

## EXHIBITS TO DISCLOSURE STATEMENT

- Exhibit A:** Debtors' Joint Plan of Reorganization
- Exhibit 1:** Stockholders' Agreement
- Exhibit 2:** Stock Option Agreement
- Exhibit 3:** Warrant Agreement
- Exhibit 4:** Trust Recovery Scenarios
- Exhibit 5:** Stock Purchase Agreement
- Exhibit 6:** Loan Agreement
- Exhibit 7:** Designation of Rights and Preferences of the Series A Preferred Stock
- Exhibit 8:** Registration Rights Agreement
- Exhibit 9:** List of Debtors' Accounts Receivable Derived from Debtors' Schedules
- Exhibit 10:** Exhibits 3b and 3c attached to the Debtors' Statement of Financial Affairs
- Exhibit 11:** Liquidation Analysis

# **EXHIBIT A**

UNITED STATES BANKRUPTCY COURT

DISTRICT OF DELAWARE

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

**DEBTORS' JOINT PLAN OF REORGANIZATION**

**Dated: February 29, 2008**

Berger Singerman, P.A.  
Paul Steven Singerman  
Arthur J. Spector  
Grace E. Robson  
350 E. Las Olas Boulevard, Suite 1000  
Fort Lauderdale, FL 33301  
Tel: (954) 525-9900  
Fax: (954) 523-2872

Pachulski Stang Ziehl & Jones LLP  
Laura Davis Jones  
James E. O'Neill  
Rachel Lowy Werkheiser  
919 Market Street, 17<sup>th</sup> Floor  
P.O. Box 8705  
Wilmington, DE 19899-8705  
Tel: (302) 652-4100  
Fax: (302) 652-4400

---

<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.

# TABLE OF CONTENTS

	Page
INTRODUCTION .....	1
ARTICLE 1      DEFINITIONS, INTERPRETATION AND EXHIBITS.....	1
1.1      Scope of Definitions .....	1
1.2      Definitions.....	1
1.3      Interpretation.....	7
1.4      Computation of Time.....	8
ARTICLE 2      PROVISION FOR PAYMENT OF ALLOWED ADMINISTRATIVE EXPENSE CLAIMS, PRIORITY TAX CLAIMS AND STATUTORY FEES .....	8
2.1      Administrative Expense Claims.....	8
2.2      Professional Fee Claims. All Professional Fee Claims shall be treated as follows: .....	8
2.3      Priority Claims .....	9
2.4      Statutory Fees.....	9
ARTICLE 3      CLASSIFICATION, IMPAIRMENT AND TREATMENT OF CLAIMS AGAINST AND EQUITY INTERESTS IN DEBTORS.....	9
3.1      Classification and Treatment .....	9
3.2      Separate Classes and Treatment.....	13
3.3      Claims May Be in More Than One Class .....	13
ARTICLE 4      MEANS OF IMPLEMENTING THE PLAN.....	13
4.1      Funding of Plan.....	13
4.2      Extinguishment of Existing Common Stock and Common Stock Equivalents of SCO Group .....	13
4.3      Retention by Reorganized SCO of Stock of Operations.....	13
4.4      Issuance of New Common Stock and New Common Stock Equivalents of SCO Group.....	14
4.5      Issuance of New Preferred Stock of Reorganized SCO.....	14
4.6      Vesting and Non-Vesting of Property of the Estates .....	15
4.7      Creation and Initial Funding of Grantor Trust.....	15
4.8      Appointment of Trustee .....	16
4.9      Compensation to Trustee .....	16
4.10     Corporate Action.....	16

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
4.11 Continued Corporate Existence .....	16
4.12 Corporate Governance .....	16
4.13 SEC Reporting .....	17
<b>ARTICLE 5</b> PROVISIONS GOVERNING DISTRIBUTION .....	<b>17</b>
5.1 Distributions.....	17
5.2 Delivery of Distributions .....	17
5.3 Unclaimed Property .....	17
5.4 Manner of Payment.....	18
5.5 Timing of Distributions to Creditors Holding Allowed Claims .....	18
5.6 Timing of Distributions to Holders of Equity Interests in SCO Group .....	18
5.7 Fractional Cents .....	19
<b>ARTICLE 6</b> PROCEDURES FOR RESOLVING AND TREATING DISPUTED AND CONTINGENT CLAIMS .....	<b>19</b>
6.1 Objections to Claims and Interests .....	19
6.2 No Distribution Pending Allowance.....	19
6.3 Disputed Claims Reserve for Claims Other than Under Pending Litigation.....	19
6.4 Distribution After Allowance on Claims Other than in Respect of Pending Litigation.....	19
6.5 Retention of Availability on Credit Line to Pay Allowed Claims in Respect of Pending Litigation.....	20
6.6 Distribution if Claims in Respect of Pending Litigation are Allowed.....	20
6.7 Disallowance of Claims .....	20
<b>ARTICLE 7</b> AMENDMENTS TO CLAIMS AND ADMINISTRATIVE EXPENSE CLAIMS AFTER APPLICABLE BAR DATES .....	<b>20</b>
7.1 Amendments to Claims and Administrative Expense Claims .....	20
7.2 Claims Filed After Bar Dates.....	20
<b>ARTICLE 8</b> EXECUTORY CONTRACTS AND UNEXPIRED LEASES .....	<b>21</b>
8.1 General Treatment: Assumed if not Previously Rejected.....	21
8.2 Bar to Cure Amounts .....	21
<b>ARTICLE 9</b> CONDITIONS PRECEDENT TO EFFECTIVENESS OF PLAN .....	<b>21</b>
9.1 Conditions to Effectiveness of Plan.....	21

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
9.2 Notice of Confirmation of the Plan.....	21
9.3 Notice of Effective Date of the Plan .....	21
ARTICLE 10 LIMITATION OF LIABILITY, RELEASES AND INJUNCTION.....	22
10.1 Exculpation and Limitation of Liability .....	22
10.2 Injunction .....	22
ARTICLE 11 RETENTION OF JURISDICTION.....	22
11.1 Retention of Jurisdiction.....	22
11.2 Abstention and Other Courts .....	24
ARTICLE 12 MISCELLANEOUS PROVISIONS.....	25
12.1 Severability .....	25
12.2 Setoffs and Recoupments.....	25
12.3 Binding Effect.....	25
12.4 Governing Law .....	25
12.5 Timing of Distributions.....	25
12.6 Payment of Statutory Fees and Compliance with Reporting Requirements.....	25
12.7 Tax Liability.....	26
12.8 Revocation or Withdrawal of Plan.....	26
12.9 Nonmaterial Modifications .....	26
12.10 Material Modifications.....	26
12.11 Notices .....	26
12.12 Successors and Assigns.....	27

## INTRODUCTION

The SCO Group, Inc. (“SCO Group”) and SCO Operations, Inc. (“Operations”) jointly propose the following plan of reorganization (as amended from time to time, and including all addenda, exhibits, schedules and other attachments hereto, as any of the same may be amended from time to time, all of which are incorporated herein by reference, the “Plan”), pursuant to the provisions of chapter 11 of the Bankruptcy Code (defined in Section 1.2 below).

For a discussion of the Debtors’ history, business, operations, assets and liabilities and for a summary and analysis of the Plan, reference should be made to the *Disclosure Statement in Connection with the Debtors’ Joint Plan of Reorganization* (the “Disclosure Statement”). All Creditors and Holders of Equity Interests are encouraged to read the Disclosure Statement and the Plan carefully.

## ARTICLE 1 DEFINITIONS, INTERPRETATION AND EXHIBITS

**1.1 *Scope of Definitions.*** For purposes of the Plan, except as expressly provided or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings assigned to them in this Article 1 of the Plan. Any term used in the Plan that is not defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules (as defined below), shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be. Whenever the context requires, such terms shall include the plural as well as the singular number, and reference to any gender shall include the masculine, feminine and neuter genders.

### **1.2 *Definitions.***

“Administrative Expense Claim” means a Claim for costs and expenses of administration allowed under section 503(b) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the Estates of any of the Debtors, any actual and necessary expenses of operating the business of either of the Debtors, but exclusive of Professional Fee Claims.

“Administrative Expense Claim Bar Date” means the date fixed in Section 2.1(b) of this Plan as the last date for filing proofs of Administrative Expense Claims.

“Affiliate” means any Person that is an “affiliate” of any of the Debtors within the meaning of section 101(2) of the Bankruptcy Code.

“Allowed” when used with respect to a Claim, means a Claim: (a) which has been listed on the Schedules of any of the Debtors as other than disputed, contingent or unliquidated and as to which no proof of Claim or objection has been timely filed; (b) as to which a proof of Claim has been timely filed and either: (i) no objection thereto has been timely filed or (ii) the Claim has been allowed (but only to the extent allowed) by a Final Order of the Bankruptcy Court; (c) which has been allowed under the provisions of this Plan; (d) which is a Professional Claim for which a fee award amount has been approved by Final Order of the Bankruptcy Court; or

(e) which is allowed pursuant to any stipulation of amount and nature of Claim executed by the applicable Debtor and Holder of the Claim on or after the Effective Date.

“Autozone Litigation” means the case styled *The SCO Group, Inc. v. Autozone, Inc.*, pending in the United States District Court for the District of Nevada, Case No. CV-S-04-0237-RCJ-LRL.

“Available Cash” means: (i) with respect to the payments to Holders of Allowed Claims to be made on the Effective Date, the amount of Cash determined by the Debtors, in the exercise of their reasonable business judgment after accounting for the Disputed Claims Reserve, and the availability under the Debt Financing, to be available for distribution to such Holders of Allowed Claims under this Plan; and (ii) with respect to each subsequent distribution to any Holder of an Allowed Claim, the amount of Cash available (including availability under the Debt Financing) to make payments or distributions pursuant to this Plan at the time of such distribution.

“Avoidance Action” means a Cause of Action which either of the Debtors may assert under sections 541, 542, 543, 544, 545, 547, 548, 549, 550 or 553 of the Bankruptcy Code.

“Ballot” means the ballot, the form of which has been approved by the Bankruptcy Court, accompanying the Disclosure Statement provided to each Holder of an Interest entitled to vote to accept or reject this Plan.

“Bankruptcy Code” means title 11 of the United States Code, sections 101 *et seq.*, as now in effect or as hereafter amended.

“Bankruptcy Court” means the United States Bankruptcy Court for the District of Delaware, or such other court having jurisdiction over the Chapter 11 Cases.

“Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure, as amended and the local bankruptcy rules for the Bankruptcy Court as now in effect or as the same may from time to time hereafter be amended.

“Bar Date” means the date(s) established by the Bankruptcy Court as the last date for filing proofs of Claim against the Debtors.

“Business Day” means any day that is not a Saturday, a Sunday or “legal holiday” as such term is defined in Bankruptcy Rule 9006(a).

“Cash” means cash or cash equivalents, including but not limited to, wire transfers, checks and other readily marketable direct obligations of the United States of America and certificates of deposit issued by banks.

“Causes of Action” means, except as provided otherwise in the Plan, the Confirmation Order or any document, instrument, release or other agreement entered into in connection with the Plan, all Claims, actions, choses in action, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, controversies, variances, trespasses, damages, judgments, third-party claims, counterclaims and cross claims (including, but not limited to, any Avoidance Actions, the IBM Litigation, Novell Litigation, Autozone Litigation

and the Red Hat Litigation) that are or may be pending on the Effective Date or instituted by the Debtor(s) after the Effective Date against any Person based on law or equity, including, but not limited to, under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted, known or unknown.

“Chapter 11 Cases” means, collectively, the chapter 11 cases pending for the Debtors in the Bankruptcy Court and jointly administered under case number 07-11337 (KG).

“Claim” has the same meaning ascribed in section 101(5) of the Bankruptcy Code.

“Class” means a category of Holders of Claims or Equity Interests as set forth in Article 3 of the Plan.

“Confirmation Date” means the date on which the Bankruptcy Court enters the Confirmation Order on its docket.

“Confirmation Hearing” means the hearing before the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of this Plan.

“Confirmation Order” means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code, as such order may be amended, modified or supplemented.

“Creditor” has the same meaning ascribed in section 101(10) of the Bankruptcy Code and shall refer to any Holder of a Claim against any Debtor or Holder of any Claim against property of any Debtor as defined in section 102(2) of the Bankruptcy Code.

“Debt Financing” means the five year non-revolving credit line in amounts up to US \$95 million to be made available to the Debtors pursuant to the Loan Agreement included in the Definitive Agreements (as defined in the MOU).

“Debtors” means, collectively, The SCO Group, Inc. and SCO Operations, Inc.

“Debtors in Possession” means the Debtors in the capacity, and with the status and rights, conferred by sections 1107 and 1108 of the Bankruptcy Code.

“Disallowed,” when used with respect to a Claim, means a Claim: (a) which has been listed on the Schedules of any of the Debtors as disputed, contingent or unliquidated and as to which no proof of Claim has been timely filed; (b) as to which a proof of Claim has been timely filed and either: (i) an objection thereto has been timely filed, or (ii) the Claim has been disallowed (but only to the extent disallowed) by a Final Order of the Bankruptcy Court; (c) with respect to any Claim held by Novell or IBM, when Final Order is entered against Novell or IBM in the Novell Litigation or the IBM Litigation, as applicable; or (d) which has been disallowed under the provisions of this Plan.

“Disbursing Agent” means Reorganized Operations, or such other person or entity designated or retained by the Debtors to make distributions to Holders of Allowed Claims and maintain the Disputed Claims Reserve under this Plan.

“Disclosure Statement” means the disclosure statement for the Plan approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code (including all schedules and exhibits thereto), as such disclosure statement may be amended or modified from time to time.

“Disputed Claim” means any Claim against a Debtor or property of a Debtor to the extent that the Allowance of such Claim is the subject of an objection, appeal or motion to estimate that has been timely filed by a party in interest and which objection, appeal or motion has not been determined by a Final Order. In the event that any part of a Claim is disputed, such Claim in its entirety shall be deemed to constitute a Disputed Claim for purposes of distribution under this Plan unless the Debtors and the Holder thereof agree otherwise.

“Disputed Claims Reserve” means a reserve established to receive and hold, in a segregated account, to be established by the Disbursing Agent, Cash in an amount equal to the aggregate of amounts thereof or such other amounts as the parties may agree or the Bankruptcy Court may order, that would have been distributed on the Effective Date on account of such Disputed Claims (excluding, however, all Claims asserted in the Pending Litigation), against the Debtors or their property (had they been Allowed at that time).

“Effective Date” means the Business Day designated by the Debtors which is at least ten days after the date on which all of the conditions specified in Section 9.1 of this Plan are first satisfied or waived.

“Entity” has the meaning ascribed in section 101(15) of the Bankruptcy Code.

“Equity Financing” means the US \$5 million to be paid by SNCP pursuant to the Stock Purchase Agreement included in the Definitive Agreements (as defined in the MOU) to fund, among other things, the distributions in respect of the holders of Allowed Claims and Equity Interests to be made on the Effective Date under Article 4 of the Plan.

“Equity Interest” means any ownership interest or stock in SCO Group or Operations including, without limitation all rights (under outstanding stock option agreements, warrant agreements, and otherwise) to obtain such an interest or stock in any of the Debtors.

“Estate” means the estate created in the Chapter 11 Cases for each Debtor pursuant to section 541 of the Bankruptcy Code.

“File, Filed or Filing” means file, filed or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

“Final Order” means an order entered by a court of competent jurisdiction (other than an interim order that is not appealable) that is not subject to any further appeal.

“General Unsecured Claim” means a Claim that is not an Administrative Expense, a Secured Claim, a Lien Claim, a Miscellaneous Secured Claim, a Priority Claim or a Subordinated Claim.

“Holder” means an Entity holding a Claim or Equity Interest.

“IBM Litigation” means the case styled *The SCO Group, Inc. v. International Business Machines Corporation*, Case No. 2:03CV0294, pending in the United States District Court for the District of Utah.

“Impaired” means impaired within the definition of section 1124 of the Bankruptcy Code.

“Insider” has the meaning ascribed in section 101(31) of the Bankruptcy Code.

“Intercompany Claim” means any Claim by a Debtor against another Debtor.

“Lien” has the same meaning ascribed in section 101(37) of the Bankruptcy Code.

“MOU” means that certain Memorandum of Understanding dated February 13, 2008 by and between the Debtors and SNCP, as it may be amended from time to time. A copy of the MOU is attached as Exhibit A.

“New Common Stock” means Reorganized SCO’s authorized and issued common stock outstanding immediately after the Effective Date, including the shares of common stock to be issued to the Trust.

“Notice Agent” means Epiq Bankruptcy Solution, LLC, or such other firm retained pursuant to 28 U.S.C. § 156(c) in connection with the Chapter 11 Cases.

“Novell Litigation” means that case styled *The SCO Group, Inc. v. Novell, Inc.*, Case No. 2:04CV00139 pending in the United States District Court for the District of Utah.

“Novell/IBM Litigation” means both the Novell Litigation and the IBM Litigation.

“Old Common Stock” means SCO Group’s authorized and issued common stock outstanding immediately prior to the Effective Date.

“Pending Litigation” means collectively, the Autozone Litigation, the IBM Litigation, the Novell Litigation, and the Red Hat Litigation, and any other cause of action, counterclaim or cross claim that is pending against either of the Debtors as of the Effective Date.

“Person” means an individual, corporation, limited partnership, general partnership, association, limited liability company, estate, trust, joint venture, unincorporated organization, any governmental unit, other entity or group.

“Petition Date” means September 14, 2007, the date on which the Debtors commenced their Chapter 11 Cases by filing petitions for relief under chapter 11 of the Bankruptcy Code.

“Plan” means this chapter 11 plan, either in its present form or as it may be altered, amended, or modified from time to time in accordance with the provisions of the Bankruptcy Code and the Bankruptcy Rules.

“Priority Claim” means a Claim to the extent that it is of the kind described in, and entitled to priority under, sections 507(a)(3), (a)(4), (a)(5), (a)(6), (a)(7), (a)(8) or (a)(9) of the Bankruptcy Code.

“Priority Non-tax Claim” means a Claim to the extent that it is of the kind described in, and entitled to priority under sections 507(a)(3), (a)(4), (a)(5), (a)(6), (a)(7) or (a)(9) of the Bankruptcy Code, that is not a Priority Tax Claim.

“Priority Tax Claim” means a Claim of a governmental unit of the kind specified in subsection 507(a)(8) of the Bankruptcy Code.

“Professional” means any professional employed or to be compensated pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code.

“Professional Fee Claim Bar Date” means the date fixed in Section 2.2(b) of this Plan as the last date for filing proofs of Professional Fee Claims.

“Professional Fee Claim” means a Claim by a Professional for compensation and/or reimbursement of expenses, to the extent allowed pursuant to Sections 330 or 503 of the Bankruptcy Code.

“Property” means “property of the estate” as set forth in section 541 of the Bankruptcy Code.

“Proponents” means the Debtors as proponents of the Plan.

“Red Hat Litigation” means the action pending in the United States District Court for the District of Delaware under the case caption, *Red Hat, Inc. v. The SCO Group, Inc.*, Civil No. 03-772.

“Redemption Price” has the meaning ascribed in Section 5.6 of this Plan.

“Remaining Assets” means any and all real and personal property of the applicable Debtors, including Cash, assets, or other property of the Debtor’s Estate of every kind and character including, without limitation, the Disputed Claims Reserves, and Causes of Action, including Avoidance Actions that are property of the Debtors.

“Reorganized Debtors” means the Debtors in their post-confirmation status.

“Reorganized Operations” means SCO Operations, Inc. in its post-confirmation status.

“Reorganized SCO” means The SCO Group, Inc. in its post-confirmation status.

“Schedules” means each Debtors’ schedules of assets and liabilities filed with the clerk of the Bankruptcy Court pursuant to Bankruptcy Rule 1007, as they have been or may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009.

“Secured Claim” means a Claim that is secured by a Lien on, or security interest in, property of any of the Debtors, or that has the benefit of rights of setoff under section 553 of the Bankruptcy Code, but only to the extent of the value of the creditor’s interest in the Debtor’s interest in such property, or to the extent of the amount subject to setoff, which value shall be determined as provided in section 506 of the Bankruptcy Code.

“Series A Preferred Stock” means the Series A Preferred Stock of Reorganized SCO, including the shares to be issued to SNCP pursuant to the Stock Purchase Agreement.

“SNCP” means Stephen Norris Capital Partners, LLC or a special purpose entity organized for the purpose of consummating the transactions contemplated by the Stock Purchase Agreement and the Debt Financing, in which Stephen L. Norris is a manager or executive officer, and to which Stephen Norris Capital Partners, LLC assigns and delegates its rights and obligations under the MOU and the Stock Purchase Agreement.

“Statutory Fees” means any fees or charges assessed against the Estates of either of the Debtors under section 1930, chapter 123 of title 28 of the United States Code.

“Stockholders’ Agreement” means that certain agreement referenced in Section 4.4 of the Plan to be entered into by and among the Trust, Reorganized SCO and the holders of Series A Preferred Stock.

“Stock Purchase Agreement” means that certain stock purchase agreement entered into or to be entered into by and among the Debtors and SNCP, the terms and conditions of which shall govern SNCP’s acquisition of Series A Preferred Stock.

“Subordinated Claim” means, in accordance with section 510(b) of the Bankruptcy Code, any Claim arising from rescission of a purchase or sale of a security of the Debtors, for damages arising from the purchase or sale of such a security or for reimbursement of contribution allowed under section 502 of the Bankruptcy Code on account of such a Claim or for any fine or penalty.

“Trust” means that The SCO Group Irrevocable Grantor Trust between Reorganized SCO and the Trustee to be executed on the Effective Date of the Plan.

