

EXHIBIT B

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May 3, 2011

Via Email and Facsimile at 212-406-3677

Edward E. Neiger, Esq.
Neiger LLP
317 Madison Avenue
21st Floor
New York, NY 10017

Re: SCO Credit Agreement

Dear Mr. Neiger:

I am in receipt of your letter dated April 28, 2011 sent on behalf of your clients, Steven Shin, Jan Loeb and Leap Tide Capital Management to Edward Cahn, Chapter 11 Trustee, in which you have asserted that a default has occurred under the post petition loan agreement and that you have been engaged "to take action against the Collateral listed on Exhibit B in the Credit Agreement and in the Security and Pledge Agreement." I acknowledged receipt of your letter through email correspondence, challenged your claim that the Trustee is in default and we have had emails back and forth in which you, on behalf of your clients, have demanded certain reports and information, made a number of misstatements and agreed to a one day extension of the cure period "contingent on no money leaving the estate until [your] client is comfortable with the situation."

I have now had the opportunity to refresh my recollection of the details of the loan transaction and have reviewed all the loan agreements that were entered into by and among the bankruptcy estates of The SCO Group and SCO Operations, Inc., by and through Edward Cahn, solely in his capacity as the chapter 11 trustee (the Trustee) and the Lenders thereunder, comprised of the following: Seung Ni Capital, LLC (Ralph Yarro), Jan Loeb, Leap Tide Capital Management, Inc. (Jan Loeb), Steven Shin, Henry Beinstein, Stanley A. Beinstein, Neil J. Gagnon, Robert Dyson, WBS LLC (Rex Lewis), Ne Obliviscaris, Ltd. (Dan Campbell), Darcy Mott, Clemons F. Walker, and Herbert W. Jackson.

Each of the Lenders executed individually the Secured Super Priority Credit

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Agreement, the Collateral Agent Agreement, the Security and Pledge Agreement and the Stock Pledge Agreement, all dated as of March 5, 2010 (collectively the "Loan Documents").

This is to advise you that your clients are not authorized under the Collateral Agent Agreement or any of the Loan Documents to take any action or threaten to take any action to enforce the Loan Documents or exercise any remedies against the Collateral. The Collateral Agent Agreement specifically states, in part, as follows:

3. Appointment of Collateral Agent.

. . . "Effective Immediately and by signing this Agreement, each of the Lenders hereby irrevocably and unconditionally appoints Collateral Agent to serve as Collateral Agent for all of the Lenders and irrevocably appoints and authorizes Collateral Agent to act as agent for all of the Lenders for the purpose of . . . (b) enforcing the Lenders' rights in the Collateral and the Borrowers' obligations under such versions of the Loan Documents and the Borrowers' obligations thereunder; . . . and (d) holding all Lenders' security interests and Liens in the Collateral granted in the Lenders' favor under such versions of the Loan Documents. . . **Further, Collateral Agent shall have the sole authority to exercise any and all remedies against Borrower under any and all of the Security Documents and to act in such capacity in accordance with the terms and conditions of this Agreement.**"

4. Decisions/Actions Related to Remedies Under Security Documents.

. . . (e) . . . "each of the Lenders hereby agrees that none of them shall have, and **each of them hereby waives, the right to take or threaten to take any action to enforce any term or provision in any of the Security Documents or to enforce any rights with respect to any or all of the Collateral**, it being understood that **the Collateral Agent alone shall have the right to seek and enforce any and all rights and remedies in the Collateral and under this Agreement.**"

I have communicated with Ralph Yarro the Manager of the Collateral Agent, Seung Ni Partners, L.L.C., and am advised that the Collateral Agent has not retained your firm to take any actions on its behalf with respect to the Loan Documents. Accordingly, the Trustee is under no obligation to respond to your client's demands as set forth in your letter and email correspondence. Moreover, unless you retract the

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improper notice of default, out of an abundance of caution the Trustee will have no alternative but to file a motion with the bankruptcy court and obtain a hearing on the alleged default in accordance with Article VII of the Loan Agreement. Since this action is precipitated by your clients' unauthorized demands, the Trustee will seek reimbursement of its legal fees and expenses should it be required to file and prosecute the motion. If we do not hear from you by the close of business on Wednesday, May 4, 2011, we will file the motion on Thursday and seek appropriate reimbursement of legal fees and expenses and possible sanctions for violating the Court Order approving the Loan Documents.

You also should be advised that through the Collateral Agent, all of the Lenders will be invited to participate in a telephonic meeting with the Trustee on Monday, May 9, 2011, at 2:30 EST to provide a status report.

On behalf of the Trustee, we trust your clients will reconsider their position and act accordingly. I am available should you wish to discuss this matter further.

Very truly yours,



Bonnie Glantz Fatell

BGF/lro

cc: Edward N. Cahn, Esq. Trustee (via email)
Ralph Yarro, Manager of Seung Ni Partners, LLC (via email)