

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.) **Related Docket No. 12**

**ORDER UNDER 28 U.S.C. § 156(c), BANKRUPTCY RULE 2002(f),
AND LOCAL RULE 2002-1(f) AUTHORIZING AND APPROVING
THE RETENTION OF AND APPOINTING EPIQ BANKRUPTCY
SOLUTIONS, LLC, AS NOTICING, CLAIMS AND BALLOTING AGENT**

Upon consideration of the application (the "Application")² of the above-captioned debtors and debtors in possession (the "Debtors") for an order pursuant to 28 U.S.C. § 156(c), Rule 2002(f) of the Federal Rules of Bankruptcy procedure (the "Bankruptcy Rules"), and Rule 2002-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), authorizing and approving the Debtors' retention of Epiq Bankruptcy Solutions, LLC ("Epiq") as claims, noticing and balloting agent and as Agent of the Court in these chapter 11 cases; and upon the declaration of Daniel C. McElhinney, Esquire. (the "McElhinncy Declaration"), attached to the Application; and due and adequate notice of the Application having been given; and it appearing that no further or other notice is required; and the Court being satisfied that Epiq is a "disinterested

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 Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Application.

person” as such term is defined under section 101(14), as modified by section 1107(b) of the Bankruptcy Code, and that the retention of Epiq is necessary and is in the best interests of the Debtors and their estates, creditors and equity holders; and after due deliberation and sufficient cause appearing therefore; it is hereby

ORDERED that the Application is granted as modified herein; and it is further

ORDERED that the Debtors’ retention of Epiq as Agent under the terms of the Agreement is approved as modified by the Order; and it is further

ORDERED that the Debtors are authorized to retain Epiq effective as of the Petition Date to perform the noticing, claims processing, balloting and other services described in the Application, including, but not limited to receiving, maintaining, recording and otherwise administering proofs of claim filed in the chapter 11 cases; and it is further

ORDERED that pursuant to section 503(b)(1)(A) of the Bankruptcy Code, the fees and expenses of Epiq incurred pursuant to the Agreement are to be treated as an administrative expense of the Debtors’ chapter 11 estates, and shall be paid by the Debtors in the ordinary course of business after the submission of an invoice in reasonable detail to the Debtors, any official committee and the United States Trustee describing the basis for the fees and expenses requested to be paid thereto, with the Debtors, any official committee and the United States trustee having ten (10) days to review and objection to same prior to payment thereof, and it is further

ORDERED that if the Debtors, any official committee or the United States Trustee object to the invoice, the Debtors are permitted to remit to Epiq the undisputed portion of

the invoice and, if applicable, pay the balance to Epiq upon resolution of the disputed fees and expenses; and it is further

ORDERED that paragraph 7.4 of the Agreement is qualified as follows:

(a) Epiq shall not be entitled to indemnification, contribution or reimbursement pursuant to the Agreement for services other than those described in the Agreement, unless such services and indemnification therefore are approved by the Court;

(b) The Debtors shall have no obligation to indemnify Epiq, or provide contribution or reimbursement to Epiq, for any claim or expense that is either: (i) judicially determined (the determination having become final) to have arisen from Epiq's gross negligence or willful misconduct; (ii) for a contractual dispute in which the Debtors allege the breach of Epiq's contractual obligations unless the Court determines that indemnification, contribution or reimbursement would be permissible pursuant to In re United Artists Theatre Co., 315 F.3d 217 (3d Cir. 2003); or (iii) settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii) above, but determined by the Court, after notice and a hearing, to be a claim or expense for which Epiq should not receive indemnity, contribution or reimbursement under the terms of the agreement as modified by this Order; and

(c) If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these chapter 11 cases, Epiq believes that it is entitled to the payment of amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Agreement (as modified by this Order), including without limitation the advancement of defense costs, Epiq must file an application therefore in

this Court, and the Debtors may not pay any such amounts to Epiq before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by Epiq for indemnification, contribution or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify Epiq. All parties in interest shall retain the right to object to any demand by Epiq for indemnification, contribution or reimbursement; and it is further

ORDERED that paragraph 8 of the Agreement is deleted and shall have no further force or effect; provided, however, that the Debtors reserve the right to seek approval of paragraph 8 of the Agreement (or similar relief) after notice and a hearing; and it is further

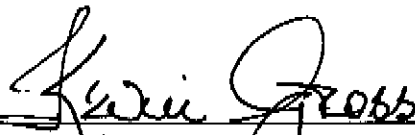
ORDERED that if these cases are converted to cases under chapter 7 of the Bankruptcy Code, Epiq will continue to be paid for its services until all claims in these cases have been processed; and if claims agent representation is necessary in the converted chapter 7 cases, Epiq will continue to be paid in accordance with 28 U.S.C. § 156(c) upon the terms of the Agreement and this Order; and it is further

ORDERED that if Epiq is unable to provide the services set forth in the Agreement, Epiq will immediately notify the Clerk's office, the Debtors and the Debtors' counsel and cause all original proofs of claim and computer information turned over to another claims agent with the advice and consent of the Clerk, the Debtors and the Debtors' counsel; and it is further

ORDERED that Epiq shall not cease providing services for any reason including nonpayment, without prior order of this Court authorizing Epiq to do so; and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated: September 18, 2007



The Honorable Kevin Gross
United States Bankruptcy Judge