

July 31, 2009

Writer's Direct Contact
415.268.7232
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Honorable Kevin Gross
United States Bankruptcy Court
District of Delaware
824 North Market Street, 6th Floor
Wilmington, DE 19801

Re: In re SCO Group, Inc. et al.
United States Bankruptcy Court
District of Delaware
Case No. 07-11337 (KG)

Dear Judge Gross:

We have received the Debtors' letter of July 31, 2009, offering to hold an auction of certain of Debtors' assets supervised by an examiner. No motion seeking anything like that relief is before the Court. Even if it were, Novell does not believe that this proposal satisfies Novell's concerns.

We understand Debtors' proposal to be that the contemplated auction would be limited to the assets Debtors proposed to sell in the Third Sale Motion. As the evidence and arguments presented in the various objections to the sale motion, in the motions to convert, and at the July 27 hearing on those motions indicate, the price of the particular assets being sold was not the only problem with the Third Sale Motion. Novell also expressed well-founded concerns over the nature of the assets sold and retained, the interrelationship between those assets and the Asset Purchase Agreement with Novell, and the business judgment of management and their fidelity to the interests of creditors. The Debtors' July 31 letter does not solve those problems. Instead, it tends to confirm Novell's position that the Debtors' management has employed myopic judgment, trying to hang on to its alleged claims and a portion of its Mobility business to the exclusion of all other concerns.

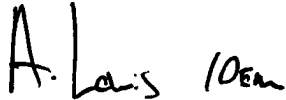
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Novell therefore opposes the Debtors' revised proposal and asks the Court to rule on the motions that were submitted to the Court after the conclusion of evidence and arguments on July 27.

Sincerely,

A handwritten signature in black ink that reads "A. Lewis" followed by a stylized flourish or "10em".

Adam A. Lewis

cc: William K. Harrington, Esq. (via email)
Richard Levin, Esq. (via email)
Joseph J. McMahon, Jr. Esq. (via email)
James E. O'Neill, Esq. (via email)
Arthur J. Spector, Esq. (via email)
Ryan E. Tibbitts, Esq. (via email)