

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

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

**Objection Deadline: March 17, 2010 at 4:00 p.m.**  
**Hearing Date: To be scheduled**

**EIGHTH QUARTERLY APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES LLP, AS CO-COUNSEL TO THE DEBTORS, FOR THE PERIOD FROM JULY 1, 2009 THROUGH SEPTEMBER 30, 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:	July 1, 2009 through September 30, 2009 <sup>2</sup>
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$46,474.50
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$ 8,574.81

This is a:    \_\_ monthly              x   interim            \_\_ final application.

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

<sup>1</sup> 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.

<sup>2</sup> This Application may include time expended before the time period indicated above that has not been included in any prior application. 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**

<b>Date Filed</b>	<b>Period Covered</b>	<b>Requested Fees</b>	<b>Requested Expenses</b>	<b>Approved Fees</b>	<b>Approved Expenses</b>
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	Pending	Pending

**PSZ&J PROFESSIONALS**

<b>Name of Professional Individual</b>	<b>Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise</b>	<b>Hourly Billing Rate (including Changes)</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
Laura Davis Jones	Partner 2000; Joined Firm 2000; Member of DE Bar since 1986	\$825.00	7.70	\$ 6,352.50
James E. O'Neill	Partner 2005; Member of PA Bar since 1985; Member of DE Bar since 2001	\$595.00	29.10	\$17,314.50
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	3.40	\$ 1,683.00
Kathleen P. Makowski	Of Counsel 2008; Member of PA Bar since 1996; Member of DE Bar since 1997	\$425.00	28.10	\$11,942.50
David A. Abadir	Associate 2009; Member of MA Bar since 1997; Member of NY Bar since 2008	\$395.00	0.30	\$ 118.50
Kathe F. Finlayson	Paralegal 2000	\$225.00	0.50	\$ 112.50
Monica Molitor	Paralegal 2009	\$225.00	0.80	\$ 180.00
Patricia E. Cuniff	Paralegal 2000	\$215.00	0.50	\$ 107.50
Margaret L. Oberholzer	Paralegal 2007	\$210.00	28.00	\$ 5,880.00
Cheryl A. Knotts	Paralegal 2000	\$205.00	3.20	\$ 656.00
Sheryle L. Pitman	Case Management Assistant 2001	\$125.00	7.60	\$ 950.00
Beatrice M. Koveleski	Case Management Assistant 2009	\$125.00	3.90	\$ 487.50
Ida L. Lane	Case Management Assistant 2009	\$125.00	1.60	\$ 200.00
Charles J. Bouzoukis	Case Management Assistant 2001	\$115.00	3.40	\$ 391.00

**Grand Total:     \$   46,474.50**  
**Total Hours:     118.30**  
**Blended Rate:    \$   392.85**

**COMPENSATION BY CATEGORY**

<b>Project Categories</b>	<b>Total Hours</b>	<b>Total Fees</b>
Asset Disposition	8.90	\$ 3,408.00
Appeals	1.10	\$ 907.50
Bankruptcy Litigation	43.70	\$24,021.00
Case Administration	23.30	\$ 3,576.50
Claims Admin/Objections	3.70	\$ 1,099.50
Compensation of Professional	10.20	\$ 3,846.00
Compensation Professionals/Others	6.90	\$ 1,775.00
Executory Contracts	8.40	\$ 3,443.50
Financial Filings	5.10	\$ 1,588.00
Retention of Prof./Others	7.00	\$ 2,809.50

**EXPENSE SUMMARY**

<b>Expense Category</b>	<b>Service Provider<sup>3</sup> (if applicable)</b>	<b>Total Expenses</b>
Working Meals	The Rodney Grill	\$ 146.20
Conference Call	CourtCall	\$ 366.00
Delivery/Courier Service	Tristate	\$ 688.23
Express Mail	DHL and Federal Express	\$ 108.46
Fax Transmittal	Outgoing only	\$ 594.00
Outside Services	Digital Legal Services	\$ 47.59
Court Research	Pacer	\$ 24.56
Postage	US Mail	\$ 520.72
Reproduction Expense		\$2,605.10
Reproduction/ Scan Copy		\$ 109.10
Overtime	L. Ellis	\$ 319.60
Transcript	Diaz Data Services	\$3,045.25

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

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) (Jointly Administered)  
Debtors. )

**Objection Deadline: March 17, 2010 at 4:00 p.m.**  
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**EIGHTH QUARTERLY APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES LLP, AS CO-COUNSEL TO THE DEBTORS, FOR THE PERIOD FROM JULY 1, 2009 THROUGH SEPTEMBER 30, 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 (“Debtors”), hereby submits its Eighth Quarterly Application for Compensation and for Reimbursement of Expenses for the Period from July 1, 2009 through September 30, 2009 (the “Application”).

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<sup>1</sup> 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 quarterly interim allowance of compensation in the amount of \$46,474.50 and actual and necessary expenses in the amount of \$8,574.81 for a total of \$55,049.31, and payment of the unpaid portion of such fees and costs, for the period July 1, 2009 through September 30, 2009 (the "Interim Period"). 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 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 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.

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

**Monthly Fee Applications Covered Herein**

5. The Monthly Fee Applications for the periods July 1, 2009 through September 30, 2009 of PSZ&J have been filed and served pursuant to the Administrative Order.

