

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.)

Objection Deadline: March 23, 2010 at 4:00 p.m.
Hearing Date: To be scheduled

**FINAL APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG
ZIEHL & JONES LLP, AS CO-COUNSEL TO THE DEBTORS, FOR
THE PERIOD FROM SEPTEMBER 14, 2007 THROUGH NOVEMBER 16, 2009**

Name of Applicant:	Pachulski Stang Ziehl & Jones LLP
Authorized to Provide Professional Services to:	Debtors
Date of Retention:	<i>Nunc Pro Tunc</i> to September 14, 2007 by order signed October 4, 2007
Period for which Compensation and Reimbursement is Sought:	September 14, 2007 through November 16, 2009 ²
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$440,890.50
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$ 67,711.36

This is a: __ monthly __ interim x final application.

The total time expended for fee application preparation is approximately 2.0 hours
and the corresponding compensation requested is approximately \$800.00.

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 The applicant reserves the right to include any time expended in the time period indicated above in future application(s) if it is not included herein.

PRIOR APPLICATIONS FILED

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
12/10/07	09/14/07 – 09/30-07	\$29,983.00	\$5,696.83	\$29,983.00	\$5,696.83
01/07/08	10/01/07 – 10/31/07	\$66,340.00	\$7,833.30	\$66,340.00	\$7,833.30
01/14/08	11/01/07 – 11/30/07	\$50,118.00	\$6,577.01	\$50,118.00	\$6,577.01
02/04/08	12/01/07 – 12/31/07	\$17,362.00	\$2,851.33	\$17,362.00	\$2,851.33
04/04/08	01/01/08 – 01/31/08	\$16,574.50	\$3,260.40	\$16,574.50	\$3,260.40
04/14/08	02/01/08 – 02/29/08	\$26,009.00	\$3,660.46	\$26,009.00	\$3,660.46
05/22/08	03/01/08 – 03/31/08	\$19,555.50	\$2,922.93	\$19,555.50	\$2,922.93
06/13/08	04/01/08 – 04/30/08	\$12,000.50	\$1,366.60	\$12,000.50	\$1,366.60
07/28/08	05/01/08 – 05/31/08	\$ 8,166.50	\$2,725.10	\$ 8,166.50	\$2,725.10
09/08/08	06/01/08 – 06/30/08	\$10,193.00	\$1,169.22	\$10,193.00	\$1,169.22
10/28/08	07/01/08 – 07/31/08	\$ 4,483.00	\$ 552.05	\$ 4,483.00	\$ 552.05
11/13/08	08/01/08 – 08/31/08	\$ 6,100.50	\$1,414.20	\$ 6,100.50	\$1,414.20
12/12/08	09/01/08 – 09/30/08	\$13,301.50	\$1,889.02	\$13,301.50	\$1,889.02
12/24/08	10/01/08 – 10/31/08	\$ 7,857.50	\$2,189.07	\$ 7,857.50	\$2,189.07
01/26/09	11/01/08 – 11/30/08	\$ 8,431.50	\$ 968.57	\$ 8,431.50	\$ 968.57
02/02/09	12/01/08 – 12/31/08	\$ 7,160.50	\$ 880.73	\$ 7,160.50	\$ 880.73
03/16/09	01/01/09 – 01/31/09	\$17,200.00	\$2,614.68	\$13,760.00	\$2,614.68
04/24/09	02/01/09 – 02/28/09	\$11,581.50	\$2,271.09	\$ 9,265.20	\$2,271.09
05/14/09	03/01/09 – 03/31/09	\$ 9,619.00	\$ 970.36	\$ 7,695.20	\$ 970.36
07/02/09	04/01/09 – 04/30/09	\$ 4,426.50	\$ 612.09	\$ 3,541.20	\$ 612.09
07/20/09	05/01/09 – 05/31/09	\$19,917.00	\$1,006.07	\$15,933.60	\$1,006.07
09/03/09	06/01/09 – 06/30/09	\$23,347.50	\$4,783.78	\$18,678.00	\$4,783.78
09/25/09	07/01/09 – 07/31/09	\$35,004.00	\$4,222.38	\$28,003.20	\$4,222.38
11/12/09	08/01/09 – 08/31/09	\$ 7,163.50	\$3,883.47	\$ 5,730.80	\$3,883.47
01/21/10	09/01/09 – 09/30/09	\$ 4,307.00	\$ 468.96	\$ 3,445.60	\$ 468.96
01/29/10	10/01/09 – 10/31/09	\$ 3,448.00	\$ 696.58	\$ 2,758.40	\$ 696.58
02/03/10	11/01/09 – 11/16/09	\$ 1,231.00	\$ 225.09	\$ 984.80	\$ 225.09

