

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

In re:

The SCO GROUP, INC. et al.,¹

Debtors.

Chapter 11

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

**FIFTH QUARTERLY APPLICATION FOR COURT APPROVAL AND ALLOWANCE,
PURSUANT TO SECTION 331 OF THE BANKRUPTCY CODE, OF COMPENSATION
AND REIMBURSEMENT OF EXPENSES SOUGHT IN THE
MONTHLY FEE APPLICATIONS FOR THE
PERIOD DECEMBER 1, 2008 THROUGH APRIL 30, 2009**

Name of Applicant:	Dorsey & Whitney LLP
Authorized to Provide Professional Services to:	The Debtors and Debtors-in-Possession
Date of Retention	September 14, 2007
Period for which compensation And reimbursement is sought:	December 1, 2008 through April 30, 2009 ²
Amount of fees sought as actual, reasonable and necessary:	\$41,177.75
Amount of expenses sought as actual, reasonable and necessary:	\$190.38
This is a(n):	<input checked="" type="checkbox"/> interim <input type="checkbox"/> final application.

¹ 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.

² In an effort to reduce costs to the estate, Dorsey consolidated its monthly fee applications for the months December 1, 2008 through April 30, 2009 into two fee applications covering December 1, 2008 through February 28, 2009 and March 1, 2009 through April 30, 2009, respectively. Consequently, this Application is for the period December 1, 2008 through April 30, 2009.

Prior Monthly Applications:

Application		Requested		Approved	
Date Filed	Period Covered	Fees	Expenses	Fees	Expenses
11/30/07	9/14/07 – 10/31/07	\$57,585.75	\$6,129.29	\$57,585.75	\$6,129.29
1/11/08	11/1/07 – 11/30/07	\$26,456.50	\$527.93	\$26,456.50	\$527.93
2/15/08	12/1/07 – 12/31/07	\$12,568.50	\$1,735.12	\$12,568.50	\$1,735.12
3/10/08	1/1/08 – 1/31/08	\$22,799.25	\$276.15	\$22,799.25	\$276.15
4/8/08	2/1/08 – 2/29/08	\$53,966.00	\$745.61	\$53,966.00	\$745.61
5/9/08	3/1/08 – 3/31/08	\$21,693.25	\$895.56	\$21,693.25	\$895.56
6/26/08	4/1/08 – 5/31/08	\$16,488.75	\$860.47	\$16,488.75	\$860.47
8/19/08	6/1/08 – 7/31/08	\$13,102.75	\$137.21	\$13,102.75	\$137.21
11/6/08	8/1/08 – 9/30/08	\$13,112.75	\$93.87	\$13,112.75	\$93.87
12/22/08	10/1/08 – 11/30/08	\$8,187.50	\$1,313.86	\$8,187.50	\$1,313.86
3/20/09	12/1/08 – 2/28/09	\$31,336.00	\$134.42	\$25,068.80	\$134.42
5/12/09	3/1/09 – 4/30/09	\$9,841.75	\$55.96	\$7,873.40	\$55.96

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PERIOD DECEMBER 1, 2008 THROUGH APRIL 30, 2009**

Dorsey & Whitney LLP, (“Dorsey” or the “Firm”), special counsel to the above-captioned Debtors and Debtors-in-Possession, hereby submits this Fifth Quarterly Application for Court Approval and Allowance, Pursuant to Section 331 of the Bankruptcy Code, of Compensation and Reimbursement of Expenses Sought in the Monthly Fee Applications for the Period December 1, 2008 through April 30, 2009 (the “Application”). In support hereof, Dorsey respectfully represents as follows:

INTRODUCTION

1. On September 14, 2007 (the “Petition Date”), the above-captioned Debtors (collectively, the “Debtors”) commenced these bankruptcy cases by filing voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (as amended, the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of Delaware (the “Court”).

¹ 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.

2. The Debtors are continuing in possession of their properties and are operating and managing their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

BACKGROUND

3. On October 4, 2007, the Court entered the Administrative Order Establishing Procedures for Interim Monthly Compensation of Professionals [Docket ID #95] (the “Administrative Order”) authorizing estate professionals (the “Professionals”) to submit monthly applications (the “Monthly Fee Applications”) for interim compensation and reimbursement for expenses, pursuant to the procedures specified therein. Administrative Order at ¶ 2(a) – (c).

4. The Administrative Order also authorized Professionals to submit Interim Fee Applications (as defined in the Administrative Order) beginning with the period ending December 31, 2007 and thereafter in three-month intervals (the “Interim Fee Periods”) to file requests 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.” Administrative Order at ¶ 2(d). As noted above, in an effort to reduce costs to the estate, the Interim Fee Period covered in this Application includes an additional month, for a total of four months. See supra note 2.