“Trustee” means the trustee under the Trust, which initially shall be a national bank or trust company chosen by the Debtors.

“Unimpaired” means any Claim that is not Impaired within the meaning of section 1124 of the Bankruptcy Code.

“Voting Deadline” means the date set in an order of the Bankruptcy Court as the deadline for the return of Ballots accepting or rejecting the Plan.

**1.3 Interpretation.** For purposes of the Plan, (a) any reference in the Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (b) any reference in the Plan to an existing document or exhibit filed or to be filed means such document or exhibit, as it may have

been or may be amended, modified or supplemented; (c) unless otherwise specified, all references in the Plan to Articles, Sections, Schedules and Exhibits are references to Articles, Sections, Schedules and Exhibits of or to the Plan; (d) the words “herein” and “hereto” refer to the Plan in their entirety rather than to a particular portion of the Plan; (e) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; and (f) the rules of construction set forth in section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

**1.4 Computation of Time.** In computing any period of time prescribed or allowed by the Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006 shall apply.

**ARTICLE 2**  
**PROVISION FOR PAYMENT OF ALLOWED ADMINISTRATIVE EXPENSE**  
**CLAIMS, PRIORITY TAX CLAIMS AND STATUTORY FEES**

**2.1 Administrative Expense Claims.** All Administrative Expense Claims shall be treated as follows:

(a) Each Holder of an Allowed Administrative Expense Claim shall receive the full amount thereof, without interest, in Cash (except to the extent that any Holder of an Allowed Administrative Expense Claim agrees to less favorable treatment thereof) as soon as practicable after the later of (i) the Effective Date or as soon as practicable thereafter, (ii) the date that is 11 days after an order of the Bankruptcy Court allowing such Administrative Expense Claim becomes a Final Order, or (iii) as mutually agreed by the Disbursing Agent and the Holder of such Allowed Administrative Expense Claim.

(b) All applications for payment of Administrative Expense Claims (or any other means of preserving and obtaining payment of Administrative Expense Claims found to be effective by the Bankruptcy Court) shall be filed no later than the 30th day after the Confirmation Date (the “Administrative Expense Claim Bar Date”); and if such requests for payment of Administrative Expense Claims are not so filed, the Holders of such Claims shall be forever barred and shall not be able to assert such Claims in any manner against the Debtors, the Disbursing Agent, the assets of the Debtors, or the Reorganized Debtors.

**2.2 Professional Fee Claims.** All Professional Fee Claims shall be treated as follows:

(a) Each Holder of an Allowed Professional Fee Claim shall receive the full amount thereof, without interest, in Cash (except to the extent that any Holder of an Allowed Professional Fee Claim agrees to less favorable treatment thereof) as soon as practicable after the later of (i) the Effective Date or as soon as practicable thereafter, (ii) the date that is 11 days after an order of the Bankruptcy Court allowing such Professional Fee Claim becomes a Final Order, or (iii) as mutually agreed by the Disbursing Agent and the Holder of such Allowed Professional Fee Claim.

(b) All applications for payment of Professional Fee Claims (or any other means of preserving and obtaining payment of Professional Fee Claims found to be effective by

the Bankruptcy Court) for services rendered and/or expenses incurred prior to the Confirmation Date shall be filed no later than the 60th day after the Confirmation Date (the “Professional Fee Claim Bar Date”); and if such requests for payment of Professional Fee Claims are not so filed, the Holders of such Claims shall be forever barred and shall not be able to assert such Claims in any manner against the Debtors or their assets.

(c) All reasonable costs and expenses of the Reorganized Debtors, including, without limitation, fees and expenses (including, without limitation, attorneys’ fees and expenses through all levels of appeal) for services rendered in connection with the Chapter 11 Cases and the Plan after the Confirmation Date, including, without limitation, those relating to the resolution of pending Claims and prosecution of Causes of Action, shall be paid promptly by the Reorganized Debtors, without the need for Bankruptcy Court approval, and may be paid as they come due.

**2.3 Priority Claims.** Each Holder of an Allowed Priority Claim shall receive, on account of such Claim, Cash equal to the amount of such Allowed Priority Claim, without post-petition interest or penalty, on the later of: (i) the Effective Date or as soon as practicable thereafter, or (ii) the date that is 11 days after an order of the Bankruptcy Court allowing such Priority Claim becomes a Final Order.

**2.4 Statutory Fees.** On or before the Effective Date, the Debtors shall pay or have paid in full in Cash all Allowed Statutory Fees payable pursuant to 28 U.S.C. § 1930 and any fees payable to the Bankruptcy Court which are due and payable on or before the Effective Date. All fees payable pursuant to 28 U.S.C. § 1930 after the Effective Date will be paid by the Disbursing Agent.

**ARTICLE 3  
CLASSIFICATION, IMPAIRMENT AND TREATMENT  
OF CLAIMS AGAINST AND EQUITY INTERESTS IN DEBTORS**

**3.1 Classification and Treatment.** All Claims and Equity Interests, except Administrative Expense Claims, Priority Claims and Statutory Fees, are placed in Classes as set forth below. A Claim or Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim or Equity Interest qualifies within the description of such other Classes. A Claim also is classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class, and such Claim has not been disallowed, paid or released prior to the Effective Date.

<u>Class</u>	<u>Type of Claim</u>	<u>Treatment</u>	<u>Voting Rights</u>
1	Priority Claims against SCO Group	Unimpaired. Paid in full on the Effective Date or as soon thereafter as practicable.	Not entitled to vote

1A	Priority Claims against Operations	Unimpaired. Paid in full on the Effective Date or as soon thereafter as practicable.	Not entitled to vote
2	Miscellaneous Secured Claims against SCO Group	Unimpaired. On the Effective Date, each Holder of an Allowed Secured Claim shall, at the election of SCO Group, either: (a) receive the collateral securing such Claim in full satisfaction, release and discharge of such Claim; or (b) (i) retain the Liens securing such Claim to the extent of its Allowed Claim, and (ii) receive deferred Cash payments totaling the Allowed amount of its Claim as of the Effective Date, or, if any such Claim becomes Allowed after the Effective Date, as soon as practicable after such Claim becomes Allowed; or (c) receive such other treatment as the Debtors and the Holder of such Claim shall agree upon in writing.	Not entitled to vote
2A	Miscellaneous Secured Claims against Operations	Unimpaired. On the Effective Date, each Holder of an Allowed Secured Claim shall, at the election of Operations, either (a) receive the collateral securing such Claim in full satisfaction, release and discharge of such Claim; or (b) (i) retain the Liens securing such Claim to the extent of its Allowed Claim, and (ii) receive deferred Cash payments totaling the Allowed amount of its Claim as of the Effective Date, or, if any such Claim becomes Allowed after the Effective Date, as soon as practicable after such Claim becomes Allowed; or (c) receive such other treatment as the Debtors and the Holder of such Claim shall agree upon in writing.	Not entitled to vote
3	General Unsecured Claims against SCO Group Other than Novell and IBM	Unimpaired. On the Effective Date or as soon thereafter as is practicable, the Disbursing Agent shall disburse to each Holder of an Allowed Class 3 Claim 100% of the principal amount of such Allowed Claim, plus (if applicable) interest at the contract rate from the Petition Date to the date of the Confirmation Hearing.	Not entitled to vote

3A	General Unsecured Claims against Operations	Unimpaired. On the Effective Date or as soon thereafter as is practicable, the Disbursing Agent shall disburse to each Holder of an Allowed Class 3A Claim 100% of the principal amount of such Allowed Claim, plus (if applicable) interest at the contract rate from the Petition Date to the date of the Confirmation Hearing.	Not entitled to vote
4	General Unsecured Claims against SCO Group in respect of Pending Litigation	Unimpaired. On the later of the Effective Date or the dates the claims asserted against the Debtors in any Pending Litigation become Allowed Claims, the Disbursing Agent shall disburse to each holder of an Allowed Class 4 Claim 100% of the principal amount of such Allowed Claim, plus (if applicable) interest at the contract or judgment rate, whichever is appropriate.	Not entitled to vote
5	Equity Interests in SCO Group	<p>Impaired. On the Effective Date, Equity Interests in SCO Group shall be cancelled and extinguished and Reorganized SCO will issue to the Trust shares of its New Common Stock, and options and warrants to purchase shares of its New Common Stock. On the Effective Date, Holders of Equity Interests in SCO Group shall receive a <i>pro-rata</i> beneficial interest in the Trust based upon their ownership of SCO Group's outstanding Old Common Stock and Old Common Stock equivalents immediately prior to cancellation of the Equity Interests.</p> <p>On the Effective Date or as soon after as practicable, Holders of Equity Interests consisting of shares of Old Common Stock (excluding Old Common Stock equivalents) shall receive an initial distribution from the Trust of \$2 million, less amounts reserved for fees and expenses of the Trust, which amount shall be funded by Reorganized SCO and shall be distributed by the Trust pro rata to such Holders based on their beneficial interests in the Trust.</p> <p>Further, within one year after the pending litigation claims in the Novell/IBM</p>	Entitled to vote

		<p>Litigation are finally resolved (by final judgment or order, not subject to further appeal, or settlement), Reorganized SCO will redeem all shares of New Common Stock held by the Trust (including shares of New Common Stock issued or issuable in respect of options and warrants to purchase shares of New Common Stock held by the Trust) for the Redemption Price. The Trust will distribute the proceeds of the Redemption Price to the beneficial owners of the Trust, <i>pro rata</i> based on their former interests in the Old Common Stock and Old Common Stock equivalents.</p> <p>Further, the Trust shall provide for liquidating distributions to all beneficiaries of the Trust if the following events occur before the New Common Stock held by the Trust is redeemed under the foregoing provisions, as follows: (i) if Reorganized SCO makes an initial public offering of its securities, the shares of New Common Stock held by the Trust will be distributed to the beneficiaries (in compliance with applicable securities laws and regulations); (ii) if all or substantially all of the assets of Reorganized SCO are sold (or any series of related transactions results in the sale or other transfer of all or substantially all of the assets of Reorganized SCO) or a merger, reorganization or other transaction in which holders of a majority of the outstanding voting control of Reorganized SCO immediately prior to the transaction do not own a majority of the outstanding voting shares of the surviving corporation occurs, the proceeds of such sale or other transaction which are payable to the Trust will be distributed to the beneficiaries of the Trust; and (iii) if Reorganized SCO voluntarily or involuntarily liquidates, dissolves or winds up, the proceeds payable to the Trust in connection therewith shall be distributed to the beneficiaries of the Trust. In the event of a sale, merger or equivalent transaction, the minimum amount that will be distributed to</p>	
--	--	--	--

		the Trust will be equal to the Redemption Price. The final distribution to the Trust beneficiaries will be allocated between beneficiaries who are former Holders of Old Common Stock and those that are former Holders of Old Common Stock equivalents, based on the amount of proceeds available for distribution (expressed as a price per share of New Common Stock) and the exercise price of the options and warrants held by the Trust.	
5A	Equity Interests in Operations	Unimpaired. Equity Interests in Operations shall be retained by Reorganized SCO.	Not entitled to vote

**3.2 Separate Classes and Treatment.** No Class, member of any Class or Holder of any Claim against or Equity Interest in the Debtors shall be entitled to or receive Cash or other property allocated for distribution to any other Class or to a Holder of a Claim, except as expressly specified in the Plan. The Disbursing Agent shall not disburse any Cash or other property allocated to a Class, member of any Class or a Holder of a Claim or Equity Interest to any other Class or member thereof or Holder of a Claim or Equity Interest, except as expressly specified in the Plan or the Confirmation Order.

**3.3 Claims May Be in More Than One Class.** A Claim is part of a particular Class only to the extent that the Claim qualifies within the definition of that Class and such Claim is part of a different Class to the extent that the remainder of the Claim qualifies within the description of a different Class.

**ARTICLE 4**  
**MEANS OF IMPLEMENTING THE PLAN**

**4.1 Funding of Plan.** SCO Group will fund the Plan from Available Cash, Debt Financing, Equity Financing, or a combination thereof. The Debtors anticipate that the Available Cash, Debt Financing and Equity Financing will be sufficient to pay all Allowed Administrative Claims, Professional Fee Claims, Statutory Fees, Priority Tax Claims, Priority Non-Tax Claims and Secured Claims, in full, and Allowed General Unsecured Claims plus (if applicable) interest, on the Effective Date and thereafter when Claims become Allowed Claims.

**4.2 Extinguishment of Existing Common Stock and Common Stock Equivalents of SCO Group.** On the Effective Date, the existing common stock and common stock equivalents of SCO Group shall be cancelled and extinguished.

**4.3 Retention by Reorganized SCO of Stock of Operations.** Reorganized SCO shall continue to own the existing common stock of Operations after Confirmation.

**4.4 Issuance of New Common Stock and New Common Stock Equivalents of SCO Group.** On the Effective Date, the Trust will receive shares of newly issued New Common Stock and options and warrants to purchase shares of New Common Stock of Reorganized SCO, initially representing 49% of Reorganized SCO's fully diluted equity after conversion of the Series A Preferred Stock, and thereafter representing between 49% and 15% of Reorganized SCO's fully diluted equity after conversion of the Series A Preferred Stock, the precise conversion percentage of which shall be determined based upon the conversion rights of the Series A Preferred Stock as set forth in the Stock Purchase Agreement and the Statement of Rights and Preferences for the Series A Preferred Stock. On the Effective Date, Holders of Equity Interests (including options and warrants) in SCO Group will receive a *pro-rata* beneficial interest in the Trust. On the Effective Date, the Trust will enter into a Stockholders' Agreement with Reorganized SCO and the holders of the Series A Preferred Stock, pursuant to which, among other things, (i) the Trust will agree not to sell or transfer any of its shares of New Common Stock or options or warrants to purchase shares of New Common Stock, except as provided therein or in the Trust, or the documents governing the options and warrants, and (ii) the holders of Reorganized SCO's outstanding equity securities will have rights and obligations (commonly referred to as "tag along" and "drag along" rights) to participate in a sale of all or substantially all of Reorganized SCO's outstanding equity securities (or a merger or other corporate reorganization of SCO that has the same effect as a sale of all or substantially all of its outstanding equity securities); provided that any such sale or merger or other corporate reorganization shall yield cash proceeds to the Trust in an amount at least equal to the Redemption Price. The issuance to the Trust and terms of the options to purchase shares of New Common Stock will be governed by a stock option agreement between Reorganized SCO and the Trust that will provide, among other things, for (a) an exercise price per share equal to \$.02 in excess of the current market value of the shares of Old Common Stock as of the Effective Date, as determined by Reorganized SCO's Board of Directors in good faith, (b) an exercise term of ten years from the Effective Date, and (c) cashless exercise of the options. The number of shares of New Common Stock into which the options issued to the Trust on the Effective Date will be convertible will correspond to the number of shares of Old Common Stock issuable upon exercise of the outstanding options issued prior to the Effective Date. The warrants issued to the Trust will be governed by essentially the same terms and conditions as SCO Group's existing warrants with the warrant holder, and will cover the same number of shares of New Common Stock as the number of shares of Old Common Stock which the warrant holder could receive upon the exercise of its warrants on the Effective Date. Immediately prior to Reorganized SCO's payment of the Redemption Price (or other event requiring a final distribution to the Trust in respect of the beneficial interests therein), the Trustee will cashlessly exercise all of its options and warrants to purchase shares of New Common Stock, so that such final distribution will be made after giving effect thereto.

**4.5 Issuance of New Preferred Stock of Reorganized SCO.** On the Effective Date, Reorganized SCO will issue shares of a newly created Series A Preferred Stock in accordance with the terms of the Stock Purchase Agreement and the Statement of Rights and Preferences for the Series A Preferred Stock. The Series A Preferred Stock will be convertible into shares of New Common Stock of Reorganized SCO at a conversion rate that will be determined based on the amount drawn by Reorganized SCO under the Debt Financing to pay and satisfy non-appealable judgments in the Novell Litigation and/or the IBM Litigation or to settle the Novell/IBM Litigation in a settlement transaction that requires a net payment to Novell and/or

IBM (a net payment made to Novell and/or IBM in connection with the resolution of the Novell/IBM Litigation is called a "Novell/IBM Payment"). If no amounts are drawn under the Debt Financing to effect a Novell/IBM Payment, the Series A Preferred Stock will convert into 51% of the then outstanding shares of New Common Stock. If the amount drawn under the Debt Financing to effect a Novell/IBM Payment is \$30 million or more, the Series A Preferred Stock will convert into 85% of the then outstanding shares of New Common Stock. If the amount drawn under the Debt Financing to effect a Novell/IBM Payment is more than \$0 but less than \$30 million, the Series A Preferred Stock will convert proportionately (e.g., if Reorganized SCO drew \$15 million under the Debt Financing to effect a Novell/IBM Payment, the Series A Preferred Stock would convert into 68% of the then outstanding shares of New Common Stock). The conversion rate of the Series A Preferred Stock will not adjust by reason of any draws under the Debt Financing other than draws to effect a Novell/IBM Payment; without limiting the generality of the foregoing, the conversion rate of the Series A Preferred Stock will not adjust by reason of draws under the Debt Financing to fund litigation costs or working capital requirements of Reorganized SCO or to provide letters of credit or other credit support (including cash payments) in connection with any appeals (including to post bonds to stay judgments or rulings pending appeal) of judgments or rulings in the Novell/IBM Litigation. The Series A Preferred Stock has certain preferential rights, privileges and powers, including (i) to elect a majority of Reorganized SCO's Board of Directors, (ii) to receive cumulative dividends at the rate of 10% per annum, (iii) liquidation preferences in the event of liquidation, dissolution or winding up of Reorganized SCO, or the sale of all or substantially all of its assets, or a merger, reorganization or similar transaction, and (iv) to require Reorganized SCO to redeem the shares of Series A Preferred Stock after the fifth anniversary of the Effective Date (to the extent the shares were not previously converted). In addition, the holders of Series A Preferred Stock have certain anti-dilution protections, preemptive rights, registration rights, and inspection and information rights.

**4.6 Vesting and Non-Vesting of Property of the Estates.** Pursuant to section 1141(b) and (c) of the Bankruptcy Code, all of the Property of the Estate of Operations shall vest in the Reorganized Operations free and clear of all Claims and interests of Creditors, and of Holders of Equity Interests. Property of the Estate of SCO Group, including Pending Litigation, shall not vest in Reorganized SCO until Reorganized SCO files a notice of vesting, but in no event later than the date that all Disputed Claims and, in particular, any claims held by Novell, IBM, Red Hat or Autozone, are finally Allowed or Disallowed pursuant to Final Orders. Thereafter, the Property of the Estate of SCO Group shall vest in Reorganized SCO free and clear of all Claims and interests of Creditors, and of Holders of Equity Interests.

**4.7 Creation and Initial Funding of Grantor Trust.** On the Effective Date, Reorganized SCO shall transfer, assign and convey to the Trust, free and clear of all Liens, Claims and Equity Interests, shares of newly issued New Common Stock and New Common Stock equivalents of Reorganized SCO, initially representing 49% of Reorganized SCO's fully diluted equity after conversion of the Series A Preferred Stock (and subsequently representing between 49% and 15% of Reorganized SCO's fully diluted equity after conversion of the Series A Preferred Stock, depending on the conversion rate in effect, as determined in accordance with the provisions of the Stock Purchase Agreement and the Statement of Rights and Preferences for the Series A Preferred Stock). The Trust shall be known as "The SCO Group, Inc. Irrevocable Grantor Trust." To facilitate the implementation of this Plan, the Trustee shall have all of the

powers, duties and authority set forth in the Trust, and those powers granted by law or conferred by any other provisions of this Plan. On the Effective Date, Reorganized SCO shall pay \$2 million to the Trust, a portion of which will be used to fund the Trust's initial distribution to Trust beneficiaries that were former holders of Old Common Stock (but not Old Common Stock equivalents), after reserving for Trust fees and expenses.

**4.8 *Appointment of Trustee.*** On the Effective Date, Reorganized SCO will execute the Trust and appoint the Trustee. The Trustee shall be a national bank or trust company selected by SCO Group.

**4.9 *Compensation to Trustee.*** The Trustee shall be compensated as provided in the Trust or by separate agreement between Reorganized SCO and the Trustee.

**4.10 *Corporate Action.*** Upon entry of the Confirmation Order, the transactions contemplated by this Plan shall be deemed authorized and approved in all respects. On the Effective Date, the matters provided under the Plan involving the corporate structure of the Debtors shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to applicable state laws without any requirement of further action by any director or stockholder of the Debtors. On the Effective Date, the Reorganized Debtors shall be authorized and directed to take all necessary and appropriate actions to effectuate the transactions contemplated by the Plan.

**4.11 *Continued Corporate Existence.*** Except as otherwise provided in the Plan, the Debtors will continue to exist after the Effective Date as separate corporate entities, with all of the powers of a corporation under applicable law in the jurisdiction in which each particular Debtor is incorporated or otherwise formed and pursuant to its certificate of incorporation and bylaws or other organizational documents in effect before the Effective Date, as such documents are amended by or pursuant to the Plan or pursuant to any amended certificates of incorporation, amended bylaws and/or the Statement of Rights and Preferences for the Series A Preferred Stock. Notwithstanding the foregoing, the Debtors may change their status of incorporation or formation or alter their corporate structure (either through mergers, consolidations, restructurings, conversions, dispositions, liquidations, dissolutions, or otherwise) after the Effective Date as may be determined by the Debtors to be appropriate. In each case in which the surviving, resulting, or acquiring company in any such transaction is a successor to a Debtor, such successor company shall perform the obligations of the applicable Debtor under the Plan to pay or otherwise satisfy the Allowed Claims and Allowed Equity Interests against such Debtor.