6. On September 25, 2009, PSZ&J filed its Twenty-Third Monthly Application of Pachulski Stang Ziehl & Jones LLP for Compensation and for Reimbursement of Expenses as Counsel to the Debtors and Debtors in Possession for the Period from July 1, 2009 through July 31, 2009 ("Twenty-Third Monthly Fee Application") requesting \$35,004.00 in fees and \$4,222.38 in expenses. PSZ&J has not received any payment of fees or expenses requested in the Twenty-Third Monthly Fee Application. A true and correct copy of the Twenty-Third Monthly Fee Application is attached hereto as Exhibit A.

7. On November 12, 2009, PSZ&J filed its Twenty-Fourth Monthly Application of Pachulski Stang Ziehl & Jones LLP for Compensation and for Reimbursement of Expenses as Counsel to the Debtors and Debtors in Possession for the Period from August 1, 2009 through August 31, 2009 (“Twenty-Fourth Monthly Fee Application”) requesting \$7,163.50 in fees and \$3,883.47 in expenses. PSZ&J has not received any payment of fees or expenses requested in the Twenty-Fourth Monthly Fee Application. A true and correct copy of the Twenty-Fourth Monthly Fee Application is attached hereto as Exhibit B.

8. On January 21, 2010, PSZ&J filed its Twenty-Fifth Monthly Application of Pachulski Stang Ziehl & Jones LLP for Compensation and for Reimbursement of Expenses as Counsel to the Debtors and Debtors in Possession for the Period from September 1, 2009 through September 30, 2009 (“Twenty-Fifth Monthly Fee Application”) requesting \$4,307.00 in fees and \$468.96 in expenses. PSZ&J has not received any payment of fees or expenses requested in the Twenty-Fifth Monthly Fee Application. A true and correct copy of the Twenty-Fifth Monthly Fee Application is attached hereto as Exhibit C.

9. 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 Interim Period as well as other detailed information required to be included in fee applications.

#### **Requested Relief**

10. By this Application, PSZ&J requests that the Court approve payment of one-hundred percent (100%) of the fees and expenses incurred by PSZ&J during the Interim Period of July 1, 2009 through September 30, 2009.

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

12. 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.

13. 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.

14. The professional services and related expenses for which PSZ&J requests interim allowance of compensation and reimbursement of expenses were rendered and incurred in connection with this case in the discharge of PSZ&J's professional responsibilities as

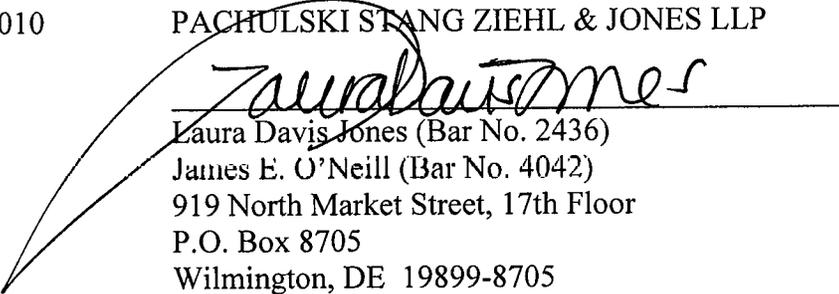
attorneys for the Debtors in their chapter 11 case. PSZ&J's services have been necessary and beneficial to the Debtors and their estate, creditors and other parties in interest.

15. 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, in the form attached hereto, providing that an interim allowance be made to PSZ&J for the period from July 1, 2009 through September 30, 2009 in the sum of \$46,474.50, as compensation for necessary professional services rendered, and the sum of \$8,574.81, for reimbursement of actual necessary costs and expenses, for a total of \$55,049.31; that the Debtors be authorized and directed to pay to PSZ&J the outstanding amount of such sums; and for such other and further relief as may be just and proper.

Dated: February 24, 2010

PACHULSKI STANG ZIEHL & JONES LLP



Laura Davis Jones (Bar No. 2436)  
James E. O'Neill (Bar No. 4042)  
919 North Market Street, 17th Floor  
P.O. Box 8705  
Wilmington, DE 19899-8705  
Telephone: (302) 652-4100  
Facsimile: (302) 652-4400

Co-Counsel to the Debtors

**VERIFICATION**

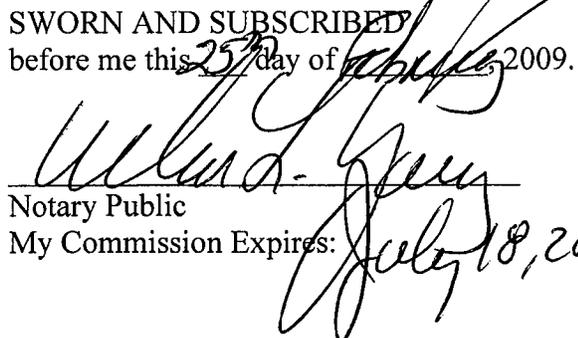
STATE OF DELAWARE       :  
   :  
COUNTY OF NEW CASTLE   :

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 25<sup>th</sup> day of February, 2009.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: July 18, 2011

**DEBRA L. YOUNG  
NOTARY PUBLIC  
STATE OF DELAWARE  
My commission expires July 18, 2011**