in these chapter 11 cases. The Chapter 11 Trustee is serving and is represented by counsel and the Debtors' interests are adequately represented.<sup>2</sup>

## BASIS FOR RELIEF AND APPLICABLE AUTHORITY

11. Rule 1.16 of the Rules of Professional Conduct provides, in part:

Rule 1.16(b) Except as stated in paragraph (c), a lawyer may withdraw from representing a client if: (1) withdrawal can be accomplished without material adverse effect on the interest of the client;...or (7) other good cause for withdrawal exists.

(c) A lawyer must comply with applicable law requiring notice to or permission of a tribunal when terminating a representation. When ordered to do so by a tribunal, a lawyer shall continue representation notwithstanding good cause for terminating the representation.

12. Local Rule 9010-2(b) provides as follows:

Withdrawal. An attorney may withdraw an appearance for a party without the Court's permission (i) when such withdrawal will leave a member of the Bar of the District Court appearing as attorney of record for the party, or (ii) when the party (a) has no controversy pending before the Court and (b) the attorney certifies that the party consents to withdrawal of counsel. Otherwise, no appearance shall be withdrawn except by order on a motion duly noticed to each party and served on the party client, at least ten (10) days before the motion is presented, by registered or certified mail addressed to the client's last known address.

13. PSZ&J has complied with Rule of Professional Conduct 1.16(b)(1) and (7) and can withdrawal from the representation of the Debtors without material adverse effect on the Debtors. The Chapter 11 Trustee is appointed and serving in these cases and is represented by counsel. The interests of the Debtors is adequately represented, PSZ&J's withdrawal will not adversely effect the Debtors and good cause for the proposed withdrawal exists.

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<sup>2</sup> PSZ&J's proposed withdrawal is subject to its reservation of right to submit its final fee application in the chapter 11 cases.

14. PSZ&J has complied with the tribunal notification requirement of Rule of Professional Conduct 1.16(c) by filing this Motion in accordance with Local Rule 9010-2(b).

15. Accordingly, PSZ&J has satisfied applicable rules regarding withdrawal from the representation of the Debtors.

16. Counsel for the Chapter 11 Trustee and the Debtors have been advised of the filing of this Motion in advance.

#### **NOTICE AND PRIOR MOTIONS**

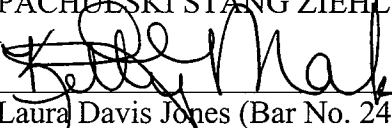
17. Notice of this Motion has been given to (i) the Chapter 11 Trustee; (ii) the Debtors; (iii) the Office of the United States Trustee for the District of Delaware; and (iv) those persons who have requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, PSZ&J submits that no further notice of the Motion is necessary or required.

18. No previous request for the relief sought herein has been made to this or any other court.

**WHEREFORE**, PSZ&J respectfully requests that this Court enter an order allowing PSZ&J to withdraw as co-counsel to the Debtors.

Dated: October 22, 2009

PACHULSKI STANG ZIEHL & JONES LLP



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