**4.12 *Corporate Governance.*** Upon the occurrence of the Effective Date, Reorganized SCO's Board of Directors will consist of seven members, four of whom will be elected by the holders of the Series A Preferred Stock. The remaining three directors (one of whom will be the Chief Executive Officer and one of whom will be an outside executive with suitable industry experience who is designated by a majority of the Board) will be elected by the holders of the Reorganized SCO's common stock and Series A Preferred Stock, voting together as a single group. Initially, the Trustee of the Trust, as the sole holder of all of the shares of New Common Stock issued by Reorganized SCO, will have the right to vote all of the shares of New Common Stock of Reorganized SCO. The Series A Preferred Stock will hold at least 51% of Reorganized SCO's voting power, and so will be able to elect all of the members of the Board of Directors.

Upon the occurrence of the Effective Date, Darl McBride, SCO Group's incumbent Chief Executive Officer, will not serve as Reorganized SCO's CEO and a new CEO will be named by the Board of Reorganized SCO on the Effective Date.

On the Effective Date, the Reorganized SCO's certificate of incorporation will be amended (including, without limitation, by a Statement of Rights and Preferences of Series A Preferred Stock) to the extent necessary to implement the Plan, including to authorize the Series A Preferred Stock, to create the rights, powers, and preferences pertaining to it and to preclude certain actions of the Company without the vote or consent of the holders of at least 66-2/3% of the issued and outstanding shares of Series A Preferred Stock.

Reorganized SCO shall have full control and authority over the Property of the Estate of SCO Group (which shall continue in existence following the Effective Date for some period of time pursuant to Section 4.6 of the Plan), without the need for Bankruptcy Court approval pursuant to Section 363 or 330 of the Bankruptcy Code, or any other provision of court or United States trustee control or oversight during a chapter 11 case, including but not limited to policy making, day-to-day operations, financing, transactional, corporate governance, and any and all other corporate activity, and all corporate activity. Notwithstanding the foregoing, and despite that Reorganized Operations may no longer be subject to paying Statutory Fees, such Statutory Fees owed by SCO Group shall be paid by the Estate of SCO Group or by the Reorganized SCO (the payor to be decided by Reorganized SCO), until such time as such Statutory Fees are no longer lawfully owed.

**4.13 SEC Reporting.** Following the effectiveness of the Plan, Reorganized SCO will not be a public company and will not be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended. Reorganized SCO's securities will not trade on any securities exchange or be quoted on any interdealer quotation system or on the "pink sheets." Accordingly, there will be no market for Reorganized SCO's securities immediately following the Effective Date.

## **ARTICLE 5**

### **PROVISIONS GOVERNING DISTRIBUTION**

**5.1 Distributions.** Any payment or distribution pursuant to this Plan, to the extent posted in the United States Mail, shall be deemed made when deposited by the Disbursing Agent, or an agent authorized by the Disbursing Agent, into the United States Mail. Payments of Cash shall be made by check drawn on a domestic bank or by wire transfer from a domestic bank.

**5.2 Delivery of Distributions.** Distributions and deliveries to Holders of Allowed Claims shall be made at the addresses set forth on the proofs of Claim or proofs filed by such Holders (or at the last known addresses of such Holders if no proof of Claim is filed; or if the Debtors or the applicable Disbursing Agent have been notified of a change of address, at the address set forth in such notice).

**5.3 Unclaimed Property.** If any distribution remains unclaimed for a period of 90 days after it has been delivered (or attempted to be delivered) in accordance with the Plan to the

Holder entitled thereto, such unclaimed property shall be forfeited by such Holder, whereupon all right, title and interest in and to the unclaimed property shall be held in reserve by the Disbursing Agent to be distributed to other Creditors in accordance with this Plan. The Disbursing Agent shall not be required to attempt to make further distribution to the Holders of such unclaimed property. Distributions unclaimed for a period of 90 days after they have been delivered (or attempted to be delivered) in accordance with the Plan to the Holders entitled thereto that: (i) are intended to be final distributions; and (ii) do not exceed \$10,000 in the aggregate, shall, as soon thereafter as practicable, be donated to an organization selected by the Reorganized Debtors and officially recognized by the Internal Revenue Service as a charitable organization, a contribution to which would be deductible for federal income tax purposes.

**5.4 Manner of Payment.** At the option of the Disbursing Agent, any Cash payment to be made to any Person pursuant to the Plan may be made by a check or wire transfer or as otherwise required or provided in applicable agreements.

**5.5 Timing of Distributions to Creditors Holding Allowed Claims.** Distributions to Creditors holding Allowed Claims shall be made on the later of the Effective Date or the date the Claim becomes Allowed in accordance with the provisions of Articles 2 through 6 of the Plan.

**5.6 Timing of Distributions to Holders of Equity Interests in SCO Group.** On the Effective Date or as soon thereafter as practicable, Holders of Equity Interests (excluding Old Common Stock equivalents) will receive a *pro rata* portion of an initial distribution from the Trust of approximately \$1.5 million, which amount, together with amounts reserved for fees and expenses of the Trust (in the aggregate amount of \$2 million) will be funded by Reorganized SCO to the Trust. Within one year after the claims in the Novell/IBM Litigation are finally resolved (by final judgment or order, not subject to further appeal, or settlement), Reorganized SCO will redeem all shares of New Common Stock held by the Trust in an amount (the "Redemption Price") equal to the sum of (a) a percentage of any net recovery that Reorganized SCO realizes from the final resolution of the Novell/IBM Litigation (net of any recovery on or settlement of counterclaims and cross claims against Reorganized SCO, including a Novell/IBM Payment, if any, and net of all taxes, and Ongoing Legal Fees and Costs (as defined in the MOU) incurred by SCO or Reorganized SCO in connection therewith), such percentage to vary between 15% and 49% depending on the conversion rate of the Series A Preferred Stock, and subject to the anti-dilution protections benefitting the Series A Preferred Stock, and (b) the product obtained by multiplying (i) the earnings of SCO and Reorganized SCO (excluding any earnings arising from a Novell/IBM Litigation recovery) before interest, taxes, depreciation and amortization, over the four full fiscal quarters immediately preceding the resolution of the Novell/IBM Litigation, by (ii) the product of four times the percentage (between 15% (as may be reduced by the anti-dilution adjustment rights of the Series A Preferred) and 49%) determined under (a) above. The Trust shall also provide for liquidating distributions to all beneficiaries of the Trust if any of the following events occur before Reorganized SCO's redemption of the New Common Stock held by the Trust, as follows: (i) if Reorganized SCO makes an initial public offering of its securities, the shares of New Common Stock held by the Trust shall be distributed to the beneficiaries (in compliance with applicable securities laws and regulations); (ii) if all or substantially all of the assets of Reorganized SCO are sold (or any series of related transactions results in the sale or other transfer of all or substantially all of the assets of Reorganized SCO) or a merger, reorganization or other transaction in which holders of a majority of the outstanding

voting control of Reorganized SCO immediately prior to the transaction do not own a majority of the outstanding voting shares of the surviving corporation occurs, the proceeds of such sale or other transaction which are payable to the Trust will be distributed to the beneficiaries of the Trust; and (iii) if Reorganized SCO voluntarily or involuntarily liquidates, dissolves or winds up, the proceeds payable to the Trustee in connection therewith will be distributed to the beneficiaries of the Trust.

**5.7 Fractional Cents.** When any payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole cent (rounding down in the case of \$.50 or less and rounding up in the case of more than \$.50).

## **ARTICLE 6**

### **PROCEDURES FOR RESOLVING AND TREATING DISPUTED AND CONTINGENT CLAIMS**

**6.1 Objections to Claims and Interests.** An Objection to the allowance of a Claim or Interest shall be in writing and shall be filed with the Bankruptcy Court by the Debtors or Reorganized Debtors at any time before the entry of final decrees, unless another date is established by the Bankruptcy Court or the Plan, as amended. The Reorganized Debtors shall have the right to request that the Bankruptcy Court extend such dates. The objecting party shall serve a copy of each such Objection upon the Holder of the Claim or Interest to which it pertains. The Debtors or the Reorganized Debtors, as the case may be, will prosecute each Objection to a Claim or Interest until determined by a Final Order unless the Debtors or the Reorganized Debtors (i) compromise and settle an Objection to a Claim or Interest by written stipulation, subject to Bankruptcy Court approval, if necessary, or (ii) withdraws an Objection to a Claim or Interest. The failure by the Debtors or the Reorganized Debtors to object to any Claim or Interest for voting purposes shall not be deemed a waiver of the rights to object to, or re-examine, any such Claim or Interest, as applicable, in whole or in part.

**6.2 No Distribution Pending Allowance.** Notwithstanding any other provision of the Plan, no payment or distribution shall be made with respect to any Disputed Claim unless and until such Disputed Claim becomes an Allowed Claim.

**6.3 Disputed Claims Reserve for Claims Other than Under Pending Litigation.** In determining the amount of distributions to be made under the Plan to Holders of Allowed Claims, the appropriate distributions required by the Plan shall be made according to estimates and subject to the provisions of the Plan. To protect the interests of Holders of Disputed Claims, the Disbursing Agent shall establish a Disputed Claims Reserve for each Disputed Claim. The Disbursing Agent shall fund the Disputed Claims Reserve with Cash in an amount that represents the Cash that would otherwise be disbursed to the Holders of each Disputed Claim if such Claim was Allowed in the amount set forth on the Holder's proof of Claim or as estimated by the Bankruptcy Court.

**6.4 Distribution After Allowance on Claims Other than in Respect of Pending Litigation.** As soon as practicable after a Disputed Claim becomes an Allowed Claim, the Holder of such Allowed Claim shall receive from the Disputed Claims Reserve a distribution in an amount equal to the distribution that such Holder would have received had such Disputed

Claim been an Allowed Claim on the Effective Date. Distributions to each Holder of a Disputed Claim, to the extent that such Claim becomes an Allowed Claim, shall be made, plus (if applicable) interest, in accordance with the Class of Claims to which such Claim belongs.

**6.5 Retention of Availability on Credit Line to Pay Allowed Claims in Respect of Pending Litigation.** Until the later of the entry of a final judgment or settlement of the Pending Litigation, Reorganized SCO shall retain sufficient availability on its credit line under the Debt Financing to satisfy the Claims asserted in respect of the Pending Litigation, up to the maximum amount of the Debt Financing.

**6.6 Distribution if Claims in Respect of Pending Litigation are Allowed.** If the Claims asserted in respect of the Pending Litigation become Allowed, Reorganized SCO shall, as soon as practicable, make a distribution to the Holder of such Allowed Claim, as applicable, in an amount equal to the distribution such Holder would have received on the Effective Date had such Claim been an Allowed Claim, plus (if applicable) interest.

**6.7 Disallowance of Claims.** Under section 502(d) of the Bankruptcy Code, any Claim asserted by a Creditor shall be disallowed in its entirety if such Creditor has received a transfer that is voidable under the Bankruptcy Code and has failed to surrender such transfer. If and when the Claims asserted in respect of the Pending Litigation become Disallowed, Reorganized SCO shall be able to use the remaining availability on its credit line in accordance with the terms of the Debt Financing.

**ARTICLE 7**  
**AMENDMENTS TO CLAIMS AND ADMINISTRATIVE EXPENSE**  
**CLAIMS AFTER APPLICABLE BAR DATES**

**7.1 Amendments to Claims and Administrative Expense Claims.** Unless otherwise provided in a Final Order: (a) after the Bar Date, a Claim on account of which a Proof of Claim is not timely filed in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules or an Order of the Bankruptcy Court, may not be filed or amended without the authorization of the Bankruptcy Court and, even with such Bankruptcy Court authorization, may be amended by the Holder of such Claim solely to decrease, but not to increase, the face amount or priority; and (b) after the Administrative Expense Claim Bar Date, a Claim on account of which a request for payment of Administrative Expense Claim is not timely filed, may not be filed or amended without the authorization of the Bankruptcy Court and, even with such Bankruptcy Court authorization, may be amended by the Holder of such Claim solely to decrease, but not to increase, the face amount or priority.

**7.2 Claims Filed After Bar Dates.** Any new or amended Claim filed after the Bar Date or the Administrative Expense Claims Bar Date (as applicable) shall be deemed Disallowed in full and expunged without any action by the Debtors or Reorganized Debtors, unless the Holder of such Claim has obtained prior Bankruptcy Court authorization for the Filing. The Holder of a Claim which is Disallowed shall not receive any distribution on account of such Claim.

**ARTICLE 8**  
**EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**8.1 *General Treatment: Assumed if not Previously Rejected.*** All executory contracts and unexpired leases, except for those executory contracts and unexpired leases that are (a) the subject of prior orders of the Bankruptcy Court approving their assumption or rejection; or (b) the subject of a motion pending as of the Confirmation Date, are assumed as of the Confirmation Date, but subject to the occurrence of the Effective Date.

**8.2 *Bar to Cure Amounts.*** If the assumption of an executory contract or an unexpired lease by the Debtors requires an amount to “cure” any default existing as of the Confirmation Date (the “Cure Amount”), a request for payment of such Cure Amount shall be forever barred and shall not be enforceable against the Debtors or any of them or their properties or agents, successors, or assigns, unless an application for allowance of such Cure Amount is filed with the Bankruptcy Court and served upon the Debtors by the earlier of: (a) 30 days after notice of the Confirmation Date or (b) such other deadline as the Court has or may set for requesting payment of such Cure Amount.

**ARTICLE 9**  
**CONDITIONS PRECEDENT TO EFFECTIVENESS OF PLAN**

**9.1 *Conditions to Effectiveness of Plan.*** The Effective Date of the Plan shall not occur unless and until the following conditions shall have been satisfied or waived by the Debtors, as determined in their sole discretion: (a) 10 days shall have passed from the Confirmation Date; (b) the Bankruptcy Court shall have entered the Confirmation Order in form and substance acceptable to the Debtors; (c) all documents, instruments and agreements provided for under this Plan or necessary to implement this Plan (including, without limitation, the loan documents contemplated by the Debt Financing, the Stockholders’ Agreement, the instrument creating the Trust, and the stock option agreement and warrant agreement relating to the new options and warrants being issued to the Trust) shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited thereby, in form and substance satisfactory to the Debtors; (d) there is sufficient Available Cash of the Debtors to pay all Allowed Administrative Claims, Allowed Professional Claims and Allowed Priority Tax Claims; and (e) no order of a court restraining the Debtors from consummating the Plan shall have been entered and shall remain in effect. In addition, the MOU and the Stock Purchase Agreement contain conditions precedent to SNCP’s obligation to close its acquisition of the Series A Preferred Stock, and circumstances which permit the parties to terminate their respective obligations under the MOU, the Stock Purchase Agreement and Debt Financing (in which case the Plan will not be consummated and the Effective Date will not occur).

**9.2 *Notice of Confirmation of the Plan.*** Notice of entry of the Confirmation Order shall be provided by the Debtors as required by Bankruptcy Rule 3020(c)(2).

**9.3 *Notice of Effective Date of the Plan.*** Notice of the Effective Date shall be provided by the Debtors in the same manner provided with respect to notice of entry of the Confirmation Order.

**ARTICLE 10**  
**LIMITATION OF LIABILITY, RELEASES AND INJUNCTION**

**10.1 *Exculpation and Limitation of Liability.*** Except as otherwise provided in this Plan or the Confirmation Order, on the Effective Date, the Debtors and their respective officers, directors, members, employees, representatives, counsel, financial advisors or other agents, and their respective successors and assigns (the “Released Parties”), shall be deemed released by each of them against the other, and by all Holders of Claims or Equity Interests, of and from any Claims, obligations, rights, causes of action and liabilities for any act or omission in connection with, in preparation for, or arising out of, the Chapter 11 Cases, including, without limiting the generality of the foregoing, all sales of assets of the Debtors’ Estates, the negotiation of the terms of the Plan, the Disclosure Statement, the pursuit of approval of the Disclosure Statement, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the Property to be distributed under the Plan, except for acts or omissions which constitute bad faith, willful misconduct or gross negligence, and all such Persons, in all respects, shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan and under the Bankruptcy Code.

**10.2 *Injunction.*** As of the Confirmation Date, except as otherwise provided in the Plan or the Confirmation Order, all Persons that have held, currently hold or may hold a Claim, Equity Interest or other debt or liability that is treated pursuant to the terms of the Plan are enjoined from taking any of the following actions on account of any such Claims, Equity Interests, debts or liabilities, other than actions brought to enforce any rights or obligations under the Plan, against the Debtors, the Debtors’ Estates, the Trustee, the Trust or Property of the Estates: (i) commencing or continuing in any manner any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff or right of recoupment of any kind against any debt, liability or obligation; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order. This injunction shall remain in full force and effect until final distributions to Creditors are made under this Plan.

**ARTICLE 11**  
**RETENTION OF JURISDICTION**

**11.1 *Retention of Jurisdiction.*** Notwithstanding entry of the Confirmation Order or the Effective Date having occurred, the Chapter 11 Cases having been closed, or Final Decrees having been entered, the Bankruptcy Court shall have jurisdiction of matters arising out of, and related to the Cases and the Plan under, and for the purposes of, sections 105(a), 1127, 1142, and 1144 of the Bankruptcy Code and for, among other things, the following purposes:

- (a) allow, disallow, determine, liquidate, classify, or establish the priority, or status of any Claim, including the resolution of any request for payment of any Administrative Claim, and the resolution of any and all objections to the allowance or priority of Claims;

(b) to estimate any Claim, including, without limitation, at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection;

(c) grant or deny any applications for allowance of compensation or reimbursement of expenses authorized, pursuant to the Bankruptcy Code, order of the Bankruptcy Court, or the Plan, for periods ending on or before the Effective Date;

(d) resolve any proceedings, matters or disputes regarding the compensation and reimbursement of expenses of any Person or Entity acting pursuant to this Plan, including (without limitation) compensation and reimbursement of expenses for the Disbursing Agent(s), and Professionals.

(e) resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which Debtors are parties, or with respect to which Debtors may be liable, and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;

(f) ensure that Distributions to Holders of Allowed Claims and Equity Interests are accomplished pursuant to the provisions of the Plan;

(g) decide or resolve any motions, adversary proceedings, contested or litigated matters and any other proceedings and matters, and grant or deny any applications involving the Debtors, the Reorganized Debtors, U.S. Trustee, or their affiliates, directors, officers, employees, agents, members, Professionals that may be pending on or after the Effective Date;

(h) enter such orders, as may be necessary or appropriate to implement or consummate the provisions of the Plan, and all contracts, instruments, waivers, releases, indentures and other agreements or documents created, in connection with the Plan or described in the Disclosure Statement;

(i) resolve any cases, controversies, suits or disputes that may arise in connection with the Consummation, interpretation or enforcement of the Plan, or any Person's or Entity's obligations incurred, in connection with the Plan, including, among other things, any avoidance or subordination actions under sections 510, 544, 545, 547, 548, 549, 550, 551, 553(b) and/or 724(a) of the Bankruptcy Code;

(j) issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with Consummation or enforcement of the Plan, except as otherwise provided herein;

(k) resolve any cases, controversies, suits or disputes with respect to the exculpations, releases, injunction and other Plan provisions, and enter such orders as may be necessary or appropriate to implement such exculpations, releases, injunction and other provisions;

(l) enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated in whole or in part;

(m) determine any other matters that may arise in connection with, or relate to, the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, waiver, release, indenture, or other agreement or document created, in connection with the Plan or the Disclosure Statement;

(n) enter an order and/or final decree concluding the Chapter 11 Cases;

(o) to protect the Property of the Estates from adverse Claims or interference inconsistent with the Plan, including to hear actions to quiet or otherwise clear title to such property based upon the terms and provisions of the Plan, or to determine a Debtors' exclusive ownership of Claims and Causes of Action retained under the Plan;

(p) to hear and determine matters pertaining to abandonment of Property of the Estates;

(q) to consider any modifications of the Plan, to interpret, clarify, remedy and/or cure any defect, error, mistake, ambiguity and/or omission, or reconcile any inconsistency in the Plan or any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(r) to interpret and enforce any orders previously entered in the Chapter 11 Cases to the extent such orders are not superseded or inconsistent with the Plan or the Confirmation Order;

(s) to recover all Assets of Debtors and property of the Estates, wherever located;

(t) to hear and determine matters concerning state, local, and federal taxes, in accordance with sections 345, 505, and 1146 of the Bankruptcy Code.

(u) to consider and act on the compromise and settlement of any litigation, Claim against or Causes of Action on behalf of the Estates;

(v) to interpret and enforce the Confirmation Order; and

(w) to hear and act on any other matter not inconsistent with the Bankruptcy Code.

**11.2 *Abstention and Other Courts.*** If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to the Chapter 11 Cases, this section of the Plan shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

**ARTICLE 12**  
**MISCELLANEOUS PROVISIONS**

**12.1 Severability.** Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Equity Interest or transaction, the Proponents may modify the Plan in accordance with sections 12.9 or 12.10 of the Plan, as applicable, so that such provision shall not be applicable to the Holder of any Claim or Equity Interest.

**12.2 Setoffs and Recoupments.** Either of the Debtors may, but shall not be required to, set off against or recoup from any Claim and the payments or other distributions to be made pursuant to this Plan in respect of such Claim, Claims of any nature whatsoever that the Debtors or any one of them may have against the Holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or any one of them of any such Claim that the Debtors or any one of them may have against such Holder.

**12.3 Binding Effect.** Upon the entry of the Confirmation Order, all provisions of the Plan shall be binding upon, and shall inure to the benefit of, the Debtors, the Disbursing Agent, the Holders of Claims and Equity Interests, and such Persons' respective successors and assigns.