5. By order of the Court entered on November 19, 2007, the Debtors retained Dorsey *nunc pro tunc* to the Petition Date as Special Counsel (the “Retention Order”) [Docket ID #220].

6. The Retention Order authorized the Debtors to compensate Dorsey on an hourly basis and to reimburse Dorsey for actual and necessary out-of-pocket expenses.

7. On March 20, 2009, Dorsey filed its Eleventh Monthly Fee Application of Dorsey & Whitney LLP, Special Counsel to the Debtors and Debtors-in-Possession, for Compensation and Reimbursement of Expenses for the Period December 1, 2008 through February 28, 2009 [Docket ID # 724] (the “Eleventh Monthly Fee Application”). Through its Eleventh Monthly Fee Application, Dorsey sought compensation for the reasonable and necessary services rendered to the Debtors in the amount of \$31,336.00 and reimbursement for actual and necessary expenses in the amount of \$134.42.

8. On May 12, 2009, Dorsey filed its Twelfth Monthly Fee Application of Dorsey & Whitney LLP, Special Counsel to the Debtors and Debtors-in-Possession for the Period March 1, 2009 through April 30, 2009 [Docket ID # 755] (the “Twelfth Monthly Fee Application”). Through its Twelfth Monthly Fee Application, Dorsey sought compensation for the reasonable and necessary services rendered to the Debtors in the amount of \$9,841.75 and reimbursement for actual and necessary expenses in the amount of \$55.96.

9. Pursuant to Local Rule 2016-2(e)(iii), the requested rate for copying charges is no more than \$0.10 per page and the outgoing facsimile transmission charges are no more than \$1.00 per page with no charge for incoming facsimiles.

APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES

10. Subject to Court approval, Dorsey seeks payment for compensation on an hourly basis, plus reimbursement of actual, necessary expenses incurred by Dorsey during the Application Period. The rates charged by Dorsey in this case do not differ from the rates charged to Dorsey’s non-bankruptcy clients.

11. A summary of the hours spent, the names of each professional and paraprofessional rendering services to the Debtors during the Application Period, the regular

customary billing rates and the total value of time incurred by each of the Dorsey attorneys rendering services to the Debtors is attached hereto as Exhibit A. A summary of the computer generated time entries reflecting the time recorded for these services, organized in project billing categories pursuant to Rule 2016-2(c)(ii) of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) is attached hereto as Exhibit B. A summary statement of expenses incurred by Dorsey during the Application Period is attached hereto as Exhibit C. All of the professional services that Dorsey rendered to the Debtors are set forth in the exhibits to the respective Monthly Fee Applications. All time entries and requested expenses are substantially in compliance with Local Rule 2016-2.¹

12. Pursuant to the Administrative Order, Dorsey and other professionals retained in this case are authorized to file and to serve upon the Notice Parties identified in the Administrative Order Monthly Fee Applications, 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 relevant application period (the “Monthly Fee Periods”). Pursuant to the Administrative Order, each Notice Party has twenty (20) days after service of a Monthly Fee Application to object thereto (the “Objection Deadline”). Upon expiration of the Objection Deadline, the Professional may file a certificate of no objection with the Court after which the Debtors are authorized to pay each professional an amount (the “Actual Interim Payment”) equal to the lesser of (i) 80 percent (80%) of the fees and 100 percent (100%) of the expenses requested in the Monthly Fee Application (the “Maximum Payment”) and (ii) 80 percent (80%) of the fees and 100 percent (100%) of the expenses not subject to an objection,

¹ Dorsey has also attempted to ensure that this Application complies with the Guidelines. To the extent the Guidelines conflict with local rules, in particular, Local Rule 2016-2, Dorsey has chosen to comply with such local rule. Dorsey will supplement this Application with additional detail or information upon request.

unless an objection has been lodged against specific fees and/or expenses or the Court orders otherwise.

13. In accordance with the Administrative Order, Dorsey has filed and served the Notice Parties identified in the Administrative Order its Eleventh and Twelfth Monthly Fee Applications and this Application with respect to fees and expenses incurred for the period December 1, 2008 through April 30, 2009 (the "Application Period").

14. To the extent such fees and expenses currently remain unpaid by the Debtors, Dorsey hereby seeks compensation for such fees and reimbursement for such expenses as contemplated in the Administrative Order.

15. All services and costs for which compensation is requested by Dorsey in this Application were reasonable and necessary and were performed for and on behalf of the Debtors during the Application Period.

REIMBURSEMENT OF EXPENSES

16. During the Application Period, Dorsey incurred certain necessary expenses in rendering legal services to the Debtors as summarized in Exhibit C and set forth in more detail in the exhibits to the respective Monthly Fee Applications.