PSZ&J PROFESSIONALS

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Laura Davis Jones	Partner 2000; Joined Firm 2000; Member of DE Bar since 1986	\$825.00	9.30	\$ 7,672.50
		\$795.00	13.10	\$10,414.50
		\$775.00	5.10	\$ 3,952.50
		\$750.00	55.80	\$41,850.00
Alan J. Kornfeld	Partner 1996; Member of CA Bar since 1987; Member of Washington, DC Bar since 2002; Member of NY Bar since 2004	\$725.00	4.40	\$ 3,190.00
Richard J. Gruber	Partner 1995; Member of CA Bar since 1982	\$650.00	4.80	\$ 3,120.00
James E. O'Neill	Partner 2005; Member of PA Bar since 1985; Member of DE Bar since 2001	\$595.00	29.50	\$17,552.50
		\$535.00	37.40	\$20,009.00
		\$515.00	26.80	\$13,802.00
		\$475.00	72.40	\$34,390.00
Gillian N. Brown	Partner 2007; Member of CA Bar since 1999; Member of Washington, D.C. Bar since 2008	\$495.00	0.20	\$ 99.00
William L. Ramseyer	Of Counsel 1989; Member of CA Bar since 1980	\$495.00	4.10	\$ 2,029.50
		\$475.00	6.50	\$ 3,087.50
		\$450.00	30.40	\$13,680.00
Scotta E. McFarland	Of Counsel 2000; Member of CA Bar since 1993; Member of TX Bar since 1980; Member of DE Bar since 2002	\$495.00	1.50	\$ 742.50
Michael R. Seidl	Partner 2003; Member of DE Bar since 2000; Member of Washington, D.C. Bar since 1996	\$450.00	0.20	\$ 90.00
Jonathan J. Kim	Of Counsel 1999; Member of CA Bar since 1995	\$450.00	1.80	\$ 810.00
Kathleen P. Makowski	Of Counsel 2008; Member of PA Bar since 1996; Member of DE Bar since 1997	\$425.00	29.90	\$12,707.50
		\$395.00	111.40	\$44,003.00
Rachel L. Werkheiser	Associate 2000; Member of DE Bar since 1998; Member of PA Bar since 1999	\$395.00	108.20	\$42,739.00
		\$375.00	156.80	\$58,800.00
David A. Abadir	Associate 2009; Member of MA Bar since 1997; Member of NY Bar since 2008	\$395.00	0.30	\$ 118.50
		\$350.00	2.50	\$ 875.00

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Mark M. Billion	Associate 2009; Member NY Bar since 2007; Member of DE Bar since 2009	\$325.00	1.40	\$ 455.00
Kathe F. Finlayson	Paralegal 2000	\$225.00 \$205.00	1.70 0.80	\$ 382.50 \$ 164.00
Monica Molitor	Paralegal 2009	\$225.00	2.50	\$ 562.50
Patricia E. Cuniff	Paralegal 2000	\$215.00	1.70	\$ 365.50
Margaret L. Oberholzer	Paralegal 2007	\$210.00 \$190.00 \$175.00	109.70 196.40 106.80	\$23,037.00 \$37,316.00 \$18,690.00
Cheryl A. Knotts	Paralegal 2000	\$205.00 \$185.00 \$175.00	13.00 15.60 1.60	\$ 2,665.00 \$ 2,886.00 \$ 280.00
Karina K. Yee	Paralegal 2000	\$195.00 \$180.00	3.50 1.00	\$ 682.50 \$ 180.00
Louise R. Tuscahk	Paralegal 2000	\$195.00 \$180.00	0.60 0.40	\$ 117.00 \$ 72.00
Sheryle L. Pitman	Case Management Assistant 2001	\$125.00 \$105.00	29.10 32.50	\$ 3,637.50 \$ 3,412.50
Beatrice M. Koveleski	Case Management Assistant 2009	\$125.00 \$115.00	10.30 0.20	\$ 1,287.50 \$ 23.00
Ida L. Lane	Case Management Assistant 2009	\$125.00	3.40	\$ 425.00
Charles J. Bouzoukis	Case Management Assistant 2001	\$115.00 \$ 95.00 \$ 80.00	15.80 35.00 4.10	\$ 1,817.00 \$ 3,325.00 \$ 328.00
Andrea R. Paul	Case Management Assistant 2001	\$ 95.00	16.00	\$ 1,520.00
Donna C. Crossan	Case Management Assistant 2000	\$ 95.00	0.90	\$ 85.50
Karen S. Neil	Case Management Assistant 2003	\$ 75.00	19.20	\$ 1,440.00