**12.4 Governing Law.** Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, or a specific choice of law provision is provided, the laws of the State of Delaware shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, without regard to conflicts of law.

**12.5 Timing of Distributions.** Any payment or distribution required to be made hereunder on a day other than a Business Day shall be due and payable on the next succeeding Business Day.

**12.6 Payment of Statutory Fees and Compliance with Reporting Requirements.** All fees payable pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on the Effective Date. All fees payable subsequent to the Effective Date under section 1930(a)(6) of title 28 of the United States Code shall be paid by the Disbursing Agent. All post-confirmation reporting requirements shall also be complied with, including the reporting of disbursement activity.

**12.7 Tax Liability.** The Debtors and the Disbursing Agent are authorized to request an expedited determination under section 505(b) of the Bankruptcy Code of the tax liability of any Debtor for all taxable periods ending after the Petition Date through, and including, the Effective Date.

**12.8 Revocation or Withdrawal of Plan.**

(a) The Proponents reserve the right, to revoke or withdraw the Plan prior to the Effective Date. If the Plan is revoked or withdrawn, then the result shall be the same as if the Confirmation Order was not entered and the Effective Date did not occur as to the affected Debtor(s). The Confirmation Order shall be null and void and of no effect if the Plan is terminated after the Confirmation Date but before the Effective Date.

(b) If the Plan is revoked or withdrawn prior to the Confirmation Date, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against such Debtor(s) or any other Person or to prejudice in any manner the rights of such entity or any Person in any further proceedings involving such entity or Person.

**12.9 Nonmaterial Modifications.** The Proponents may, with the approval of the Bankruptcy Court and without notice to Holders of Claims and Equity Interests, correct any nonmaterial defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable.

**12.10 Material Modifications.** Modifications of this Plan may be proposed in writing by the Proponents, at any time before Confirmation, provided that this Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors have complied with section 1125 of the Bankruptcy Code. This Plan may be modified at any time after Confirmation and before any distributions are made pursuant to the Plan, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code and the circumstances warrant such modification.

**12.11 Notices.** Any notice required or permitted to be provided under the Plan shall be in writing and served by either: (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery or (c) prepaid overnight delivery service and addressed as follows:

If to Debtors:

Berger Singerman, P.A.  
350 E. Las Olas Boulevard, Suite 1000  
Fort Lauderdale, Florida 33301  
Attention: Arthur J. Spector, Esq.  
Grace E. Robson, Esq.  
and

Pachulski Stang Ziehl & Jones LLP  
919 Market Street, 17<sup>th</sup> Floor  
P.O. Box 8705  
Wilmington, DE 19899-8705  
Attention: Laura Davis Jones, Esq.  
James O'Neill, Esq.  
Rachel Lowy Werkheiser, Esq.

**12.12 *Successors and Assigns.*** The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, the heirs, executors, administrators, successors and/or assigns of such Person.

*[Balance of Page Intentionally Left Blank]*

Dated: February 29, 2008

THE SCO GROUP, INC. &  
SCO OPERATIONS, INC.

A handwritten signature in cursive script, appearing to read "Darl McBride", written over a horizontal line.

By: Darl McBride  
Their: Chief Executive Officer

# **EXHIBIT A**

## MEMORANDUM OF UNDERSTANDING (“MOU”)

- Investment Team:** Stephen Norris Capital Partners, LLC, a Delaware limited liability company (“SNCP”).
- Debtor:** The SCO Group, Inc., and its direct or indirect subsidiaries, both prior to and after emerging from bankruptcy (collectively, “SCO,” “Debtor” or the “Company,” and after the effective date of the Proposed Plan of Reorganization sometimes “Reorganized SCO” or “Reorganized Debtor,” and together with SNCP, the “Parties”).
- Overview:** SNCP proposes to finance a plan of reorganization (the “Proposed Plan of Reorganization”) of SCO to be filed in its Chapter 11 bankruptcy case presently pending in the United States Bankruptcy Court for the District of Delaware, *In Re: The SCO Group, Inc.*, Case No. 07-11337 (KG) (the “Bankruptcy Case”), all on the terms provided for in this Memorandum of Understanding (“MOU”) and the definitive agreements and documents contemplated hereby (the “Definitive Documents”).

Under the Proposed Plan of Reorganization, SCO will emerge from the Bankruptcy Case and attempt to implement the business plan described in a private placement memorandum to be prepared by SCO, a copy of which shall be provided to SNCP. To fund the Proposed Plan of Reorganization and finance the business of SCO after it emerges from the Bankruptcy Case, SNCP will provide up to US\$100 million of financing. In consideration of the US\$100 million of financing to be provided as described below, SNCP requires that the Reorganized Debtor issue the following securities:

- US\$5 million for the purchase of a new class of Preferred Stock (the “Series A Preferred”) to be issued by SCO which shall have the liquidation, voting and distribution preferences described hereafter. At its option, the holder of the Series A Preferred will be able to convert the Series A Preferred into between 51% and 85% of the then-outstanding shares of common stock of SCO, as described in the next bullet.
- SCO expects to prevail in the matter of *The SCO Group, Inc. v. Novell, Inc.*, pending in the United States District Court for the District of Utah, Civil No. 2:04 CV-00139, and the related pending litigation, *The SCO Group, Inc. v. International Business Machines*, pending in the United States District Court for the District of Utah, Case No. 2:03CV0294DAK (the “Novell/IBM Litigation”), so that the final award in the Novell/IBM Litigation will be made in favor of SCO. However, if an award were entered against SCO in the Novell/IBM Litigation or other pending litigation matters, including proceedings involving Red Hat (the “Litigation Claims”), SNCP anticipates that the damages awarded against SCO could range from US\$0 to more than US\$30 million, and would be paid by draw under the Debt Financing. Should the amount drawn under the Debt Financing solely to effect payment (a “Novell/IBM Payment”) of a final, non-appealable judgment in the Novell/IBM Litigation (or to settle the Novell/IBM Litigation in a settlement transaction that requires a net payment to Novell/IBM) be \$0, then the Series A Preferred shall convert into 51% of the then-outstanding common stock of SCO, on a fully diluted basis. Should the amount drawn under the Debt Financing to effect a Novell/IBM Payment be \$30 million or more, then the Series A Preferred shall convert into 85% of the then-outstanding common

stock of SCO, on a fully diluted basis. Should the amount drawn under the Debt Financing to effect a Novell/IBM Payment be between \$0 and \$30 million, then the Series A Preferred shall convert into a percentage of the then-outstanding common stock of SCO proportionally. For the avoidance of doubt, the conversion percentage of the Series A Preferred shall *not* adjust by reason of any draws under the Debt Financing other than draws to effect a Novell/IBM Payment, and without limiting the generality of the foregoing, the conversion percentage of the Series A Preferred shall *not* adjust by reason of draws under the Debt Financing to fund litigation costs or working capital requirements of SCO or the provision of letters of credit or other credit support (including cash payments) in connection with appealing (and posting bonds to stay judgments or rulings pending appeal) a District Court or other judgment in the Novell/IBM Litigation that is subject to further appeal. The Preferred Stock financing described in this and the preceding bullet points and in more detail below is sometimes hereinafter referred to as the "Equity Financing."

- US\$95 million under the terms of a five year non-revolving credit line. The credit line shall be secured by all of the assets of SCO, including all of its present and future litigation claims. The terms will be as set forth hereafter. The credit facility described in this bullet point and in more detail below is sometimes herein referred to as the "Debt Financing."

Upon the effective date of the Proposed Plan of Reorganization, SNCP will pay \$5,000,000 to the Reorganized Debtor in consideration of the issuance of the Series A Preferred. The Reorganized Debtor will retain all of the pending litigation claims, including the potential liability in respect of the Litigation Claims or recoveries under the Pending Litigation.

Also upon the effective date of the Proposed Plan of Reorganization, the existing common stock and common stock equivalents of the Debtor shall be extinguished, and in exchange therefor the then-current equity holders (and holders of common stock equivalents, including stock options) of SCO shall receive a pro-rata interest in a grantor trust (the "Trust"). The Trust shall be the holder of shares of new common stock (and new common stock equivalents) of SCO ("New Common Stock"), representing between 49% and 15% of SCO's fully diluted equity after conversion of the Series A Preferred, the precise conversion percentage of which shall be determined based upon the conversion rights of the Series A Preferred as described herein. Interests in the Trust shall not be transferable, and the Reorganized Debtor will no longer be a public company and shall not be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended.

Also upon the effective date of the Plan of Reorganization, the Trust will enter into a Shareholders' Agreement with the Company and the holders of the Series A Preferred which shall provide, among other things, that; (i) the Trust will not sell or transfer its New Common Stock, except to the Company and on the terms provided for in this MOU and the Definitive Agreements, and (ii) the Trust, Company and the holders of Series A Preferred shall have "tag along, drag along" rights and obligations to participate in a sale of all or substantially all of the Company's outstanding equity securities (or a merger or other corporate reorganization relating to the Company that has the same effect as such a sale of all or substantially all of the Company's outstanding equity securities). Any such sale transaction shall provide the Trust with immediately available funds at least equal to

the Redemption Price.

Also upon the effective date of the Proposed Plan of Reorganization, the existing CEO of the Company, Darl McBride, will resign immediately. The newly reorganized company will have seven members on its Board of Directors, four of which will be named by the holders of the Series A Preferred.

Also upon the effective date of the Proposed Plan of Reorganization, SCO will continue to pursue aggressively the Company's claims in the Novell/IBM Litigation and other pending litigation, including *The SCO Group, Inc. v. Autozone, Inc.*, pending in the United States District Court for the District of Nevada, Case No. CV-S-04-0237-RCJ-LRL (the "Autozone Litigation").

Stephen Norris Capital Partners, LLC shall have the right to assign and delegate its rights and obligations hereunder to a special purpose entity created for the purpose of engaging in this transaction and in which Stephen L. Norris is a manager or executive officer.

**Availability of Funds:**

SNCP has a financing commitment sufficient to provide the Equity Financing and the Debt Financing. SNCP will provide the Debtor with a copy of a firm financing commitment sufficient to provide the Equity Financing and the Debt Financing at least five (5) business days prior to the commencement of the Bankruptcy Court hearing on the approval of the Disclosure Statement relating to the Proposed Plan of Reorganization.

**Creation of Trust:**

Upon the effective date of the Proposed Plan of Reorganization, the then-current equity (and common stock equivalents) of SCO shall be extinguished and the equity holders of SCO shall receive a pro-rata interest in the Trust based upon their percentage ownership of the Company's then outstanding Common Stock and common stock equivalents. The beneficial interests in the Trust to be issued to the Company's equity holders shall represent a pro rata interest in the outstanding New Common Stock held by the Trust, which will correspond to the percentage interests of the Company's equity holders (and common stock equivalent holders) at the time of the organization of the Trust. Interests in the Trust shall be non-transferable, except pursuant to the laws of descent and distribution. The trustee of the Trust shall be a national bank or trust company selected by SCO. The Trust will receive \$2 million at the effective date of the Plan (from the proceeds of the Series A Preferred), which will be distributed to Trust beneficiaries (in respect of the holdings of New Common Stock and excluding common stock equivalents) after reserving for reasonable Trust expenses. Within one year after the pending litigation claims in the Novell/IBM Litigation are finally resolved (by final judgment or order, not subject to further appeal, or settlement), the Reorganized Debtor will make a final payment to redeem all New Common Stock held by the Trust in an amount (the "Redemption Price") equal to the sum of (a) a percentage of any net recovery the Reorganized Debtor realizes from the final resolution of the Novell/IBM Litigation (net of any recovery on or settlement of counterclaims and cross claims against the Debtor, including a Novell/IBM Payment, if any, and net of all taxes, and Ongoing Legal Fees and Costs incurred by the Debtor or the Reorganized SCO in connection therewith), such percentage to vary between 15% and 49% depending on the conversion percentage of the Series A Preferred, and subject to the anti-dilution rights of the holders of the Series A Preferred, and (b) the product obtained by multiplying (i) the earnings of the Debtor (and the Reorganized SCO) (excluding any earnings arising from a Novell/IBM Litigation recovery) before interest, taxes, depreciation and amortization (over the four full fiscal quarters immediately preceding the resolution of the

Novell/IBM Litigation), by (ii) the product of four times the percentage (between 15% (as may be reduced by the anti-dilution rights of the holders of the Series A Preferred) and 49%) determined under (a), above.

The Trust agreement shall provide for liquidating distributions if the following events occur before the New Common Stock held by the Trust are redeemed under the foregoing provisions, as follows: (i) if the Company makes an initial public offering of its securities, the shares of New Common Stock held by the Trust shall be distributed to the beneficiaries (in compliance with applicable securities laws and regulations); (ii) if all or substantially all of the assets of the Company (or any series of related transactions resulting in the sale or other transfer of all or substantially all of the assets of the Company) are sold or a merger, reorganization or other transaction in which holders of a majority of the outstanding voting control of the Company immediately prior to the transaction do not own a majority of the outstanding voting shares of the surviving corporation occurs, the proceeds of such sale or other transaction which are payable to the Trust shall be distributed to the beneficiaries; and (iii) if the Company voluntarily or involuntarily liquidates, dissolves or winds up, the proceeds payable to the trustee in connection therewith shall be distributed to the beneficiaries.

**The Equity  
Financing:**

- Securities: Series A Preferred Stock ("Series A Preferred").
- Closing Date: The closing (and effective date of the Proposed Plan of Reorganization) shall occur within twenty (20) days after the entry of a final order (not stayed pending appeal) confirming the Proposed Plan of Reorganization.
- Purchase Price: The Purchase Price for the Series A Preferred shall be US\$5,000,000 to be paid on the Closing Date. The Purchase Price will be payable by cash or wire transfer.
- Conversion Rights: The Series A Preferred shall convert into New Common Stock of SCO, the amount of which will be determined based on the amount drawn under the Debt Financing to effect a Novell/IBM Payment following the final resolution of the Novell/IBM Litigation. Should the amount drawn under the Debt Financing solely to effect a Novell/IBM Payment be \$0, then the Series A Preferred shall convert into 51% of the then-outstanding common stock of SCO, on a fully diluted basis. Should the amount drawn under the Debt Financing to effect a Novell/IBM Payment be \$30 million or more, then the Series A Preferred shall convert into 85% of the then-outstanding common stock of SCO, on a fully diluted basis. Should the amount drawn under the Debt Financing to effect a Novell/IBM Payment be between \$0 and \$30 million, then the Series A Preferred shall convert into a percentage of the then-outstanding common stock of SCO proportionally. For the avoidance of doubt, the conversion percentage of the Series A Preferred shall not adjust by reason of any draws under the Debt Financing other than draws to effect a Novell/IBM Payment, and without limiting the generality of the foregoing, the conversion percentage of the Series A Preferred shall not adjust by reason of draws under the Debt Financing to fund litigation costs or working capital requirements of SCO or the provision of letters of credit or other credit support (including cash payments) in connection with appealing (and posting bonds to stay judgments or rulings pending appeal) a District Court or other judgment in the Novell/IBM Litigation that is subject to further appeal. The conversion percentage of the Series A Preferred shall not exceed 85% of the fully converted New Common Stock irrespective of whether (or the extent to which) any additional equity securities may be

issued in payment-in-kind of dividends accruing on the outstanding Series A Preferred (i.e., if holders of Series A Preferred receive New Common Stock as paid-in-kind dividends on the Series A Preferred, then their conversion provisions shall contemplate that after giving effect to the conversion, such holders will not own (including both the New Common Stock issued upon conversion and by paid-in-kind dividends, combined) more than 85% of the fully converted New Common Stock).

Use of  
Proceeds

The proceeds shall be used to fund the Proposed Plan of Reorganization.

Dividends

The holders of Series A Preferred shall be entitled to receive cumulative dividends at the rate of 10% per annum, which shall be payable as and when declared by the Company's Board of Directors and out of retained earnings. Dividends may be payable in cash or in shares of the Company's New Common Stock (valued by the Company's Board of Directors in good faith) at the option of the Company. In the event of an initial public offering, accrued but unpaid dividends shall be payable in cash or New Common Stock at the option of the Company.

Liquidation  
Preference

In the event of a voluntary or involuntary liquidation, dissolution or winding up of the Company, the funds available for distribution shall be paid out as follows:

(1) the holders of Series A Preferred shall be entitled to receive, prior and in preference to the holders of the Company's New Common Stock, an amount equal to the result obtained by dividing \$5 million by the number of shares of New Common Stock into which the Series A Preferred is convertible based on the conversion formula described in the section entitled "Conversion Rights" above (the "Original Series A Price"), multiplied by 3; and thereafter,

(2) any remaining assets shall be paid out on a *pro rata* basis to the Trust and the other holders of New Common Stock and share equivalents and Series A Preferred (on an as-converted basis).

In the event of a sale of all or substantially all of the assets of the Company (or any series of related transactions resulting in the sale or other transfer of all or substantially all of the assets of the Company) or a merger, reorganization or other transaction in which holders of a majority of the outstanding voting control of the Company immediately prior to the transaction do not own a majority of the outstanding voting shares of the surviving corporation, the funds available for distribution shall be paid out as follows:

(1) the holders of Series A Preferred shall be entitled to receive, prior and in preference to the holders of the New Common Stock, an amount equal to three times the Original Series A Price (as adjusted for recapitalizations, stock splits, stock dividends, and the like), plus accrued and unpaid dividends; and thereafter,

(2) any remaining assets shall be paid out on a *pro rata* basis to the Trust and the other holders of New Common Stock and share equivalents and Series A Preferred (on an as-converted basis).

Voting Rights

The holder of each share of Series A Preferred shall have the right to a number of votes equal to the number of shares of New Common Stock issuable on conversion of the Series A Preferred. In addition, the holders of the Series A Preferred shall be entitled to vote as a single class to elect four members of the Company's Board of Directors (as set forth below). Except as provided herein or as required by law, the holders of Series A

Preferred and New Common Stock shall all vote together as a single class and voting group on all matters.

Voting  
Protections:

The Company may not, without the affirmative vote or written consent of the holders of not less than 66 2/3% of the issued and outstanding shares of Series A Preferred:

(1) authorize or issue any securities with any rights that are senior to or on parity with Series A Preferred;

(2) declare or pay dividends or make any distributions on any of the Company's equity securities (other than the distribution of \$2 million at the effective date of the Proposed Plan of Reorganization);

(3) sell or otherwise transfer all or substantially all of its assets, tangible or intangible, grant any exclusive rights or license to all or substantially all of the Company's products or intangible assets, or merge or consolidate into or with any other entity in a transaction or series of related transactions;

(4) purchase, redeem, or otherwise acquire any of the Company's outstanding equity securities (including warrants, stock options and other rights to acquire equity securities), other than redemption of the New Common Stock of the Trust as contemplated by this MOU and repurchases pursuant to stock restriction agreements approved by a majority of the Board of Directors that grant to the Company a right of repurchase upon termination of the service or employment of a consultant, director or employee;

(5) make any changes in the rights, preferences, or privileges of the Series A Preferred;

(6) amend or repeal or add any provision to the Company's Certificate of Incorporation or Bylaws, if such action would adversely affect the preferences, rights, privileges, or powers of, or restrictions provided for the benefit of, the Series A Preferred;

(7) take certain other actions materially affecting the Series A Preferred;

(8) change the size or election procedure of the Board of Directors; or

(9) authorize any changes in material accounting methods, policies or practices of the Company or change the Company's auditors.

Optional  
Conversion

The shares of Series A Preferred are convertible at the option of the holder, and at any time and from time to time, into shares of New Common Stock. The conversion rate of the Series A Preferred will initially be at the rate corresponding to the convertibility of all Series A Preferred into 51% of the fully diluted common stock of the Reorganized Debtor, and will be subject to anti-dilution adjustment as described below, as well as adjustments for re-capitalizations, stock splits, stock dividends, and the like. The conversion percentage shall be subject to adjustment based upon the amount(s) drawn on the Debt Financing to effect a Novell/IBM Payment following the final resolution of the Novell/IBM Litigation, as described in the section entitled "Conversion Rights," above.

Automatic  
Conversion

Each share of Series A Preferred shall automatically convert into the number of shares of New Common Stock determined by dividing (i) the sum of the Original Series A Price plus all accrued and unpaid dividends by (ii) the then-applicable conversion rate, on the earlier to occur of (a) the written consent of holders of at least 66 2/3% of the outstanding Series A Preferred, and (b) a firmly committed underwritten initial public

offering of Common Stock with total proceeds to the Company of at least \$40 million (a "Qualified Offering").

Anti-dilution  
Protection

The conversion price of the Series A Preferred shall be subject to adjustment on a proportionate basis, reflecting one-third (1/3) of the dilution effected from an issuance of New Common Stock to fund working capital requirements of the Company. The remaining two-thirds (2/3) dilution from such issuances of New Common Stock shall proportionately effect the holders of New Common Stock held by the Trust and any other holders. The purpose of this adjustment is to provide limited price protection to SNCP in the event that the Company issues additional shares of its capital stock at a price below the Series A Preferred purchase price to fund working capital requirements of the Company. This protection shall be subject to customary exceptions.

Redemption

If the Series A Preferred has not been converted to New Common Stock prior to the 5<sup>th</sup> anniversary of the closing (the "Initial Redemption Date"), then the holders of the outstanding shares of Series A Preferred shall have the option, exercisable at any time after such anniversary, to require the Company to redeem the Series A Preferred in two equal and yearly installments beginning on the anniversary of the Closing Date after such option is exercised. If a holder elects to require the Company to redeem its Series A Preferred, it must provide the Company with written notice at least 90 days in advance of the Initial Redemption Date. The redemption amount shall be paid from retained earnings and shall be equal to the Original Series A Price, plus any accrued but unpaid dividends plus an additional amount that would result in an additional 12% annual rate of return compounded annually from the Closing Date. In any simultaneous redemption of the Series A Preferred and any other class or series of stock, the Series A Preferred shall have preference.

