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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:

The **SCO GROUP, INC.**, et al.,  
  
Debtors.

Chapter 11

Case No. **07-11337 (KG)**  
(Jointly Administered)

Hearing: February 5, 2008 at 10:00 a.m.  
Related Docket No.: 289

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**OBJECTION OF PETROFSKY TO MOTION BY DEBTORS UNDER  
SECTION 1121(D) FOR EXTENSION OF EXCLUSIVITY  
DEADLINES (#289)**

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I, Alan P. Petrofsky, an equity security holder of Debtor The SCO Group, Inc. (“SCO”), object to the “Motion by Debtors Under Section 1121(d) for Extension of Exclusivity Deadlines” (the “Motion”), on the following grounds:

1. As stated in the Motion, the factors the Court should consider in deciding whether to extend the exclusivity period include “The existence of good faith progress toward reorganization” and “Whether the debtor has demonstrated reasonable prospects for filing a viable plan”. Motion at paragraph 9(a) and 9(e).
2. The Debtors’ monthly operating reports for December, which were due more than a week ago, have still not been filed.

3. The November monthly operating report for SCO Operations, Inc. reports a surprisingly rosy bottom line of positive \$406,433 for cumulative net income since the date of the petition (dkt #283, dated December 20, 2007, at p. 9, Statement of Operations). However, if one adds the reported profit for the November period, \$1,081,019 (Id.), to the reported cumulative loss through the October period, (\$1,138,859) (dkt #227, dated November 20, 2007, at p. 9, Statement of Operations), one discovers that — if those two numbers are indeed correct — the cumulative net income through the end of November should have been reported as a loss of (\$57,840). (There are multiple reasons to suspect that the \$1,081,019 reported profit for November is also the result of a favorable error, and I will be asking the Debtors to double-check that figure, but even if it is correct, the reported cumulative income-to-date is almost half a million dollars too high.)
4. The debtors state that they wish “to narrow the issues in dispute with Novell before the Debtors are required to file their plan.” Motion at paragraph 14. However, if the Court were to deny the requested relief and decline to extend the exclusivity period, this would not actually create any “require[ment]” for the Debtors to file a plan by any particular date. “The debtor may file a plan ... at any time” (11 U.S.C. 1121(a)). What is at issue is not when the Debtors may file a plan, but how soon other parties may file plans pursuant to 11 U.S.C. 1121(c).
5. Frankly, I do not see much hope that the Debtors nor any other parties will ever file a viable plan of reorganization, and the more likely event seems to be a conversion of the case, per 11 U.S.C. 1112, to a Chapter 7 liquidation. Nevertheless, there is no reason for the Court to place all hope for a viable plan

exclusively in the hands of the Debtors when:

- (a) Those debtors are currently not even filing their monthly operating reports;  
and
- (b) When the debtors were filing their reports, they were not paying enough attention to the bottom line to even add it up correctly from one month to the next.

For the reasons above, I request that the Court issue an order denying the Motion. However, I expect SCO to file, before the hearing date on this motion, a Monthly Operating Report for December and a corrected Monthly Operating Report for November. If this happens, and the reports are not too obviously flawed, I expect to withdraw this objection.

Dated the Twenty-Ninth day of January, 2008,

/s/ Alan P. Petrofsky

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