Grand Total: \$ 440,80.50
Total Hours: 1,335.60
Blended Rate: \$ 330.11

COMPENSATION BY CATEGORY

Project Categories	Total Hours	Total Fees
Asset Disposition	58.10	\$ 24,496.00
Appeals	1.10	\$ 907.50
Bankruptcy Litigation	347.00	\$150,307.50
Business Operations	2.20	\$ 945.00
Case Administration	284.40	\$ 40,939.50
Claims Admin/Objections	51.30	\$ 18,471.50
Compensation of Professional	106.50	\$ 37,129.50
Compensation Professionals/Others	132.30	\$ 32,988.50
Employee Benefit/Pension	74.80	\$ 28,139.50
Executory Contracts	19.30	\$ 7,432.50
Financial Filings	49.10	\$ 15,807.00
Financing	0.50	\$ 107.50
Litigation (Non-Bankruptcy)	0.10	\$ 39.50
Meeting of Creditors	21.70	\$ 10,165.00
Operations	8.50	\$ 3,842.00
Plan & Disclosure Statement	78.00	\$ 30,849.50
Retention of Professional	5.40	\$ 1,927.50
Retention of Prof./Others	71.20	\$ 25,369.00
Stay Litigation	24.10	\$ 11,026.50

EXPENSE SUMMARY

Expense Category	Service Provider³ (if applicable)	Total Expenses
Auto Travel Expense	Eagle Limousine	\$ 660.49
Working Meals	Healy's Café; The Pearky Bean; Cavanaugh's; The Rodney Grill	\$ 732.18
Conference Call	AT&T Conference Call; CourtCall	\$ 600.74
Delivery/Courier Service	Tristate	\$ 9,921.96
Express Mail	DHL and Federal Express	\$ 7,841.82
Filing Fee	USBC	\$ 2,078.00
Fax Transmittal	Outgoing only	\$ 6,201.10
Hotel Expense	Hotel DuPont	\$ 259.00
Legal Research	Westlaw	\$ 883.61
Outside Services	Digital Legal Services	\$ 2,520.70
Court Research	Pacer	\$ 966.48
Postage	US Mail	\$ 7,437.92
Reproduction Expense		\$21,109.70
Reproduction/ Scan Copy		\$ 119.20
Overtime	Healy's Café; The Pearky Bean; Cavanaugh's; The Rodney Grill	\$ 507.48
Travel Expense	Eagle Limousine	\$ 99.15
Transcript	Jennifer Ryan Enslen; J&J Transcribers; Elaine M. Ryan; D. Doman; Laws Transcription Service; Diaz Data Services	\$ 5,771.83

³ PSZ&J may use one or more service providers. The service providers identified herein below are the primary service providers for the categories described.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

Objection Deadline: March 23, 2010 at 4:00 p.m.
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**FINAL APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG
ZIEHL & JONES LLP, AS CO-COUNSEL TO THE DEBTORS, FOR
THE PERIOD FROM SEPTEMBER 14, 2007 THROUGH NOVEMBER 16, 2009**

Pursuant to sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (collectively, the “Bankruptcy Rules”), and the Court’s “Administrative Order Establishing Procedures for Interim Monthly Compensation of Professionals,” signed on or about October 4, 2007 (the “Administrative Order”), Pachulski Stang Ziehl & Jones LLP (“PSZ&J” or the “Firm”), co-counsel to the Debtors (“Debtor”), hereby submits its Final Application for Compensation and for Reimbursement of Expenses for the Period from September 14, 2007 through November 16, 2009 (the “Application”).