Right to  
Maintain  
Proportionate  
Interest

Each holder of the Series A Preferred shall have a right of participation to purchase such holder's *pro rata* share of any offering of new securities of the Company, subject to customary exceptions.

Registration  
Rights

1. Demand Rights: Holders of at least 30% of the shares of Series A Preferred (or New Common Stock issuable on conversion thereof) may demand registration by the Company of their shares of New Common Stock and the Company will use its best efforts to cause such shares to be registered. The Company will not be obligated to effect nor pay for more than 3 registrations pursuant to such demand registration rights provisions. These rights are exercisable only after the earlier of (i) 180 days after a Qualified Offering (as defined under "Automatic Conversion" above), and (ii) the 5th anniversary of the closing of this financing.
2. "Shelf" Registrations on Form S-3: Holders of at least 20% of the shares of Series A Preferred (or New Common Stock issued on conversion thereof) shall have the right to require the Company to file an unlimited number of and pay for not more than 2 registration statements on Form S-3 registering their shares of New Common Stock per year, provided that the Company is then eligible to use the S-3 registration statement and the anticipated aggregate offering price to the public for any such registration would exceed \$1 million.
3. Piggy-Back Registrations: Holders of Series A Preferred shall be entitled to unlimited "piggy-back" registration rights with respect to the New Common Stock issuable upon conversion of the Series A Preferred on all registrations of the Company (other than S-8's, S-4's or similar registrations of business combination

transactions or employee benefit plans), subject to the right of the Company and its underwriters to reduce the number of shares of the Investor proposed to be registered in view of market conditions.

4. Registration Expenses: All registration expenses (exclusive of selling expenses), shall be borne by the Company.

Other terms: The registration rights shall include other customary terms and conditions, including a customary “market-standoff” agreement in connection with a Qualified Offering and public offerings conducted by the Company thereafter.

**Governance:**

Resignation of the Current CEO      Upon the effective date of the Proposed Plan of Reorganization, the existing CEO of SCO, Darl McBride, shall resign.

Board of Directors      Upon the effective date of the Proposed Plan of Reorganization, the Company’s Board of Directors will be comprised of seven members. The holders of Series A Preferred shall be entitled to elect four directors. The holders of Series A Preferred and the Trust, in respect of the shares of New Common Stock issued to the Trust on behalf of the holders of New Common Stock prior to the effective date of the Proposed Plan of Reorganization, and any holders of additional New Common Stock issued after such effective date, all voting together as a single voting group, shall be entitled to elect the remaining three directors, one of whom shall be the Chief Executive Officer of the Company and one of whom shall be an outside executive with suitable industry expertise who is designated by a majority of the Board.

The Company and the representatives of Series A Preferred who serve as members of the Board shall enter into indemnification agreements in a form acceptable to SNCP on the Closing Date. In addition, the Company’s Certificate of Incorporation shall provide for indemnification of directors to the maximum extent permitted by law, and the Company will, within 90 days after the Closing Date, obtain Directors and Officers insurance in an amount satisfactory to SNCP. The Reorganized Debtor shall purchase “tail” directors and officers insurance coverage to protect against claims arising prior to the effective date of the Proposed Plan of Reorganization.

Inspection Rights      The Series A Preferred holders shall have the right to inspect the Company’s premises and books at times convenient to both parties.

Information Rights      So long as any of the Series A Preferred is outstanding, the Company will deliver to the holders of Series A Preferred unaudited monthly financial statements within 15 days of the end of each calendar month; unaudited quarterly financial statements within 15 days of the end of each fiscal quarter thereafter; annual audited financial statements within 90 days of the end of each fiscal year; and any other information reasonably requested by the holders of Series A Preferred. At least 30 days prior to the beginning of each fiscal year, the Company will deliver to holders of Series A Preferred the financial budget and business and strategic plan for the next fiscal year that will be submitted for approval to the Company’s Board of Directors no later than 30 days following the beginning of the fiscal year. With respect to monthly, quarterly and annual financial statements, such statements shall be accompanied by a written report of the CEO of the Company identifying operating highlights for the period and a comparison of such financial statements to the Company’s budget for the corresponding period.

## Debt

### Financing:

Loan Amount and Type:	The loan is for the principal amount up to US \$95,000,000. The loan is a non-revolving line of credit pursuant to which draws or disbursements may be made from time to time in accordance with the terms and conditions contained in the loan documents to be negotiated and filed with the Bankruptcy Court prior to the hearing on approval of the Disclosure Statement relating to the Proposed Plan of Reorganization and executed by SCO on the Closing Date (the " <u>Loan Documents</u> ").
Purpose of Loan:	The purpose of the loan is to provide funds for (i) working capital for SCO following its emergence from bankruptcy, (ii) to pay interest when due under the Debt Financing, and (iii) to support the prosecution of the Reorganized Debtor's Litigation Claims, including providing letters of credit or other financial arrangements adequate to support any required appellate bonds (in which event the Reorganized SCO shall pay the reasonable letter of credit fees and expenses), and to effect payment of any final award against the Reorganized Debtor). Advances to SCO under (i) above shall be subject to the achievement of milestones and maintenance of loan covenants to be established by SNCP and SCO in the Loan Documents.
Loan Term:	The term of the loan will be for a period of five (5) years (the " <u>Loan Term</u> ") commencing on the first day of the month following the Closing Date.
Interest Rate:	Interest will accrue on the outstanding principal balance at a variable or floating rate, expressed as an annual percentage rate, equal to LIBOR plus 1,700 basis points (the " <u>Effective Rate</u> "). Adjustments to the Effective Rate will be made effective on the first day of each month. Interest will be calculated on the basis of a 360-day year and charged for the actual number of days elapsed.
Payments:	The Reorganized Debtor shall pay accrued interest on the outstanding principal balance in arrears monthly on the first day of each month commencing on the first day of the month following the Closing Date. The entire unpaid principal balance, together with any accrued interest and other unpaid charges, shall be due on the first day of the month following the expiration of the Loan Term (which date is sometimes referred to as the " <u>Maturity Date</u> ").
Late Charges Default Interest Rate:	Any payment not paid within ten (10) days of its scheduled payment date shall be subject to a late charge equal to the greater of \$50.00 or five per cent (5%) of the amount of the delinquent payment. Upon the occurrence of an event of default, the margin used to compute the Effective Rate will automatically increase by an additional four percent per annum from the date thereof until the delinquent payment has been fully paid, both before and after judgment.
Prepayment Privilege:	Reorganized SCO may prepay principal at any time without penalty or premium; <i>provided, however</i> , Reorganized SCO shall not be entitled to re-borrow funds it has prepaid.
Collateral:	To secure the Loan, SCO shall grant a valid, perfected and enforceable first prior security interest in favor of SNCP in (or shall cause a security interest to be granted in), all present and future assets of SCO, including litigation recoveries.
Preclosing Protections to	Should the Company receive a written or oral offer or counteroffer to settle the Novell Litigation, the Novell/IBM Litigation, the Autozone Litigation or any other Litigation

SNCP:

Claims (collectively, the "Pending Litigation") prior to the effective date of the Proposed Plan of Reorganization (or if the Company shall receive a written or oral offer or counteroffer to acquire the shares or assets of the Company, including by or for the account of a defendant in the Pending Litigation), the Company shall promptly notify SNCP of the offer and all material terms thereof. Similarly, the Company shall promptly advise SNCP of all offers (including counteroffers) it makes to settle or resolve the Pending Litigation or relating to any proposed sale of the shares or assets of the Company. At its option, one or more representatives of SNCP may attend merger and acquisition negotiations, settlement conferences or conference calls between the parties to the Pending Litigation, whether the same are directed at settling the Pending Litigation or acquiring the shares or assets of the Company. At the request of the Company, each representative of SNCP who shall attend merger and acquisition negotiations, settlement conferences or conference calls between the parties to the Pending Litigation shall execute a confidentiality agreement reasonably acceptable to the Company and SNCP.

The Debtor and SNCP acknowledge and agree that a purpose and intended effect of the Proposed Plan of Reorganization is to maximize the Debtor's litigation recovery under the Pending Litigation. Except as expressly set forth herein, the Debtor and SNCP agree that developments in (including a resolution of) the Pending Litigation shall not constitute a basis to prevent or delay the confirmation or effective date of the Proposed Plan of Reorganization. If the Pending Litigation shall resolve by a sale of the Company to or an exclusive licensing transaction relating to all or substantially all of SCO's intellectual property with or for the account of a defendant in the Pending Litigation), by or in connection with a sale of the Company or an exclusive licensing transaction relating to all or substantially all of SCO's intellectual property to a person which is not a party (including an affiliate of such party) to the Pending Litigation, or net settlement in Debtor's favor prior to the consummation of the Proposed Plan of Reorganization, then, except as provided below, the Equity Financing and the Debt Financing will not be consummated and SNCP shall be entitled to an administrative claim, payable promptly after the Debtor's receipt of such net settlement, sales or licensing proceeds, in an amount equal to fifty percent (50%) of either (a) the Debtor's net recovery in such settlement or any agreement or transaction in connection with, or in lieu of, settlement of claims in the Pending Litigation (including the fair value of any non-monetary consideration) (net of any recovery on or settlement of counterclaims and cross claims against Debtor, any taxes directly attributable to the net recovery or settlement, and the "Ongoing Legal Fees and Costs," as defined below (the "Settlement Compensation"), or (b) the net proceeds and purchase price (including the fair value of any non-monetary consideration) paid to acquire the Company, all or substantially all of the Company's assets, control of the Company or a material license relating to SCO's intellectual property (not in the ordinary course of business), net of any taxes directly attributable to the net proceeds and purchase price, and all Ongoing Legal Fees and Costs (the "Sale Compensation"). In addition to the Settlement Compensation, SNCP shall be entitled in the circumstances in which the Settlement Compensation becomes payable, to complete its acquisition of the Series A Preferred upon payment of the \$5 million purchase price therefor, before, at the time of, or immediately after the Reorganized Debtor emerges from the Bankruptcy Case. In connection with the payment of the Settlement Compensation or the Sale Compensation or if this MOU is terminated by SNCP for any of the reasons (other than failure to execute the Definitive Agreements or SNCP's dissatisfaction with the results of its due diligence investigation) set forth under the "Termination of the Transaction" section below that are not directly attributable to the act or omission of the SNCP, then SNCP shall also be entitled to an administrative claim for reimbursement from the Debtor of its out of pocket fees, costs and expenses (up to

\$500,000) incurred in connection herewith.

As used herein, "Ongoing Legal Fees and Costs" means positive difference between:

I. The sum of (a) all legal fees and chargeable expenses paid to Boies, Schiller & Flexner LLP and any other law firms (collectively, "BSF") pursuant to paragraphs (d) or (e) of the engagement agreement between SCO and BSF dated October 31, 2004, as amended to the date hereof (the "BSF Engagement Agreement"), plus (b) other professional fees and expenses incurred by the Debtor since September 14, 2007 directly related to the Litigation Proceedings or the transactions by reason of which the Settlement Compensation or Sale Compensation is paid; *minus*

II. All hourly legal fees and chargeable paid at any time to BSF or any of the Three Original Firms (as that term is defined in the BSF Engagement Agreement) in connection with any of the Pending Litigation, which amount is credited in reduction of the contingency fees payable under paragraphs (d) or (e) of the BSF Engagement Agreement.

SCO will obtain court approval of the Settlement Compensation and the Sale Compensation by a motion for Plan Sponsor Protection Arrangements to be filed with the Bankruptcy Court with the Debtor's Motion to Approve the Disclosure Statement relating to the Proposed Plan of Reorganization, and in all events, prior to the submission of the Proposed Plan of Reorganization to creditors and interest holders for voting purposes. If SCO fails to obtain court approval for the Settlement Compensation and the Sale Compensation, SNCP shall have no further obligations under this MOU.

**Plan  
Treatment of  
Creditors**

The Proposed Plan of Reorganization shall provide for the following treatment of claims:

(1) Secured Creditors – (estimated at \$0)

Paid in Full at the effective date

(2) Priority Creditors – Taxing Authorities

Paid in full at the effective date OR paid over period of time not to exceed 5 years

(3) General Unsecured Creditors

o Trade – to be assumed or paid in full at the effective date, from the proceeds of the Preferred Stock

o Novell/IBM Litigation (if any) depending on outcome of litigation, paid in full when claim is liquidated after the effective date, by draw under the Debt Facility.

(4) All to be paid in full at the effective date:

- Administrative – Legal, Accounting, Financial Advisors, etc.
- US Trustee Fees
- Court/Clerk Fees

**SNCP's  
Conditions to  
Closing:**

The obligation to provide the Equity Financing and Debt Financing is subject to (i) the compliance by the Debtor with its obligations under this MOU, (ii) the accuracy in all material respects of all representations and certifications set forth in this MOU and its attachments, (iii) the execution and delivery of the Definitive Documents, (iv) the accuracy in all material respects of all representations and certifications set forth in the Definitive Documents and its attachments, (v) the absence of any default or event of default under this MOU or the Definitive Documents by the Debtor, (vi) the entry of an order of the bankruptcy court in the Bankruptcy Case confirming the Proposed Plan of Reorganization and all other motions and pleadings required to implement the Proposed Plan of Reorganization (and the absence of any effective stay of such confirmation order) on or before 5:00 pm New York City time on August 15, 2008 (such date, as the same may be extended by SNCP in its sole discretion in writing, the "Commitment Expiration Date"); (vi) the inclusion in the order confirming the Proposed Plan of Reorganization of a finding that the Debt Financing is extended by SNCP in good faith, (vii) the due diligence investigation of SCO (which shall end at the commencement of the Bankruptcy Court hearing on the approval of the Disclosure Statement relating to the Proposed Plan of Reorganization) is not reasonably satisfactory to SNCP; (vii) no Material Adverse Change following the filing of the Proposed Plan of Reorganization, (ix) no relevant threatened or pending litigation by a governmental authority, and (x) there being no injunction, court order/judgment or other ruling, edict or pronouncement with the force of law prohibiting the consummation of any of the material transactions contemplated in this MOU, the Definitive Documents and the Proposed Plan of Reorganization.

A "Material Adverse Change" shall mean any change or effect that is or could be reasonably expected to result in a material adverse change in: SCO's business, considered as a whole; or the consolidated financial condition or results of operations of SCO, other than changes associated with the bankruptcy of SCO or general economic conditions.

**Termination of  
the  
Transaction:**

The Debt Financing and the Equity Financing will be terminable in the following circumstances:

- by mutual written consent of SCO and SNCP;
- if SCO fails to obtain court approval for the Settlement Compensation and the Sale Compensation upon the approval of the Disclosure Statement relating to the Proposed Plan of Reorganization and prior to the submission of the Proposed Plan of Reorganization to creditors and interest holders for the purpose of voting thereon;
- the due diligence investigation of SCO (which shall end at the commencement of the Bankruptcy Court hearing on the approval of the Disclosure Statement relating to the Proposed Plan of Reorganization) is not reasonably satisfactory to SNCP;
- by SNCP upon written notice of a material breach of any covenant or agreement to be performed or complied with by SCO which, if capable of being cured, is not cured within 15 business days after notice;
- by SCO upon written notice of a material breach of any covenant or agreement to be performed or complied with by SNCP which, if capable of being cured, is not

cured within 15 business days after notice;

- o by either SNCP or SCO if any foreign, federal, state, local or other governmental, administrative or regulatory authority, body, agency, court, tribunal or similar entity (other than the Bankruptcy Court) having competent jurisdiction issues a final and non-appealable order, decree or ruling prohibiting the transaction;
- o by SNCP upon a determination by SCO or SCO's board of directors to pursue a Competitive Transaction;
- o by SNCP, if the Bankruptcy Court shall not have entered an order approving the Settlement Compensation and Sale Compensation in form and substance reasonably acceptable to SNCP on or before April 28, 2008; and
- o this MOU shall be terminated if an Order of the Bankruptcy Court approving the Debtor's execution hereof and performance hereunder is not entered by April 28, 2008, or if the Bankruptcy Court does not enter an Order confirming the Proposed Plan of Reorganization as contemplated hereby by August 15, 2008.

**Restriction on Affirmative Seeking Competitive Transactions**

SCO acknowledges that it is not actively seeking financing for a plan of reorganization, except as set forth in this MOU. SCO agrees that, until August 15, 2008, neither SCO nor its agents or representatives shall solicit or encourage submission of inquiries, proposals or offers from any third parties regarding any potential financing of a plan of reorganization for SCO (each, a "Competitive Transaction"). SCO shall immediately notify SNCP in writing if it receives an offer or proposal relating to a Competitive Transaction.

**Good Faith Negotiations:**

The Parties agree to negotiate in good faith the Definitive Documents contemplated by this MOU, so that forms of all such Definitive Documents, in substantially final form, shall be filed with the Bankruptcy Court prior to the hearing on approval of the Disclosure Statement relating to the Proposed Plan of Reorganization.

**Due Diligence:**

The Debtor will afford to SNCP all access, cooperation, documents and information reasonably requested by SNCP in connection with its due diligence examination of the Debtor and its business. SNCP may terminate this MOU if it is not satisfied with the results of such due diligence examination. Such due diligence period and termination rights shall end at the commencement of the Bankruptcy Court hearing on the approval of the Disclosure Statement relating to the Proposed Plan of Reorganization.

**Governing Law:**

This Memorandum of Understanding shall be governed by Delaware law and all Parties consent to the exclusive jurisdiction of the Bankruptcy Court hearing the Bankruptcy Cases to determine any controversy arising hereunder. The Definitive Documents executed on the Closing Date (including the Loan Agreement) shall be governed by New York law.

The terms set forth above summarize the major points we have discussed, but are not intended to be the entirety of the terms of the Proposed Plan of Reorganization, the Equity Financing or the Debt Financing and are subject to the drafting and execution of Definitive Documents. The Debtor's execution of this MOU is subject in all respects to the entry of an Order of the Bankruptcy Court approving this MOU and the Definitive

Documents contemplated hereby, which Order will be sought in connection with the motion for approval of the Disclosure Statement relating to the Proposed Plan of Reorganization. This MOU shall not be enforceable against the Debtor until such Bankruptcy Court order is entered and shall be subject to the terms of such Order, when entered. If such Bankruptcy Court approval is not obtained by April 28, 2008, then this MOU shall terminate.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.  
SIGNATURE PAGE FOLLOWS.]**

IN WITNESS WHEREOF, the parties have entered into this MOU as of February 13, 2008.

THE SCO GROUP, INC.

By: 

Name: Ralph Yarro III  
Title: SCO Chairman

STEVE NORRIS CAPITAL PARTNERS, LLC

By: \_\_\_\_\_

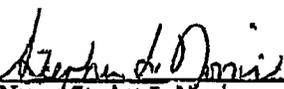
Name: Stephen L. Norris  
Title: SNCP Chairman

IN WITNESS WHEREOF, the parties have entered into this MOU as of February \_\_, 2008.

THE SCO GROUP, INC.

