

**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. :
: **Re: Dkt. No. 1099**

**ORDER UNDER 11 U.S.C. §§ 105(a) AND 363 AND FED. R. BANKR. 2002 AND 6004
(A) APPROVING THE SALE OF THE IP ASSET FREE AND CLEAR OF ALL LIENS,
CLAIMS, INTERESTS, AND ENCUMBRANCES PURSUANT TO
11 U.S.C. § 363 AND (B) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”) of Edward N. Cahn, Chapter 11 Trustee for the above-captioned debtors in these chapter 11 cases (the “Debtors”), pursuant to sections 105(a) and 363(b), (f), (m) of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for an order authorizing and approving (a) the sale of “The SCO Group, Inc. – Perk Up,” which includes United States Patent Number 6,931,544, Method and Apparatus for Executing Multiple JAVA(™) Applications on a Single JAVA(™) Virtual Machine, together with any patents and patents issuing from applications claiming priority to such patents (the “IP Asset”) to Liberty Lane, LLC (“Liberty Lane”); (b) the Trustee to execute and deliver the Patent Assignment by The SCO Group, Inc. (“SCO”) to Liberty Lane, attached hereto as Exhibit 1, consummate the sale of the IP Asset; and (c) granting other relief.

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.

IT IS HEREBY FOUND AND DETERMINED:

A. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue of these proceedings and this Motion is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

B. The statutory predicates for the relief sought herein are Bankruptcy Code §§ 105(a) and 363(b), (f), (m) and Fed. R. Bankr. P. 2002(a)(2) and 6004(a), (b),(c),(e),(f) and (h).

C. As evidenced by the certificate of service filed with this Court, (i) proper, timely, adequate, and sufficient notice of the Motion, the transaction contemplated by the Motion, and the hearing on the Motion (the "Sale Hearing") has been provided in accordance with Bankruptcy Code Sections 102, 105 and 363 and Bankruptcy Rules 2002, 6004, and 9014, including advertisements in the local newspapers in Salt Lake City, Utah; and (ii) no other or further notice of the Motion, the transaction contemplated by the Motion, the Sale Hearing, or entry of this Order is required.

D. A reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded to all interested persons and entities, including, but not limited to: the Office of the United States Trustee; (ii) known persons holding a lien, claim, encumbrance or other interest in, to, or against the IP Asset; and (iii) all entities who have filed a notice of appearance and request for service of papers in the Debtors' bankruptcy cases pursuant to Bankruptcy Rule 2002.

E. The Trustee and his retained professionals have marketed the IP Asset diligently, in good faith, and in a commercially reasonable manner to secure the highest and best offer for the IP Asset.

F. The terms and conditions of the Patent Assignment: (i) are fair and reasonable, (ii) valid, binding and enforceable, (iii) constitute the highest and best offer for the IP Asset, (iv) will provide a greater recovery for the Debtors' estates than would be provided by any other practical, available alternative, (v) constitute reasonably equivalent value and fair consideration for the IP Asset, and (vi) are in the best interests of the Debtors, the bankruptcy estates, creditors, and all parties in interest. The sale of the IP Asset (the "Sale") must be approved and consummated promptly in order to maximize the value of the Debtors' estates.

G. Liberty Lane is a good faith purchaser in accordance with Bankruptcy Code section 363(m) and, as such, is entitled to all of the protections afforded thereby.

H. Neither SCO nor Liberty Lane has engaged in any conduct that would cause or permit the application of Bankruptcy Code section 363(n) to the Sale, including having the Patent Assignment voided.

ACCORDINGLY, THE COURT HEREBY ORDERS THAT:

1. The Motion is GRANTED.
2. Any objections to the Motion or the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included therein, are overruled on the merits. Parties who did not object, or who withdrew their objections to the Motion, are deemed to have consented pursuant to Bankruptcy Code section 363(f)(2).
3. The Trustee is authorized and directed, pursuant to Bankruptcy Code sections 105(a) and 363(b), to perform all of his obligations pursuant to the Patent Assignment and to take such other actions as are reasonably necessary to effectuate the transaction contemplated by the Patent Assignment.

4. The sale of the IP Asset, pursuant to this Order and the Patent Assignment, will vest the Buyer with good title to the IP Asset and will be a legal, valid and effective assignment of the IP Asset free and clear of all liens, claims, interests or other encumbrances (collectively, "Liens"), with all such Liens to attach to the net proceeds of the sale in the order of their priority, if any, and with the same validity, priority, force and effect which such holder has prior to the sale of the IP Asset, subject to the rights, claims, defenses, and objections, if any, of the Debtors and all parties in interest, pursuant to Bankruptcy Code sections 105(a) and 363(f).

5. All persons or entities holding liens in, to or against the IP Asset shall be, and they hereby are, forever barred from asserting such liens against the Buyer and its successors and assigns, or against such IP Asset after Closing.

6. The Patent Assignment may be modified, amended, or supplemented through a written document signed by the parties thereto in accordance with the terms thereof without further order of this Court; provided, however, that any such modification, amendment or supplement is neither material nor changes the economic substance of the transactions contemplated hereby.

7. Until these cases are closed or dismissed, this Court shall retain exclusive jurisdiction (a) to enforce and implement the terms and provisions of the Patent Assignment, all amendments thereto, and any waivers and consents thereunder; (b) to compel SCO and Liberty Lane to perform all of their respective obligations under the Patent Assignment; (c) to resolve any disputes, controversies or claims arising out of or relating to the Patent Assignment; and (d) to interpret, implement and enforce the provisions of this Order.

8. This Order shall be binding upon (i) Trustee, the Debtors and the estates, (ii) all creditors of, and holders of equity interests in, any Debtor, (iii) all holders of Liens against the IP Asset, (iv) Liberty Lane, and (v) all successors and assigns of any of the foregoing.

9. The failure to include any particular provision of the Patent Assignment in this Order shall not diminish or impair the effectiveness of that provision, it being the intent of this Court and the parties that the Patent Assignment be approved and authorized in its entirety.

10. This Order constitutes a final order pursuant to 28 U.S.C. § 158(a). As provided by Bankruptcy Rule 7062, this Order shall be effective and enforceable immediately. The provision of Bankruptcy Rule 6004(h) staying the effectiveness of this Order for 14 days is hereby waived. This Court has found that time is of the essence in closing the transaction contemplated by the Patent Assignment and the parties to the Patent Assignment shall be authorized to consummate the transaction as soon as possible consistent with the terms of the Patent Assignment.

Dated: April 20, 2010
Wilmington, DE



THE HONORABLE KEVIN GROSS
UNITED STATES BANKRUPTCY JUDGE