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.

By this Application PSZ&J seeks a final allowance of compensation in the amount of \$440,890.50 and final allowance of actual and necessary expenses in the amount of \$67,771.36, and payment of the unpaid portion of such fees and expenses for the period September 14, 2007 through November 16, 2009 (the "Fee period")². In support of this Application, PSZ&J respectfully represents as follows:

Background

1. On September 14, 2007 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continued in possession of their properties and continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. By order signed August 25, 2009, the Court appointed a Chapter 11 Trustee ("Trustee") in these cases.

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

3. On or about October 4, 2007, the Court signed the Administrative Order, authorizing certain professionals ("Professionals") to submit monthly applications for interim compensation and reimbursement for expenses, pursuant to the procedures specified therein. The Administrative Order provides, among other things, that a Professional may submit monthly fee applications. If no objections are made within twenty (20) days after service of the monthly fee application the Debtors are authorized to pay the Professional eighty percent (80%) of the requested fees and one hundred percent (100%) of the requested expenses. Beginning with the

² The applicant reserves the right to include any time expended in the time period indicated above in future supplemental application(s) if it is not included herein.

period ending December 31, 2007, and continuing at three-month intervals or such other intervals convenient to the Court, each Professional shall file and serve an interim application for allowance of the amounts sought in its monthly fee applications for that period. All fees and expenses paid are on an interim basis until final allowance by the Court.

4. The retention of PSZ&J, as co-counsel to the Debtors, was approved effective as of the Petition Date by this Court's "Order Under Section 327(a) of the Bankruptcy Code and Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014-1 Authorizing the Employment and Retention of Pachulski Stang Ziehl & Jones LLP as Bankruptcy Co-Counsel for the Debtors and Debtors in Possession *Nunc Pro Tunc* to the Petition Date," signed on or about October 4, 2007 (the "Retention Order"). The Retention Order authorized PSZ&J to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses. By Order signed November 16, 2009, the Court approved the withdrawal of PSZ&J as counsel for the Debtors.

**PSZ&J's APPLICATION FOR COMPENSATION AND
FOR REIMBURSEMENT OF EXPENSES**

Monthly and Interim Fee Applications Covered Herein

5. Prior to the filing of this Application, monthly fee applications for the time period September 14, 2007 through November 16, 2009 had been filed with the Court. Attached hereto as Exhibits A through K are copies of the monthly fee applications filed by PSZ&J in the Debtors' cases but not yet approved by the Court.

6. The monthly fee applications covered by this Application contain detailed daily time logs describing the actual and necessary services provided by PSZ&J during the Fee Period as well as other detailed information required to be included in fee applications.

Requested Relief

7. By this Application, PSZ&J requests that the Court approve the final allowance of compensation for professional services rendered and the reimbursement of actual and necessary expenses incurred by PSZ&J from September 14, 2007 through November 16, 2009. As stated above, the full scope of the services provided and the related expenses incurred are fully described in the monthly fee applications for the Fee Period that already have been filed with the Court. To the extent that PSZ&J has incurred fees and expenses in addition to the foregoing, PSZ&J reserves the right, and respectfully requests that the Court authorize PSZ&J, to file a supplemental fee application(s) by following the interim compensation procedures set forth in the Administrative Order and submitting a certificate of no objection and order to the Court for final approval of such fees and expenses as may be reflected in any supplemental fee application.

8. At all relevant times, PSZ&J has been a disinterested person as that term is defined in section 101(14) of the Bankruptcy Code and has not represented or held an interest adverse to the interest of the Debtors

9. All services for which compensation is requested by PSZ&J were performed for or on behalf of the Debtors and not on behalf of any committee, creditor, or other person.