By: \_\_\_\_\_  
Name: Ralph Yarn III  
Title: SCO Chairman

STEVE NORRIS CAPITAL PARTNERS, LLC

By:  \_\_\_\_\_  
Name: Stephen L. Norris  
Title: SNCP Chairman

**Exhibit 1**

**Stockholders' Agreement**

(To be filed with Court on or before March 21, 2008)

**Exhibit 2**

Stock Option Agreement

(To be filed with Court on or before March 21, 2008)

**Exhibit 3**

Warrant Agreement

(To be filed with Court on or before March 21, 2008)

**Exhibit 4**

Trust Recovery Scenarios

**The SCO Group**  
Grantor Trust Recovery Scenarios  
(\$ in thousands)

Shares outstanding as of 1/25/08	# shares	%
Options outstanding as of 10/31/07	21,866,288	81.3%
	5,016,000	18.7%
Total shares outstanding at change of control/initial equity <sup>(1)</sup>	26,882,288	

**Scenario: Settlement of Novak Litigation - 50% Rev. on Payout Funding**

Equity Ownership Post-Effective Date	Ownership %
Trust (Initial Common)	49.0%
New Common - Series A Preferred <sup>(2)</sup>	51.0%
	100.0%

Litigation Settlement Amount	
Less: Contingency Fees <sup>(3)</sup>	
Proceeds Before Taxes	
Less: Taxes	35%
Proceeds After Tax	
Proceeds Allocated to Trust	

	\$ 25,000	\$ 50,000	\$ 100,000	\$ 180,000	\$ 350,000	\$ 700,000	\$ 1,000,000
# shares	26,882,288	-	55,500	183,200	516,800	756,800	243,200
Trust (Initial Common)	27,979,524	180,000	294,500	516,800	180,880	264,880	180,880
New Common - Series A Preferred <sup>(2)</sup>	54,861,812	17,500	35,000	63,000	103,075	180,880	264,880
Litigation Settlement Amount							
Less: Contingency Fees <sup>(3)</sup>							
Proceeds Before Taxes	25,000	50,000	100,000	180,000	350,000	700,000	1,000,000
Less: Taxes	8,750	17,500	35,000	63,000	103,075	180,880	264,880
Proceeds After Tax	16,250	32,500	65,000	117,000	191,425	335,920	491,920
Proceeds Allocated to Trust	7,963	15,925	31,850	57,330	93,798	164,601	241,041
Price Per Share - Fully Diluted Basis	\$ 0.30	\$ 0.59	\$ 1.18	\$ 2.13	\$ 3.49	\$ 6.12	\$ 8.97

**The SCO Group**  
Grantor Trust Recovery Scenarios  
(\$ in thousands)

**Scenario 2-A: Sale of all or substantially all of the assets with \$0 drawn on Debt financing**

Equity Ownership Post-Effective Date	Ownership %	# shares	\$ 25,000	\$ 50,000	\$ 100,000	\$ 180,000	\$ 350,000	\$ 700,000	\$ 1,000,000
Trust (Initial Common)	49.0%	26,882,288	-	-	-	-	55,500	183,200	243,200
New Common - Series A Preferred <sup>(2)</sup>	51.0%	27,979,524	50,000	100,000	180,000	294,500	516,800	756,800	756,800
	100.0%	54,861,812	17,500	35,000	63,000	103,075	180,880	264,880	264,880
Sales Proceeds			25,000	50,000	100,000	180,000	294,500	516,800	756,800
Less: Contingency Fees <sup>(3)</sup>			-	-	-	-	-	-	-
Proceeds Before Taxes			25,000	50,000	100,000	180,000	294,500	516,800	756,800
Less: Taxes			8,750	17,500	35,000	63,000	103,075	180,880	264,880
Proceeds After Tax			16,250	32,500	65,000	117,000	191,425	335,920	491,920
Less: Series A Preferred Payout <sup>(4)</sup>	35%		15,000	15,000	15,000	15,000	15,000	15,000	15,000
Proceeds After Preferred Payout			1,250	17,500	50,000	102,000	176,425	320,920	476,920
Proceeds Allocated to Trust			613	8,575	24,500	49,980	86,448	157,251	233,681
Price Per Share - Fully Diluted Basis			\$ 0.02	\$ 0.32	\$ 0.91	\$ 1.86	\$ 3.22	\$ 5.85	\$ 8.69

**Scenario 2-B: Sale of all or substantially all of the assets with \$30 million drawn on Debt financing**

Equity Ownership Post-Effective Date	Ownership %	# shares	\$ 25,000	\$ 50,000	\$ 100,000	\$ 180,000	\$ 350,000	\$ 700,000	\$ 1,000,000
Trust (Initial Common)	15.0%	26,882,288	-	-	-	-	55,500	183,200	243,200
New Common - Series A Preferred <sup>(2)</sup>	85.0%	152,332,965	50,000	100,000	180,000	294,500	516,800	756,800	756,800
	100.0%	179,215,253	17,500	35,000	63,000	103,075	180,880	264,880	264,880
Sales Proceeds			25,000	50,000	100,000	180,000	294,500	516,800	756,800
Less: Contingency Fees <sup>(3)</sup>			-	-	-	-	-	-	-
Proceeds Before Taxes			25,000	50,000	100,000	180,000	294,500	516,800	756,800
Less: Taxes			8,750	17,500	35,000	63,000	103,075	180,880	264,880
Proceeds After Tax			16,250	32,500	65,000	117,000	191,425	335,920	491,920
Less: Series A Preferred Payout <sup>(4)</sup>	35%		15,000	15,000	15,000	15,000	15,000	15,000	15,000
Proceeds After Preferred Payout			1,250	17,500	50,000	102,000	176,425	320,920	476,920
Proceeds Allocated to Trust			188	2,625	7,500	15,300	26,464	48,138	71,538
Price Per Share - Fully Diluted Basis			\$ 0.01	\$ 0.10	\$ 0.28	\$ 0.57	\$ 0.98	\$ 1.79	\$ 2.66

**The SCO Group**  
Grantor Trust Recovery Scenarios  
(\$ in thousands)

**Scenario 3 - A Sale of all of the Company's Stock with \$0 Drawn on Debt Financing**

Equity Ownership Post-Effective Date	Ownership %	# shares	\$ 25,000	\$ 50,000	\$ 100,000	\$ 180,000	\$ 350,000	\$ 700,000	\$ 1,000,000
Trust (Initial Common)	49.0%	26,882,288	-	-	-	-	55,500	183,200	243,200
New Common - Series A Preferred <sup>(2)</sup>	51.0%	27,979,524	50,000	100,000	180,000	294,500	516,800	756,800	756,800
	100.0%	54,861,812	7,500	15,000	27,000	44,175	77,520	113,520	113,520
Sales Proceeds			21,250	42,500	85,000	153,000	250,325	439,280	643,280
Less: Contingency Fees <sup>(3)</sup>			15%						
Proceeds Before Taxes			18,750	37,500	75,000	138,000	235,325	424,280	628,280
Less: Taxes			6,250	12,500	25,000	47,500	90,750	166,520	243,200
Proceeds After Tax			12,500	25,000	50,000	90,500	144,575	257,760	384,800
Less: Series A Preferred Payout <sup>(4)</sup>			15,000	15,000	15,000	15,000	15,000	15,000	15,000
Proceeds After Preferred Payout			0	10,000	35,000	75,500	129,575	242,760	369,800
Proceeds Allocated to Trust			3,063	13,475	34,300	67,620	115,309	207,897	307,857
Price Per Share - Fully Diluted Basis			\$ 0.11	\$ 0.50	\$ 1.28	\$ 2.52	\$ 4.29	\$ 7.73	\$ 11.45

**Scenario 3 - A Sale of all of the Company's Stock with \$0 million Drawn on Debt Financing**

Equity Ownership Post-Effective Date	Ownership %	# shares	\$ 25,000	\$ 50,000	\$ 100,000	\$ 180,000	\$ 350,000	\$ 700,000	\$ 1,000,000
Trust (Initial Common)	15.0%	26,882,288	-	-	-	-	55,500	183,200	243,200
New Common - Series A Preferred <sup>(2)</sup>	85.0%	152,332,965	50,000	100,000	180,000	294,500	516,800	756,800	756,800
	100.0%	179,215,253	7,500	15,000	27,000	44,175	77,520	113,520	113,520
Sales Proceeds			21,250	42,500	85,000	153,000	250,325	439,280	643,280
Less: Contingency Fees <sup>(3)</sup>			15%						
Proceeds Before Taxes			18,750	37,500	75,000	138,000	235,325	424,280	628,280
Less: Taxes			6,250	12,500	25,000	47,500	90,750	166,520	243,200
Proceeds After Tax			12,500	25,000	50,000	90,500	144,575	257,760	384,800
Less: Series A Preferred Payout <sup>(4)</sup>			15,000	15,000	15,000	15,000	15,000	15,000	15,000
Proceeds After Preferred Payout			0	10,000	35,000	75,500	129,575	242,760	369,800
Proceeds Allocated to Trust			938	4,125	10,500	20,700	35,299	63,642	94,242
Price Per Share - Fully Diluted Basis			\$ 0.03	\$ 0.15	\$ 0.39	\$ 0.77	\$ 1.31	\$ 2.37	\$ 3.51

Notes:

- (1) Assumes all outstanding options vest immediately upon a change in control.
- (2) Assumes Series A Preferred converts to common.
- (3) Contingency arrangement with Boies Schiller per the 10-K for the period ending 10/31/07 less \$60 million in amounts already paid.
- (4) Series A Preferred payout is three times the Original Series Price, per the Memorandum of Understanding.

**Exhibit 5**

**Stock Purchase Agreement**

(To be filed with Court on or before March 21, 2008)

**Exhibit 6**

Loan Agreement

(To be filed with Court on or before March 21, 2008)

**Exhibit 7**

Designation of Rights and Preferences of the Series A Preferred Stock

(To be filed with Court on or before March 21, 2008)

**Exhibit 8**

Registration Rights Agreement

(To be filed with Court on or before March 21, 2008)

**Exhibit 9**

List of Debtors' Accounts Receivable Derived from Debtors' Schedules

## SCHEDULE B - PERSONAL PROPERTY

## EXHIBIT B-16A

## Accounts Receivable

Company	Amount
ACRODEX	\$ 6,057.60
ACTIVANT SOLUTIONS INC.	24,655.18
ADM MILLING LTD	8,170.93
ALACHUA COUNTY CLERK OF	2,500.00
ALASKA PACIFIC ENVIRONMENTAL	2,400.00
ALLIANCE TECHNOLOGY CO LTD	4,491.76
AMCO PLASTIC MATERIALS INC.	1,085.04
AMERICAN PERMANENT WARE	2,706.25
ANECTIS SA	2,962.05
APEXX SOLUTIONS INC.	897.00
APPLABS TECHNOLOGIES	87,500.00
APPLIED STRATEGIES INTERNAT	1,464.00
APRIL SYSTEM DESIGN	4,500.00
ARC TECHNOLOGY DISTRIBN LTD	18,571.12
ASK TECHNOLOGIES INC	54,000.00
ASPEN SYSTEMS	1,980.00
ASPYRA INC.	3,750.00
AT&T	3,600.00
ATK NORTH AMERICA	2,200.00
AVAYA INC.	605.00
AVNET LOGISTICS US LP	3,198.60
BARCLAYS BANK CORP AFFAIRS	28,824.83
BELL MICROPRODUCTS LTD	65,152.25
BOWE BELL & HOWELL	2,250.00
BSYSTEMS UK LTD	4,840.33
bSYSTEMS UK Ltd	5,022.19
BT GLOBAL SERVICES ACCOUNT	23,890.44
BYTEC BODRY TECHNOLOGY GMBH	30,493.99
Carldata GmbH	4,379.17
CATHOLIC HEALTHCARE WEST	1,980.00
CAWTHORN & PICARD	2,985.05
CHOINI GMBH	3,241.86
CLARTEN SA	98,305.87
COMMODORE CORPORATION (THE)	85.47
COMVERSE LTD	172,536.00
COMVERSE NETWORK SYSTEMS	2,268.00
CORPORATE SOFTWARE	79,408.10
COSTCO	22,785.52
CVS PHARMACY	1,688.94
CYCOM BUSINESS SOLUTIONS	5,130.85
DAKEL INFORMATICA SA	177,318.27
DALLAS INDEPENDENT SCHOOL	704.02
DAL-TILE INC	10,554.38
DOMINO'S PIZZA LLC	33,121.00
DR PEPPER BOTTLING COMPANY	1,299.00
DRORNET SYSTEMS LTD	440.00
DST OUTPUT	1,454.74
DTR BUSINESS SYSTEMS INC	226,816.34

## SCHEDULE B - PERSONAL PROPERTY

## EXHIBIT B-16A

## Accounts Receivable

Company	Amount
ECS COMPUTERS (ASIA) PTE LTD	1,133.45
EDS NEW ZEALAND PTY LIMITED	9,600.00
ESA SOFTWARE SPA	2,783.94
ESSILOR LABS OF AMERICA	15,241.60
FAIR ISAAC CORP	9,000.00
FIRST CITIZENS BANK LTD	4,600.00
Fortnum & Mason	4,874.14
FORWARD CORP	1,800.00
FRAME	54,195.94
FUJITSU SIEMENS COMPUTERS	205.17
GADSDEN COUNTY CLERK OF	2,520.00
GENERAL DATACOMM INC	3,174.70
GENERAL DYNAMICS	2,000.00
GENISYS SOFTWARE, INC	11,680.00
GESTION TECNOLOGICA	4,651.75
GETRONICS WANG COMPANY	36,809.60
GOLDTECH COMPUTER SYSTEMS	1,200.00
HANKOOK SCO LTD	17,856.06
HELP THE AGED	2,418.87
HIGHWAY INFORMATION SYSTEM	7,432.65
Intech Ltd	3,933.04
INTEGRA MICRO Systems PvtLTD	34,185.98
INTERGRADE SA	9,354.65
IT INNOVATION & TECHNOLOGY	7,327.69
JOMA GROUP NORDIC	19,698.50
KEYCENTRIX	2,000.00
KGW ENTERPRISES	10,333.79
KROGER CO	2,500.00
LANCASHIRE CONSTABULARY	16,780.96
LITTLE FLOWER CHILDREN SERV	934.95
LOGIX SA	21,111.42
LRD SYSTEMS LTD	3,039.71
LUCENT TECHNOLOGIES INC	45,981.00
MACTRONIC BUSINESS SYSTEMS	14,907.20
MBTECH AUTODIE, LLC	2,302.46
MCDONALD'S CORP	3,620.80
MEMOSIS SISTEMAS INFO LDA	10,817.51
METROPLEX DATA SYSTEMS	738.52
MICHAELS STORES INCORPORATED	2,455.11
MICROAGE	3,187.74
MICROCOMP SRO	1,108.08
MICROS SYSTEMS INC	10,074.00
MISYS HEALTHCARE SYSTEMS	350.00
MORREL COMPANY	1,506.43
MORSE	23,482.61
MPA SYSTEMS PTY LTD	27,855.25
MVA	25,566.60

## SCHEDULE B - PERSONAL PROPERTY

## EXHIBIT B-16A

## Accounts Receivable

Company	Amount
MWB BUSINESS SYSTEMS	.660.94
NORTHROP GRUMMAN / LITTON	7,404.00
NOVELL INC - royalties	21,793.30
NOVUS SYSTEM INTEGRATORS CC	8,572.00
OFFICE OF SYSTEMS INTEGRATIO	8,300.00
OFFICER DISTRIBUIDORA S/A	.659.45
OLLY LTD	5,416.00
OMICRON SOFTWARE SYSTEMS AB	10,021.88
OMNIX INTERNATIONAL LLC	5,506.00
ONNIK CORPORATION	2,000.00
OS&T	3,528.25
PAT YOUNG SERVICE CO. INC.	2,250.00
PERO COMPUTER HANDELSGESELL	2,689.10
PER-SE TECHNOLOGIES	15,022.85
PROMETRIC INC	154.72
PROVIDENCE HEALTH SYSTEM	9,000.00
PT PENTADATA PRIMA SAKTI	3,249.50
RADIO SHACK TECHNOLOGY SERV.	35,000.00
RAYMAR INFORMATION TECH. INC	3,877.17
REED / CMD GROUP	2,500.00
RITE AID CORP	2,300.00
ROCKINGHAM COUNTY	2,979.00
ROLLS ROYCE ENGINE SVCS	1,980.00
SAGE SOFTWARE HEALTHCARE INC	14,454.96
Sai Infosystem (India) Pvt	4,882.81
SCO BENELUX	8,528.81
SCO SOFTWARE(CHINA) CO LTD	56,024.09
SENECA DATA DISTRIBUTORS INC	112,405.13
SER SOLUTIONS INC	92,032.15
SIEMENS AG	20,477.58
Siemens AG	9,731.50
SIEMENS ENTERPRISE	219,560.00
SIEMENS ICN	2,319.00
SOFT-TRONIK DISTRIBUTION	9,242.38
Software Solutions Partners	3,099.54
SOLUTION BOX SRL	12,723.09
SONATA INFO TECH LTD	73,636.36
SPECTRUM SYSTEMS INC	1,440.00

## SCHEDULE B - PERSONAL PROPERTY

## EXHIBIT B-16A

## Accounts Receivable

Company	Amount
SPHINX CST LTD	73,919.58
STATE OF ME	8,268.00
STRHOLD SPA	338,647.16
SUNLIGHT SERVICES GROUP, THE	19,442.22
SWIMLINE	2,000.00
SYNNEX CANADA LTD	26,885.85
SYNNEX CORP	11,115.55
SYSCO CORP	21,736.60
TARDIS SERVICES PTY LTD	5,784.80
TEAM 1 SYSTEMS	33,598.75
TECH DATA CANADA CORP	34,991.58
TECH DATA CORP	93,972.67
TECHMEX SA	3,667.08
TERIAN SOLUTIONS LLC	44,380.90
TERN	3,178.82
THOMSON FINANCIAL	106,083.37
TJF COMPUTER AG	4,459.83
TRANSCORE-DM COMPUTER SVC	1,737.14
TRANSPORTATION SPECIALISTS L	720.00
TRIDEX SYSTEMS INC	668.21
UNIPLUS LTD	4,347.25
UNISYS CORP	46.53
UNIV OF MEDICINE &	2,800.00
URBANA TECHNOLOGIES	863.00
USIS	4,032.00
VERIZON WIRELESS	3,600.00
VIRTUAL CARE PROVIDER	1,980.00
WALGREEN CO	231,000.00
WAVENEY DISTRICT COUNCIL	8,170.93
WELLS FARGO	1,980.00
Wildmark Enterprises LLC	1.30
Wireless Technologies	9,199.08
WISTRON CORP	1,500.00
<b>Total</b>	<b><u>\$ 3,642,702.77</u></b>

**SCHEDULE B - PERSONAL PROPERTY**  
**EXHIBIT B-16B**  
**Intercompany Receivable**

<u>Company</u>	<u>Amount</u>
The SCO Group, Inc.	\$ 1,745,258.32
SCO Software (India) PVT Ltd	497,063.30
SCO KK (Japan)	352,422.76
<b>Total</b>	<b>\$ 2,594,744.38</b>

**Exhibit 10**

Exhibits 3b and 3c from the Debtors' Statement of Financial Affairs

Statement of Financial Affairs  
 Exhibit 3b  
 PAYMENTS TO CREDITORS

3. b. Payment or other transfer of all property that constitutes or is affected by such transfer, aggregating more than \$5,475 to any creditor, made within 90 days immediately preceding the commencement of this case.

Payee	Check Number	Cleared Date	Address	City	State	Zip	Country	Amount Paid	Amount Still Owing
ALLAN CANTOS	601144	6/19/2007	25 VILLAGE VIEW ROAD	WESTFORD	MA	01186	UNITED STATES	6,000.00	-
ALLAN CANTOS Total								6,000.00	-
ALOK MOHAN	009018	8/17/2007	4706 EAGLES NEST CIRCLE	DAYTON	OH	45429	UNITED STATES	7,303.91	-
ALOK MOHAN Total								7,303.91	-
AMERICAN EXPRESS	601114	6/15/2007	CPC REMITTANCE PROCESSING	WESTON	FL	33331-3626	UNITED STATES	3,923.79	-
AMERICAN EXPRESS	601174	6/29/2007	TRAVEL RELATED SERVICES CO	FT LAUDERDALE	FL	33336-0001	UNITED STATES	34,960.17	-
AMERICAN EXPRESS	601289	8/1/2007	TRAVEL RELATED SERVICES CO	FT LAUDERDALE	FL	33336-0001	UNITED STATES	8,460.65	-
AMERICAN EXPRESS	601352	8/1/2007	CPC REMITTANCE PROCESSING	WESTON	FL	33331-3626	UNITED STATES	3,695.76	-
AMERICAN EXPRESS	601440	8/31/2007	TRAVEL RELATED SERVICES CO	FT LAUDERDALE	FL	33336-0001	UNITED STATES	7,239.60	-
AMERICAN EXPRESS Total								58,209.97	-
ARKEIA CORPORATION	601388	8/24/2007	1808 ASTON AVENUE	CARLEBAD	CA	92008	UNITED STATES	10,080.00	-
ARKEIA CORPORATION Total								10,080.00	-
AT&T	601131	6/15/2007	PAYMENT CENTER	SACRAMENTO	CA	95887-0001	UNITED STATES	19.67	-
AT&T	601147	6/21/2007	ATTN:SHWINI BHARUCHA	NAPERVILLE	IL	60564	UNITED STATES	402.91	-
AT&T Total								19.67	-
AT&T	601176	6/29/2007	PO BOX 6463	CAROL STREAM	IL	60197-6463	UNITED STATES	1,690.89	-
AT&T	601253	7/19/2007	PAYMENT CENTER	SACRAMENTO	CA	95887-0001	UNITED STATES	19.46	-
AT&T	601335	8/13/2007	PO BOX 6463	CAROL STREAM	IL	60197-6463	UNITED STATES	5,140.51	-
AT&T	601403	8/24/2007	PAYMENT CENTER	SACRAMENTO	CA	95887-0001	UNITED STATES	20.95	-
AT&T	601470	9/7/2007	PO BOX 6463	CAROL STREAM	IL	60197-6463	UNITED STATES	2,712.93	-
AT&T Total								10,097.32	-
BERGER SINGERMAN PA	015127	9/4/2007	350 EAST LAS OLAS BLVD #1000	FT LAUDERDALE	FL	33301	UNITED STATES	50,000.00	-
BERGER SINGERMAN PA	050135	9/11/2007	350 EAST LAS OLAS BLVD #1000	FT LAUDERDALE	FL	33301	UNITED STATES	375,000.00	-
BERGER SINGERMAN PA Total								425,000.00	-
BERT YOUNG	050140	9/14/2007	355 South 520 West	Lindon	UT	84042	UNITED STATES	60,000.00	-
BERT YOUNG Total								60,000.00	-
BOETTCHER, HASSEL LOH	003021	8/10/2007	WIDENMAYERSTRASSE 4	MUNCIEN		80538	GERMANY	13,683.72	-
BOETTCHER, HASSEL, LOH Total								13,683.72	-
BOES, SCHILLER & FLEX	015100	8/8/2007	6450 BELVEDERE ROAD	WEST PALM BEACH	FL	33413	UNITED STATES	93,879.53	-
BOES, SCHILLER & FLEX	015109	8/17/2007	6450 BELVEDERE ROAD	WEST PALM BEACH	FL	33413	UNITED STATES	5,794.63	-
BOES, SCHILLER & FLEX	601423	8/24/2007	2200 CORPORATE BLVD	BOCA RATON	FL	33431	UNITED STATES	99,674.16	-
BOES, SCHILLER & FLEX Total								199,348.32	-
CASH	601510	9/13/2007	355 S 520 W	LINDON	UT	84042	UNITED STATES	13,600.00	-
CASH Total								13,600.00	-
CCI NETWORK SERVICES	601115	6/15/2007	155 NORTH 400 WEST, STE 100	SALT LAKE CITY	UT	84103	UNITED STATES	3,798.69	-
CCI NETWORK SERVICES	601239	7/13/2007	155 NORTH 400 WEST, STE 100	SALT LAKE CITY	UT	84103	UNITED STATES	3,798.69	-
CCI NETWORK SERVICES	601353	8/17/2007	155 NORTH 400 WEST, STE 100	SALT LAKE CITY	UT	84103	UNITED STATES	3,780.51	-
CCI NETWORK SERVICES	060109	9/14/2007	155 NORTH 400 WEST, STE 100	SALT LAKE CITY	UT	84103	UNITED STATES	-	-
CCI NETWORK SERVICES Total								11,377.89	-
CHRISTINE A BOTOSAN	015097	7/12/2007	2091 E LAIRD DR	SALT LAKE CITY	UT	84108	UNITED STATES	27,225.00	-
CHRISTINE A BOTOSAN	015118	8/22/2007	2091 E LAIRD DR	SALT LAKE CITY	UT	84108	UNITED STATES	32,175.00	-
CHRISTINE A BOTOSAN Total								59,400.00	-
COLTRIN & ASSOCIATES	601390	8/24/2007	1212 AVENUE OF THE AMERICAS	NEW YORK	NY	10036	UNITED STATES	15,000.00	-
COLTRIN & ASSOCIATES	050138	9/13/2007	1212 AVENUE OF THE AMERICAS	NEW YORK	NY	10036	UNITED STATES	50,806.67	-
COLTRIN & ASSOCIATES Total								65,806.67	-
DAN CAMPBELL	601424	8/24/2007	355 South 520 West	Lindon	UT	84042	UNITED STATES	11,250.00	-
DAN CAMPBELL Total								11,250.00	-
DARCY MOTT	601429	8/24/2007	355 South 520 West	Lindon	UT	84042	UNITED STATES	8,750.00	-

Statement of Financial Affairs  
Exhibit 3b  
PAYMENTS TO CREDITORS

3. b. Payment on other transfer of all property that constitutes or is affected by such transfer, aggregating more than \$5,075 to any creditor, made within 90 days immediately preceding the commencement of this case.