17. Dorsey seeks reimbursement for its reasonable, necessary and actual expenses incurred during the Application Period in the total amount of \$190.38 to the extent such expenses remain unpaid.

COMPENSATION REQUESTED

18. Dorsey expended 153.8 hours during the Application Period in furtherance of its efforts on behalf of the Debtors. Dorsey requests allowance of compensation in the amount of \$41,177.75, for legal services rendered during the Application Period at a blended hourly rate of \$267.74, to the extent such compensation remains unpaid.

LEGAL STANDARD

19. Section 330(a)(1)(A) and (B) of the Bankruptcy Code allows the payment of:

- (A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, professional person, or attorney and by any paraprofessional person employed by any such person; and
- (B) reimbursement for actual, necessary expenses.

11 U.S.C. § 330(a)(1)(A) and (B). Reasonableness of compensation is determined by the “market-driven approach” which considers the nature, extent and value of the services provided by the professional and the cost of comparable services in nonbankruptcy contexts. See Zolfo Cooper & Co., v. Sunbeam-Oster Co., 50 F.3d 253, 258 (3d Cir. 1995); In re Busy Beaver Building Ctr., Inc., 19 F.3d 833, 849 (3d Cir. 1994). Thus, “the baseline rule is for firms to receive their customary rates.” Zolfo Cooper, 50 F.3d at 259.

20. In accordance with its practice in nonbankruptcy matters, Dorsey has calculated its compensation requested in this Application by applying its standard hourly rates. Dorsey’s calculation is based upon hourly rates that are well within the range of rates that are charged by comparable firms in other large bankruptcy cases. Accordingly, Dorsey’s rates should be determined to be reasonable under section 330 of the Bankruptcy Code.

21. Dorsey’s fees during the Application Period are also reasonable under the prevailing legal standard and should be allowed. The amount of Dorsey’s fees is not unusual given the complexity and size of the Debtors’ Chapter 11 cases and Dorsey’s fees are commensurate with fees that other attorneys of comparable experience and expertise have charged and been awarded in similar Chapter 11 cases. Accordingly, Dorsey’s fees are reasonable pursuant to section 330 of the Bankruptcy Code.

22. Section 330(a)(1)(B) of the Bankruptcy Code permits reimbursement for actual, necessary expenses. Dorsey's legal services and expenses incurred during the Application Period are set forth in this Application and constitute only those necessary expenses that were incurred for the benefit of the Debtors' estates. Dorsey has properly requested reimbursement only of actual, necessary and appropriate legal expenses.

23. No agreement or understanding exists between Dorsey and any third person for the sharing or division of compensation. All of the services for which compensation is requested in this Application were rendered at the request of and solely on behalf of the Debtors.

24. Pursuant to the standards set forth in sections 330 and 331 of the Bankruptcy Code, Dorsey submits that the compensation requested is for actual and necessary services and expenses, and is reasonable, based upon the nature, extent and value of such services, the time spent thereon, and the costs of comparable services in a case under the Bankruptcy Code. The time records annexed to this Application constitute only a general statement of the services rendered and time expended without description of the challenges and constraints under which Dorsey actually rendered these services. Dorsey submits, therefore, that its fees and expenses were actual, necessary, reasonable, and justified, and should be allowed in full.

NOTICE

25. No trustee or examiner has been appointed in these Chapter 11 cases. Notice of this Application has been given to: (a) the Debtors, The SCO Group, Inc. and SCO Operations, Inc. 355 South 520 West, Suite 1000, Lindon, UT 84041 (Attn: Ryan Tibbitts, General Counsel); (b) the Chapter 11 Trustee for The SCO Group, Edward N. Cahn, Esquire, Blank Rhome LLP, One Logan Square, 130 North 18th Street, Philadelphia, PA 19103-6998; (c) the Debtors; counsel to the Chapter 11 Trustee, Bonnie Glantz Fatell, Blank Rome LLP, 1201 Market Street, Suite 800, Wilmington, DE 19801; (d) co-counsel to the Debtors, Pachulski Stang

Ziehl & Jones LLP, 919 North Market Street, 17th Floor, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (Attn: Laura Davis Jones, Esq.), and Berger Singerman, P.A., 350 East Las Olas Blvd., Ste. 1000, Fort Lauderdale, FL 33301 (Attn: Arthur J. Spector, Esq.); and (e) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is required.

WHEREFORE, Dorsey respectfully requests that the Court: (i) grant the Application and (ii) grant such further relief as may be appropriate.

Dated: November 6, 2009

DORSEY & WHITNEY (DELAWARE) LLP

/s/ Eric Lopez Schnabel
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