10. PSZ&J has received no payment and no promises for payment from any source other than the Debtors for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between PSZ&J and any other person other than the partners of PSZ&J for the sharing of compensation to be received for services rendered in this case. PSZ&J has received payments from the Debtors during the year prior to the Petition Date in the amount of \$79,922.00 plus the Debtors' aggregate filing fees of \$2,078.00 in connection with preparation of initial documents and the prepetition representation of the Debtors. PSZ&J was current as of the Petition Date. Upon final reconciliation of the amount actually expended prepetition, any balance remaining from the payments to PSZ&J was credited to the Debtors and utilized as PSZ&J's retainer to apply to postpetition fees and expenses pursuant to the compensation procedures approved by this Court and the Bankruptcy Code.

11. The professional services and related expenses for which PSZ&J requests final allowance of compensation and reimbursement of expenses were rendered and incurred in connection with these cases in the discharge of PSZ&J's professional responsibilities as attorneys for the Debtors in their chapter 11 cases. PSZ&J's services have been necessary and beneficial to the Debtors, its estates, creditors, and other parties in interest.

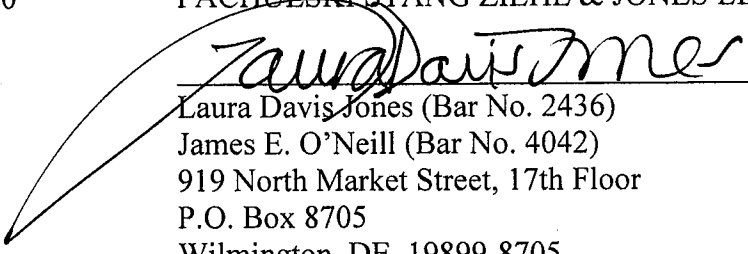
12. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by PSZ&J is fair and reasonable given (a) the complexity of the case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under the Bankruptcy Code. Moreover, PSZ&J has reviewed the

requirements of Del. Bankr. LR 2016-2 and the Administrative Order and believes that this Application complies with such Rule and Order.

WHEREFORE, PSZ&J respectfully requests that the Court enter an order, substantially in the form attached hereto, providing that, for the period of September 14, 2007 through November 16, 2009, a final allowance be made to PSZ&J in the sum of \$440,890.50 as compensation for reasonable and necessary professional services rendered to the Debtors and in the sum of \$67,711.36 for reimbursement of actual and necessary costs and expenses incurred, for a total of \$508,601.86; that Debtors and the Trustee in these cases be authorized and directed to pay to PSZ&J the outstanding amount of such sums; that to the extent PSZ&J has incurred fees and expenses in addition to the foregoing, PSZ&J may file a supplemental fee application(s) by following the interim compensation procedures set forth in the Administrative Order and submitting a certificate of no objection and order to the Court for final approval of such fees and expenses as may be reflected in any supplemental fee application; and for such other and further relief as this Court deems proper.

Dated: March 2, 2010

PACHULSKI STANG ZIEHL & JONES LLP



Laura Davis Jones (Bar No. 2436)
James E. O'Neill (Bar No. 4042)
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P.O. Box 8705
Wilmington, DE 19899-8705
Telephone: (302) 652-4100
Facsimile: (302) 652-4400

Co-Counsel to the Debtors

VERIFICATION

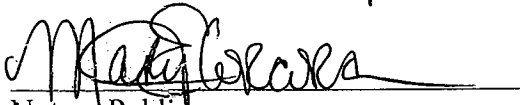
STATE OF DELAWARE :
:
COUNTY OF NEW CASTLE :

Laura Davis Jones, after being duly sworn according to law, deposes and says:

- a) I am a partner of the applicant law firm Pachulski Stang Ziehl & Jones LLP, and have been admitted to appear before this Court.
- b) I am familiar with the work performed on behalf of the Debtors by the lawyers and paraprofessionals of PSZ&J.
- c) I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Del. Bankr. LR 2016-2 and the Administrative Order signed on or about October 4, 2007, and submit that the Application substantially complies with such Rule and Order.


Laura Davis Jones

SWORN AND SUBSCRIBED
before me this 3rd day of March, 2010.


Notary Public
My Commission Expires: 11/4/11

MARY E. CORCORAN
NOTARY PUBLIC
STATE OF DELAWARE
My Commission Expires Nov. 4, 2011