Payee	Check Number	Cleared Date	Address	Address2	City	State	Zip	Country	Amount Paid	Amount Still Owing
DARCY MOTT Total									8,250.00	-
DATAVISION SOFTWARE	601182	6/29/2007	UCHIL HEIGHTS	5 JAGDISH NAGAR	PUNE		411 007	INDIA	6,250.00	-
DIVERSIFIED INS TECHNO	601156	6/21/2007	136 E SOUTH TEMPLE #2300		SALT LAKE CITY	UT	84111	UNITED STATES	9,368.00	-
DIVERSIFIED INS TECHNO	601396	8/24/2007	136 E SOUTH TEMPLE #2300		SALT LAKE CITY	UT	84111	UNITED STATES	6,555.09	-
DORSEY & WHITNEY LLP	601141	6/18/2007	WELLS FARGO PLAZA		SALT LAKE CITY	UT	84101	UNITED STATES	15,723.09	-
DORSEY & WHITNEY LLP	601243	7/13/2007	WELLS FARGO PLAZA		SALT LAKE CITY	UT	84101	UNITED STATES	16,253.78	-
DORSEY & WHITNEY LLP	601324	8/6/2007	WELLS FARGO PLAZA		SALT LAKE CITY	UT	84101	UNITED STATES	11,414.13	-
DORSEY & WHITNEY LLP	015101	8/9/2007	WELL FARGO PLAZA		SALT LAKE CITY	UT	84101	UNITED STATES	8,051.27	-
DORSEY & WHITNEY LLP	601474	9/7/2007	WELLS FARGO PLAZA		SALT LAKE CITY	UT	84101	UNITED STATES	7,796.00	-
DORSEY & WHITNEY LLP	030137	9/11/2007	WELLS FARGO PLAZA		SALT LAKE CITY	UT	84101	UNITED STATES	100,000.00	-
DORSEY & WHITNEY LLP	015119	9/11/2007	WELL FARGO PLAZA		SALT LAKE CITY	UT	84101	UNITED STATES	32,722.01	-
DORSEY & WHITNEY LLP	601496	9/11/2007	WELLS FARGO PLAZA		SALT LAKE CITY	UT	84101	UNITED STATES	28,701.56	-
DORSEY & WHITNEY LLP	015124	9/13/2007	WELL FARGO PLAZA		SALT LAKE CITY	UT	84101	UNITED STATES	863.42	-
DORSEY & WHITNEY LLP Total									218,633.62	-
DUFF THOMPSON	601425	8/24/2007	355 South 520 West		London	UT	84042	UNITED STATES	11,250.00	-
EPIQ BANKRUPTCY SOLUTI	030142	9/14/2007	757 THIRD AVENUE		NEW YORK	NY	10017	UNITED STATES	25,000.00	-
EPIQ BANKRUPTCY SOLUTI Total									25,000.00	-
FASANELLA SANDRA GRACI	030123	8/6/2007	YO NAVEIRA PABLO FABIAN					ARGENTINA	10,000.00	-
FASANELLA SANDRA GRACI Total									10,000.00	-
FELIX EISENBERG	030109	6/25/2007						ISRAEL	15,505.92	-
FELIX EISENBERG	030117	7/26/2007						ISRAEL	7,949.81	-
FELIX EISENBERG	030132	8/24/2007						ISRAEL	7,905.14	-
FELIX EISENBERG Total									31,360.87	-
FKI LOGISTICS	601189	6/29/2007	10045 INTERNATIONAL BLVD		CINCINNATI	OH	45246-8839	UNITED STATES	25,200.00	-
FKI LOGISTICS Total									25,200.00	-
FULL COURT FINANCIAL	601122	6/15/2007	5295 COMMERCE DR STE 230		MURRAY	UT	84107-4744	UNITED STATES	4,153.00	-
FULL COURT FINANCIAL	601194	6/29/2007	5295 COMMERCE DR STE 230		MURRAY	UT	84107-4744	UNITED STATES	4,137.62	-
FULL COURT FINANCIAL	601245	7/13/2007	5295 COMMERCE DR STE 230		MURRAY	UT	84107-4744	UNITED STATES	4,102.75	-
FULL COURT FINANCIAL	601285	7/27/2007	5295 COMMERCE DR STE 230		MURRAY	UT	84107-4744	UNITED STATES	4,087.37	-
FULL COURT FINANCIAL	601328	8/6/2007	5295 COMMERCE DR STE 230		MURRAY	UT	84107-4744	UNITED STATES	4,087.37	-
FULL COURT FINANCIAL	601397	8/24/2007	5295 COMMERCE DR STE 230		MURRAY	UT	84107-4744	UNITED STATES	4,087.37	-
FULL COURT FINANCIAL	601475	9/7/2007	5295 COMMERCE DR STE 230		MURRAY	UT	84107-4744	UNITED STATES	4,444.89	-
FULL COURT FINANCIAL Total									29,100.37	-
G2 COMPUTER INTELLIGEN	601435	8/29/2007	11 DANIS AVENUE		OLEN COVE	NY	11545-9864	UNITED STATES	13,500.00	-
G2 COMPUTER INTELLIGEN Total									13,500.00	-
GARY RISANO	015113	8/22/2007	32 HANCOCK ST		LEXINGTON	MA	02420	UNITED STATES	90,400.00	-

Statement of Financial Affairs  
Exhibit 3b  
PAYMENTS TO CREDITORS

3. b. Payment on other transfer of all property that constitutes or is affected by such transfer, aggregating more than \$5,475 to any creditor, made within 90 days immediately preceding the commencement of this case.

Payee	Check Number	Cleared Date	Address	City	State	Zip	Country	Amount Paid	Amount Still Owed
<b>GARY FISANO Total</b>								50,400.00	-
GRE MOUNTAIN HEIGHTS	60121K	7/1/2007	PROPERTY LLC	HARTFORD	CT	06150-3607	UNITED STATES	49,950.89	-
GRE MOUNTAIN HEIGHTS	60127Z	7/2/2007	PROPERTY LLC	HARTFORD	CT	06150-3607	UNITED STATES	4,201.39	-
GRE MOUNTAIN HEIGHTS	60131B	8/1/2007	PROPERTY LLC	HARTFORD	CT	06150-3607	UNITED STATES	49,950.89	-
GRE MOUNTAIN HEIGHTS	60146S	9/4/2007	PROPERTY LLC	HARTFORD	CT	06150-3607	UNITED STATES	49,950.89	-
<b>GRE MOUNTAIN HEIGHTS Total</b>								154,053.96	-
HARMONIC INC	601219	7/1/2007	549 BALITIC WAY	SUNNYVALE	CA	94086	UNITED STATES	9,000.00	-
HARMONIC INC	601319	8/1/2007	549 BALITIC WAY	SUNNYVALE	CA	94086	UNITED STATES	9,000.00	-
HARMONIC INC	601467	9/5/2007	549 BALITIC WAY	SUNNYVALE	CA	94086	UNITED STATES	2,340.00	-
<b>HARMONIC INC Total</b>								20,340.00	-
HATCH JAMES & DODGE	01510J	8/9/2007	10 WEST BROADWAY	SLC	UT	84101	UNITED STATES	17,132.96	-
HATCH JAMES & DODGE	015116	8/22/2007	10 WEST BROADWAY	SLC	UT	84101	UNITED STATES	5,162.62	-
HATCH JAMES & DODGE	015120	9/11/2007	10 WEST BROADWAY	SLC	UT	84101	UNITED STATES	38,995.15	-
HATCH JAMES & DODGE	015123	9/13/2007	10 WEST BROADWAY	SLC	UT	84101	UNITED STATES	17,444.81	-
<b>HATCH JAMES &amp; DODGE Total</b>								78,735.54	-
HYPHERION CONSULTING IN	601124	6/15/2007	PO BOX 4286	SANTA CRUZ	CA	95063	UNITED STATES	6,090.00	-
HYPHERION CONSULTING IN	601195	6/29/2007	PO BOX 4286	SANTA CRUZ	CA	95063	UNITED STATES	8,260.00	-
<b>HYPHERION CONSULTING IN Total</b>								14,350.00	-
IKON OFFICE SOLUTIONS	015104	8/9/2007		SALT LAKE CITY	UT		UNITED STATES	6,736.76	-
INSIGHT	601197	6/29/2007	6820 SOUTH HARL AVENUE	TEMPE	AZ	85283	UNITED STATES	2,079.50	-
INSIGHT	601297	8/1/2007	6820 SOUTH HARL AVENUE	TEMPE	AZ	85283	UNITED STATES	12,303.16	-
INSIGHT	601450	8/31/2007	6820 SOUTH HARL AVENUE	TEMPE	AZ	85283	UNITED STATES	3,972.45	-
<b>INSIGHT Total</b>								18,355.11	-
INTERNATIONAL CHAMBER	015093	7/3/2007	COMMERCE	PARIS			FRANCE	11,025.00	-
<b>INTERNATIONAL CHAMBER Total</b>								11,025.00	-
J KENT MILLINGTON	601428	8/24/2007	335 South 520 West	Limton	UT	84042	UNITED STATES	10,684.06	-
JACKSON HOLE ADVISORS	601282	7/23/2007	700 PRIVATE TREATY LANE	GROVER	WY	83122	UNITED STATES	10,641.06	-
JACKSON HOLE ADVISORS	601298	8/1/2007	700 PRIVATE TREATY LANE	GROVER	WY	83122	UNITED STATES	5,300.00	-
JACKSON HOLE ADVISORS	601367	8/17/2007	700 PRIVATE TREATY LANE	GROVER	WY	83122	UNITED STATES	2,650.00	-
JACKSON HOLE ADVISORS	600112	9/14/2007	700 PRIVATE TREATY LANE	GROVER	WY	83122	UNITED STATES	2,650.00	-
<b>JACKSON HOLE ADVISORS Total</b>								10,600.00	-
JANCAITHER VOYAGES	003019	8/10/2007	88 BD VOLTAIRE	PARIS			FRANCE	5,724.29	-
<b>JANCAITHER VOYAGES Total</b>								5,724.29	-
JERSEY CENTRAL POWER &	60124K	7/13/2007	PO BOX 3687	AKRON	OH	44309-3687	UNITED STATES	8,992.18	-
JERSEY CENTRAL POWER &	601299	8/1/2007	PO BOX 3687	AKRON	OH	44309-3687	UNITED STATES	8,998.80	-
JERSEY CENTRAL POWER &	601478	9/7/2007	PO BOX 3687	AKRON	OH	44309-3687	UNITED STATES	7,935.21	-
<b>JERSEY CENTRAL POWER &amp; Total</b>								25,486.19	-
JONATHAN GALE	601125	6/15/2007	494 W 650 S	OREM	UT	84058	UNITED STATES	1,625.00	-
JONATHAN GALE	601249	7/13/2007	494 W 650 S	OREM	UT	84058	UNITED STATES	1,625.00	-
JONATHAN GALE	601398	8/24/2007	494 W 650 S	OREM	UT	84058	UNITED STATES	2,150.00	-
JONATHAN GALE	601498	9/11/2007	494 W 650 S	OREM	UT	84058	UNITED STATES	2,450.00	-
<b>JONATHAN GALE Total</b>								7,850.00	-
KELLY SERVICES (TEMPS)	601126	6/15/2007	1212 SOLUTIONS CENTER	CHICAGO	IL	60677-1002	UNITED STATES	565.60	-
KELLY SERVICES (TEMPS)	601158	6/21/2007	1212 SOLUTIONS CENTER	CHICAGO	IL	60677-1002	UNITED STATES	505.60	-
KELLY SERVICES (TEMPS)	601198	6/29/2007	1212 SOLUTIONS CENTER	CHICAGO	IL	60677-1002	UNITED STATES	1,131.30	-
KELLY SERVICES (TEMPS)	601300	8/1/2007	1212 SOLUTIONS CENTER	CHICAGO	IL	60677-1002	UNITED STATES	2,318.96	-

Statement of Financial Affairs  
Exhibit 3b  
PAYMENTS TO CREDITORS

3. b. Payment or other transfer of all property that constitutes or is affected by such transfer, aggregating more than \$5,475 to any creditor, made within 90 days immediately preceding the commencement of this case.

Payee	Check Number	Check Date	Address	Address2	City	State	Zip	Country	Amount Paid	Amount Still Owed
KELLY SERVICES (TEMPS)	601369	8/17/2007	1212 SOLUTIONS CENTER		CHICAGO	IL	60677-1002	UNITED STATES	1,210.23	-
KELLY SERVICES (TEMPS)	601399	8/24/2007	1212 SOLUTIONS CENTER		CHICAGO	IL	60677-1002	UNITED STATES	565.60	-
KELLY SERVICES (TEMPS)	601451	8/31/2007	1212 SOLUTIONS CENTER		CHICAGO	IL	60677-1002	UNITED STATES	1,219.58	-
KELLY SERVICES (TEMPS) Total									7,576.77	-
KENT DERRICOTT	070013	8/14/2007	1227 S LORIBEN COURT		BOUTHAIEUL	UT	84010	UNITED STATES	20,000.00	-
KENT DERRICOTT	601459	9/11/2007	1227 S LORIBEN COURT		BOUTHAIEUL	UT	84010	UNITED STATES	3,869.00	-
KENT DERRICOTT Total									23,869.00	-
KEVIN MCBRIDE	015098	7/12/2007	1299 Ocean Avenue		Santa Monica	CA	90401	UNITED STATES	35,546.17	-
KEVIN MCBRIDE	601330	8/8/2007	1299 Ocean Avenue		Santa Monica	CA	90401	UNITED STATES	28,719.17	-
KEVIN MCBRIDE	015106	8/9/2007	1299 Ocean Avenue		Santa Monica	CA	90401	UNITED STATES	29,331.47	-
KEVIN MCBRIDE	015125	9/7/2007	1299 Ocean Avenue		Santa Monica	CA	90401	UNITED STATES	33,225.00	-
KEVIN MCBRIDE Total									126,811.81	-
LENZ & STAEBELIN	015126	9/7/2007	ROUTE DE CIENE 30		GENEVA		CH-1211	SWITZERLAND	61,363.66	-
LENZ & STAEBELIN Total									61,363.66	-
LOGO IMAGES	601371	8/17/2007	455 E 720 S		SPANISH FORK	UT	84660	UNITED STATES	6,463.75	-
LOGO IMAGES	601452	8/31/2007	455 E 720 S		SPANISH FORK	UT	84660	UNITED STATES	3,040.56	-
LOGO IMAGES	601480	9/7/2007	455 E 720 S		SPANISH FORK	UT	84660	UNITED STATES	1,526.21	-
LOGO IMAGES Total									11,030.52	-
MADSON & AUSTIN	070015	8/24/2007	15 W SOUTH TEMPLE, STE 900		SALT LAKE CITY	UT	84101	UNITED STATES	453.47	-
MADSON & AUSTIN	601427	8/24/2007	15 W SOUTH TEMPLE, STE 900		SALT LAKE CITY	UT	84101	UNITED STATES	1,081.04	-
MADSON & AUSTIN	070016	9/7/2007	15 W SOUTH TEMPLE, STE 900		SALT LAKE CITY	UT	84101	UNITED STATES	3,311.74	-
MADSON & AUSTIN	601481	9/7/2007	15 W SOUTH TEMPLE, STE 900		SALT LAKE CITY	UT	84101	UNITED STATES	570.46	-
MADSON & AUSTIN Total									5,023.72	-
MAIN 10	601128	6/15/2007	277 E 950 SOUTH		OREM	UT	84058	UNITED STATES	11,240.43	-
MAIN 10	601250	7/13/2007	277 E 950 SOUTH		OREM	UT	84058	UNITED STATES	13,255.00	-
MAIN 10	601400	8/24/2007	277 E 950 SOUTH		OREM	UT	84058	UNITED STATES	4,852.50	-
MAIN 10 Total									12,748.50	-
MESROW FINANCIAL CONS	050141	9/14/2007	321 N. CLARK STREET		CHICAGO	IL	60610	UNITED STATES	30,856.00	-
MESROW FINANCIAL CONS Total									35,000.00	-
METROPOLITAN LIFE INSU	601274	7/20/2007	DEPT CH 10579		PALANTINE	IL	60655-0579	UNITED STATES	18,589.39	-
METROPOLITAN LIFE INSU	601507	9/11/2007	DEPT CH 10579		PALANTINE	IL	60655-0579	UNITED STATES	8,307.49	-
METROPOLITAN LIFE INSU Total									26,896.88	-
MICHAEL OLSON	050139	9/14/2007	355 South 520 West		Lindon	UT	84042	UNITED STATES	60,000.00	-
MICHAEL OLSON Total									60,000.00	-
MICROLITE CORPORATION	601454	8/11/2007	2315 MILL STREET		ALQUIPPA	PA	15001-2228	UNITED STATES	13,760.00	-
MICROLITE CORPORATION Total									13,760.00	-
NATIONAL ECONOMIC RESE	601430	8/24/2007	PO BOX 29677		NEW YORK	NY	10087-9677	UNITED STATES	15,153.27	-
NATIONAL ECONOMIC RESE	601482	9/7/2007	PO BOX 29677		NEW YORK	NY	10087-9677	UNITED STATES	14,746.50	-
NATIONAL ECONOMIC RESE Total									29,901.77	-
NELLYMOSEY INC		8/24/2007			ARLINGTON	MA		UNITED STATES	7,500.00	-
NELLYMOSEY INC Total									7,500.00	-
NEW YORK LIFE	050106	6/18/2007	BENEFIT SERVICES, INC.		NORWOOD	MA	02062-2641	UNITED STATES	31,911.90	-
NEW YORK LIFE	050110	6/29/2007	BENEFIT SERVICES, INC.		NORWOOD	MA	02062-2641	UNITED STATES	33,356.55	-
NEW YORK LIFE	050111	7/16/2007	BENEFIT SERVICES, INC.		NORWOOD	MA	02062-2641	UNITED STATES	21,660.35	-
NEW YORK LIFE	050120	7/30/2007	BENEFIT SERVICES, INC.		NORWOOD	MA	02062-2641	UNITED STATES	21,423.09	-
NEW YORK LIFE	050124	8/13/2007	BENEFIT SERVICES, INC.		NORWOOD	MA	02062-2641	UNITED STATES	22,567.75	-

Statement of Financial Affairs  
Exhibit 3b  
PAYMENTS TO CREDITORS

3. b. Payment or other transfer of all property that constitutes or is affected by such transfer, aggregating more than \$5,475 to any creditor, made within 90 days immediately preceding the commencement of this case.

Payee	Check Number	Cleared Date	Address	City	State	Zip	Country	Amount Paid	Amount Still Owed
NEW YORK LIFE	050133	8/28/2007	BENNETT SERVICES, INC.	NORWOOD	MA	02062-2641	UNITED STATES	23,645.70	-
NEW YORK LIFE	050134	9/11/2007	BENNETT SERVICES, INC.	NORWOOD	MA	02062-2641	UNITED STATES	23,127.61	-
NEW YORK LIFE Total								46,773.31	-
NORTH HARVARD GROUP LL	015110	8/17/2007	400 OYSTER POINT BLYD	SOUTH SAN FRANCISCO	CA	94080	UNITED STATES	33,672.81	-
NORTH HARVARD GROUP LL	015111	8/17/2007	400 OYSTER POINT BLYD	SOUTH SAN FRANCISCO	CA	94080	UNITED STATES	94,977.89	-
NORTH HARVARD GROUP LL	015112	8/22/2007	400 OYSTER POINT BLYD	SOUTH SAN FRANCISCO	CA	94080	UNITED STATES	94,497.38	-
NORTH HARVARD GROUP LL Total								223,148.18	-
OCEAN TOMO, LLC	601303	8/1/2007	ACCOUNTS RECEIVABLE	CHICAGO	IL	60606	UNITED STATES	25,000.00	-
OCEAN TOMO, LLC Total								25,000.00	-
OFFICEMAX	601160	6/21/2007	PO BOX 101705	ATLANTA	GA	30392-1705	UNITED STATES	968.37	-
OFFICEMAX	601200	6/29/2007	PO BOX 101705	ATLANTA	GA	30392-1705	UNITED STATES	927.42	-
OFFICEMAX	601304	8/1/2007	PO BOX 101705	ATLANTA	GA	30392-1705	UNITED STATES	1,072.21	-
OFFICEMAX	601402	8/24/2007	PO BOX 101705	ATLANTA	GA	30392-1705	UNITED STATES	1,625.88	-
OFFICEMAX	601455	8/31/2007	PO BOX 101705	ATLANTA	GA	30392-1705	UNITED STATES	1,636.24	-
OFFICEMAX	601483	9/7/2007	PO BOX 101705	ATLANTA	GA	30392-1705	UNITED STATES	89.30	-
OFFICEMAX Total								6,319.02	-
OMAR LEBMAN	601426	8/24/2007	2501 VALLEY VIEW AVE	HOLLADAY	UT	84117	UNITED STATES	11,040.61	-
OMAR LEBMAN Total								11,040.61	-
ORACLE CORPORATION	601130	6/15/2007	500 ORACLE PARKWAY	REDWOOD SHORES	CA	94065	UNITED STATES	18,179.91	-
ORACLE CORPORATION Total								18,179.91	-
PACHULSKI STANG ZIEHL	050136	9/11/2007	919 NORTH MARKET ST 17TH FL	WILMINGTON	DE	19899-8705	UNITED STATES	25,000.00	-
PACHULSKI STANG ZIEHL Total								25,000.00	-
PATSONS PRESS	601201	6/29/2007	970 STEWART	SUNNYVALE	CA	94085	UNITED STATES	3,110.34	-
PATSONS PRESS	601373	8/17/2007	970 STEWART	SUNNYVALE	CA	94085	UNITED STATES	2,849.95	-
PATSONS PRESS Total								5,960.29	-
PR NEWSWIRE	601254	7/13/2007	HARBOR SIDE FINANCIAL CENTER	806 PLAZA 3	NJ	07311	UNITED STATES	2,699.55	-
PR NEWSWIRE	601306	8/1/2007	HARBOR SIDE FINANCIAL CENTER	806 PLAZA 3	NJ	07311	UNITED STATES	1,129.80	-
PR NEWSWIRE	601404	8/24/2007	HARBOR SIDE FINANCIAL CENTER	806 PLAZA 3	NJ	07311	UNITED STATES	1,437.80	-
PR NEWSWIRE	601458	8/31/2007	HARBOR SIDE FINANCIAL CENTER	806 PLAZA 3	NJ	07311	UNITED STATES	911.40	-
PR NEWSWIRE	601484	9/7/2007	HARBOR SIDE FINANCIAL CENTER	806 PLAZA 3	NJ	07311	UNITED STATES	660.40	-
PR NEWSWIRE	601500	9/11/2007	HARBOR SIDE FINANCIAL CENTER	806 PLAZA 3	NJ	07311	UNITED STATES	684.60	-
PR NEWSWIRE Total								7,543.55	-
PREMIUM ASSIGNMENT	601255	7/13/2007	PO BOX 3100	TALLAHASSEE	FL	32315-3100	UNITED STATES	64,613.99	-
PREMIUM ASSIGNMENT	601374	8/17/2007	PO BOX 3100	TALLAHASSEE	FL	32315-3100	UNITED STATES	64,613.99	-
PREMIUM ASSIGNMENT	601485	9/7/2007	PO BOX 3100	TALLAHASSEE	FL	32315-3100	UNITED STATES	64,613.99	-
PREMIUM ASSIGNMENT Total								193,841.97	-
RALPH YARRO	601384	8/20/2007	355 South 520 West	London	UT	84042	UNITED STATES	8,750.00	-
RALPH YARRO	601433	8/24/2007	355 South 520 West	London	UT	84042	UNITED STATES	8,750.00	-
RALPH YARRO Total								17,500.00	-
RESEARCH IN MOTION	003012	6/15/2007	CORPORATION	CHICAGO	IL	60693	UNITED STATES	11,000.00	-
RESEARCH IN MOTION	070014	8/24/2007	CORPORATION	CHICAGO	IL	60693	UNITED STATES	1,000.00	-
RESEARCH IN MOTION Total								12,000.00	-

SCO Operations, Inc.

Statement of Financial Affairs  
Exhibit 3b  
PAYMENTS TO CREDITORS

3. b. Payment or other transfer of all property that constitutes or is affected by such transfer, aggregating more than \$5,475 to any creditor, made within 90 days immediately preceding the commencement of this case.

Payee	Check Number	Cleared Date	Address	City	State	Zip	Country	Amount Paid	Amount Still Owing
SAGE FORENSIC ACCOUNTI	015108	8/9/2007		SALT LAKE CITY	UT	84111	UNITED STATES	10,642.00	-
SAGE FORENSIC ACCOUNTI	015117	8/22/2007		SALT LAKE CITY	UT	84111	UNITED STATES	37,159.00	-
SAGE FORENSIC ACCOUNTI Total								47,781.00	-
SALES SYNERGY CANADA	601206	6/29/2007	SUITE 155 14845 YONGE ST	AURORA	ONT	L4G 6H8	CANADA	7,500.00	-
SALES SYNERGY CANADA	601325	8/6/2007	SUITE 155 14845 YONGE ST	AURORA	ONT	L4G 6H8	CANADA	7,500.00	-
SALES SYNERGY CANADA	601407	8/24/2007	SUITE 155 14845 YONGE ST	AURORA	ONT	L4G 6H8	CANADA	7,500.00	-
SALES SYNERGY CANADA	000103	9/14/2007	SUITE 155 14845 YONGE ST	AURORA	ONT	L4G 6H8	CANADA	-	-
SALES SYNERGY CANADA Total								22,500.00	-
SILVERMAN HILLER ASSOC	601486	9/7/2007	1 109 GLENDON AVE PH1	LOS ANGELES	CA	90024-3503	UNITED STATES	10,178.75	-
SILVERMAN HILLER ASSOC Total								10,178.75	-
STEALTH INSIGHT	003013	6/15/2007	1627 BACCHARIS AVE	CARLSBAD	CA	92011	UNITED STATES	8,588.53	-
STEALTH INSIGHT	003014	6/29/2007	1627 BACCHARIS AVE	CARLSBAD	CA	92011	UNITED STATES	9,527.16	-
STEALTH INSIGHT	003015	7/13/2007	1627 BACCHARIS AVE	CARLSBAD	CA	92011	UNITED STATES	8,333.50	-
STEALTH INSIGHT		7/27/2007	1627 BACCHARIS AVE	CARLSBAD	CA	92011	UNITED STATES	8,333.50	-
STEALTH INSIGHT		8/14/2007	1627 BACCHARIS AVE	CARLSBAD	CA	92011	UNITED STATES	8,333.50	-
STEALTH INSIGHT		8/24/2007	1627 BACCHARIS AVE	CARLSBAD	CA	92011	UNITED STATES	10,030.14	-
STEALTH INSIGHT		9/11/2007	1627 BACCHARIS AVE	CARLSBAD	CA	92011	UNITED STATES	8,333.60	-
STEALTH INSIGHT Total								61,479.33	-
SYKES GLOBAL SERVICES	004010	6/25/2007	NETHER ROAD	GALASHIELS	UT	TDI 3HE	UNITED KINGDOM	4,589.21	-
SYKES GLOBAL SERVICES	001001	7/25/2007	NETHER ROAD	GALASHIELS	UT	TDI 3HE	UNITED KINGDOM	4,179.03	-
SYKES GLOBAL SERVICES	004011	8/24/2007	NETHER ROAD	GALASHIELS	UT	TDI 3HE	UNITED KINGDOM	4,572.67	-
SYKES GLOBAL SERVICES Total								13,340.91	-
TANNER & CO	601143	6/18/2007	215 SOUTH STATE ST STE 800	SALT LAKE CITY	UT	84111	UNITED STATES	6,250.00	-
TANNER & CO	601259	7/13/2007	215 SOUTH STATE ST STE 800	SALT LAKE CITY	UT	84111	UNITED STATES	10,000.00	-
TANNER & CO	601327	8/6/2007	215 SOUTH STATE ST STE 800	SALT LAKE CITY	UT	84111	UNITED STATES	13,321.00	-
TANNER & CO	601348	8/15/2007	215 SOUTH STATE ST STE 800	SALT LAKE CITY	UT	84111	UNITED STATES	2,500.00	-
TANNER & CO	601432	8/24/2007	215 SOUTH STATE ST STE 800	SALT LAKE CITY	UT	84111	UNITED STATES	13,460.00	-
TANNER & CO	601489	9/7/2007	215 SOUTH STATE ST STE 800	SALT LAKE CITY	UT	84111	UNITED STATES	10,042.00	-
TANNER & CO	601501	9/11/2007	215 SOUTH STATE ST STE 800	SALT LAKE CITY	UT	84111	UNITED STATES	17,500.00	-
TANNER & CO Total								73,073.00	-
THE CANOPY PROPERTIES	601220	7/1/2007	C/O CUSHMAN & WAKEFIELD	SAN FRANCISCO	CA	94145-0257	UNITED STATES	46,631.56	-
THE CANOPY PROPERTIES	601320	8/1/2007	C/O CUSHMAN & WAKEFIELD	SAN FRANCISCO	CA	94145-0257	UNITED STATES	46,631.56	-
THE CANOPY PROPERTIES	601414	8/24/2007	C/O CUSHMAN & WAKEFIELD	SAN FRANCISCO	CA	94145-0257	UNITED STATES	137.50	-
THE CANOPY PROPERTIES	601466	9/4/2007	C/O CUSHMAN & WAKEFIELD	SAN FRANCISCO	CA	94145-0257	UNITED STATES	46,631.56	-
THE CANOPY PROPERTIES Total								140,032.18	-
THE HARTFORD	601277	7/20/2007	PO BOX 8500-3690	PHILADELPHIA	PA	19178-3690	UNITED STATES	7,482.40	-
THE HARTFORD	601333	8/10/2007	PO BOX 8500-3690	PHILADELPHIA	PA	19178-3690	UNITED STATES	7,368.73	-
THE HARTFORD	601490	9/7/2007	PO BOX 8500-3690	PHILADELPHIA	PA	19178-3690	UNITED STATES	7,690.48	-
THE HARTFORD Total								22,541.61	-
THOMSON PROMETRIC	601203	6/29/2007	1418 ACCOUNT RECEIVABLES TOWERS	BALTIMORE	MD	21224	UNITED STATES	26,053.72	-
THOMSON PROMETRIC Total								26,053.72	-
TRAVELERS	601166	6/21/2007	CLASSICALITY REMITTANCE CENT	HARTFORD	CT	06183-1008	UNITED STATES	13,153.80	-
TRAVELERS	601311	8/1/2007	CLASSICALITY REMITTANCE CENT	HARTFORD	CT	06183-1008	UNITED STATES	4,868.80	-
TRAVELERS	601460	8/31/2007	CLASSICALITY REMITTANCE CENT	HARTFORD	CT	06183-1008	UNITED STATES	1,996.80	-
TRAVELERS Total								19,949.40	-
UNITED HEALTHCARE INSU	601216	7/2/2007	22561 NETWORK PLACE	CHICAGO	IL	60673-1225	UNITED STATES	75,649.64	-
UNITED HEALTHCARE INSU	601233	7/1/2007	22561 NETWORK PLACE	CHICAGO	IL	60673-1225	UNITED STATES	73,649.64	-

Statement of Financial Affairs  
Exhibit 3b  
PAYMENTS TO CREDITORS

3. b. Payment or other transfer of all property that constitutes or is affected by such transfer, aggregating more than \$5,475 to any creditor, made within 90 days immediately preceding the commencement of this case.

Payee	Check Number	Cleared Date	Address1	Address2	City	State	Zip	Country	Amount Paid	Amount Still Owing
UNITED HEALTHCARE INSU	601347	8/1/2007	23561 NETWORK PLACE		CHICAGO	IL	60673-1223	UNITED STATES	90,738.62	-
UNITED HEALTHCARE INSU Total									290,037.90	-
UPS	601168	6/21/2007	PO BOX 660586		DALLAS	TX	75265-0586	UNITED STATES	1,130.87	-
UPS	601211	6/29/2007	PO BOX 660586		DALLAS	TX	75265-0586	UNITED STATES	1,123.73	-
UPS	601261	7/13/2007	PO BOX 660586		DALLAS	TX	75265-0586	UNITED STATES	558.59	-
UPS	601278	7/20/2007	PO BOX 660586		DALLAS	TX	75265-0586	UNITED STATES	424.17	-
UPS	601313	8/1/2007	PO BOX 660586		DALLAS	TX	75265-0586	UNITED STATES	1,078.14	-
UPS	601343	8/13/2007	PO BOX 660586		DALLAS	TX	75265-0586	UNITED STATES	540.23	-
UPS	601381	8/17/2007	PO BOX 660586		DALLAS	TX	75265-0586	UNITED STATES	2,090.59	-
UPS	601415	8/24/2007	PO BOX 660586		DALLAS	TX	75265-0586	UNITED STATES	687.03	-
UPS	601491	9/7/2007	PO BOX 660586		DALLAS	TX	75265-0586	UNITED STATES	632.59	-
UPS Total									8,205.94	-
VERITAS SOFTWARE	601212	6/29/2007	350 ELLIS STREET		MOUNTAIN VIEW	CA	94043	UNITED STATES	39,932.25	-
VERITAS SOFTWARE	601231	7/9/2007	350 ELLIS STREET		MOUNTAIN VIEW	CA	94043	UNITED STATES	39,932.25	-
VERITAS SOFTWARE Total									79,864.50	-
VERIZON	601137	6/15/2007	PO BOX 9622		MISSION HILLS	CA	91346-9622	UNITED STATES	5,157.46	-
VERIZON	601138	6/15/2007	PO BOX 15062		ALBANY	NY	12212-5062	UNITED STATES	82.16	-
VERIZON	601226	7/6/2007	PO BOX 4833		TRENTON	NJ	08650-4833	UNITED STATES	75.50	-
VERIZON	601227	7/6/2007	PO BOX 489		NEWARK	NJ	07101-0489	UNITED STATES	2,248.82	-
VERIZON	601262	7/13/2007	PO BOX 4833		TRENTON	NJ	08650-4833	UNITED STATES	1,891.26	-
VERIZON	601263	7/13/2007	PO BOX 9622		MISSION HILLS	CA	91346-9622	UNITED STATES	5,384.24	-
VERIZON	601264	7/13/2007	PO BOX 15062		ALBANY	NY	12212-5062	UNITED STATES	82.19	-
VERIZON	601344	8/13/2007	PO BOX 4833		TRENTON	NJ	08650-4833	UNITED STATES	1,987.09	-
VERIZON	601345	8/13/2007	PO BOX 489		NEWARK	NJ	07101-0489	UNITED STATES	1,935.97	-
VERIZON	601416	8/24/2007	PO BOX 4833		TRENTON	NJ	08650-4833	UNITED STATES	1,925.62	-
VERIZON	601417	8/24/2007	PO BOX 9622		MISSION HILLS	CA	91346-9622	UNITED STATES	5,065.14	-
VERIZON	601492	9/7/2007	PO BOX 489		NEWARK	NJ	07101-0489	UNITED STATES	2,676.52	-
VERIZON	000107	9/14/2007	PO BOX 15062		ALBANY	NY	12212-5062	UNITED STATES	-	-
VERIZON Total									38,611.99	-
XOPEN COMPANY LIMITED	601382	8/17/2007	THAMES TOWER	37-45 STATION RD	BERKSHIRE		RO11X	UNITED KINGDOM	8,750.00	-
XOPEN COMPANY LIMITED Total									8,750.00	-
ZIONS BANK	601215	6/29/2007	463 WEST 800 NORTH		OREM	UT	84057	UNITED STATES	5,062.23	-
ZIONS BANK	601286	7/31/2007	463 WEST 800 NORTH		OREM	UT	84057	UNITED STATES	10,175.00	-
ZIONS BANK Total									15,237.23	-
Grand Total									3,697,075.85	-

SCO Operations, Inc.

Statement of Financial Affairs  
Exhibit 3c  
PAYMENTS TO CREDITORS

3. e. Payments made within one year immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders.

Name	Address	City	State	Zip	Bonus	Commission	Director Fees	Gross Salary	Independent Contractor Fees	Subsidiary Funding	T & E Reimbursement	Options Exercised	Grand Total
Campbell, David W.	355 South 520 West	Lindon	UT	84042		33,000.12	45,000.00	164,999.90			23,185.75		45,000.00
Chapin, Sandeep	355 South 520 West	Lindon	UT	84042	11,511.00	28,066.81		160,000.10			20,218.52		237,696.77
Huntaker, Jeff	355 South 520 West	Lindon	UT	84042	6,080.00		26,250.00						214,365.43
Jacobucci, Ed	355 South 520 West	Lindon	UT	84042			41,040.61					14,625.00	40,875.00
Leaman, Omar	355 South 520 West	Lindon	UT	84042	116,866.00			265,000.06			337.25		41,377.86
McBride, Durt	355 South 520 West	Lindon	UT	84042			36,944.06				28,950.70		410,816.76
Millington, J Kent	355 South 520 West	Lindon	UT	84042			38,730.00						36,944.06
Mott, Darcy	355 South 520 West	Lindon	UT	84042	15,950.00			137,499.96	60,000.00	1,181,649.06	4,931.86		38,750.00
Olsen, Michael	Nicks-Dale-Sir 3	Lindon	UT	84042									218,381.82
SCO Germany (GMBH)	61332 Bad Homburg v.d.H. Germany	Lindon	UT	84042						110,206.65			110,206.65
SCO Group Canada	c/o The SCO Group, Inc. 335 South 520 West, Suite 100	Lindon	UT	84042						501,140.00			501,140.00
SCO Group France	4 Boulevard Des Illes Jay-les-Moulineaux cedex 92441 France	Lindon	UT	84042						886,220.07			886,220.07
SCO Software (India) PVT Ltd	2nd Floor, 56 Jangpeth New Delhi, India 110 001	Lindon	UT	84042						2,031,152.68			2,031,152.68
SCO UK, LTD	Titus Court, 3 Bishop Square Hatfield, Herts AL10 9NA United Kingdom	Lindon	UT	84042	29,792.00	16,000.00	45,000.00	160,000.10			6,662.48		212,454.58
Spring, Chris	355 South 520 West	Lindon	UT	84042									45,000.00
Thompson, Duff	355 South 520 West	Lindon	UT	84042	124,728.34			161,923.17					330,068.19
Tibbitts, Ryan	355 South 520 West	Lindon	UT	84042									43,750.00
Yarro, Ralph	355 South 520 West	Lindon	UT	84042	42,670.06			169,989.96	60,000.00				319,981.76
Young, Bert	355 South 520 West	Lindon	UT	84042	347,597.34	77,066.93	276,734.67	1,219,423.25	120,000.00	4,710,369.46	175,015.04	14,625.00	6,948,830.66
<b>Total</b>													

Notes:  
The amounts listed in the options exercised column represent amounts received in excess of the exercise price.

**Exhibit 11**

**Liquidation Analysis**

**SCHEDULE A**  
**THE SCO GROUP, INC.**  
**DISTRIBUTION IN CONNECTION WITH PROPOSED PLAN OF REORGANIZATION (UNAUDITED AS OF 1/31/08)<sup>(1,2)</sup>**  
*(dollar amounts in thousands)*

<b>I. STATEMENT OF ASSETS</b>	<b>Note Reference</b>	<b>Book Value</b>	<b>Estimated Low Value</b>	<b>% Recovery</b>	<b>Estimated High Value</b>	<b>% Recovery</b>
Cash and Cash Equivalents - Domestic	1	\$ 3,478	\$ 3,478	100%	\$ 3,478	100%
Cash and Cash Equivalents - Foreign	2	1,290	-	0%	645	50%
Restricted Cash	3	2,120	-	0%	-	0%
Accounts Receivable	4	4,021	2,815	70%	3,619	90%
Inventories	5	167	8	5%	17	10%
Prepaid Expenses and Other Current Assets	6	1,062	-	0%	-	0%
Net Property & Equipment	7	303	61	20%	121	40%
Legal Causes of Action	8	-	-	0%	-	0%
Other Assets	9	487	-	0%	-	0%
<b>Estimated Value</b>		<b>\$ 12,928</b>	<b>\$ 6,362</b>	<b>49%</b>	<b>\$ 7,880</b>	<b>61%</b>

**Notes:**

[1] This schedule should be read in conjunction with Section VI (C) (viii) "Liquidation Analysis".

[2] Discrepancies may exist relative to figures elsewhere in the Plan and Disclosure Statement due to rounding of numbers.

**SCHEDULE B**  
**THE SCO GROUP, INC.**  
**DISTRIBUTION IN CONNECTION WITH PROPOSED PLAN OF REORGANIZATION (UNAUDITED AS OF 1/31/08)<sup>(1,2)</sup>**  
*(dollar and share amounts in thousands)*

II. ALLOCATION OF NET PLAN DISTRIBUTION PROCEEDS TO SECURED, ADMINISTRATIVE, PRIORITY AND UNSECURED CLAIMS AND EQUITY INTERESTS - Note 10	Estimated Low Value	%	Estimated High Value	%
	Recovery		Recovery	
Net Plan Distribution Value	\$ 6,361.7		\$ 7,879.8	
Estimated Tax Liability of the Estate <sup>(3)</sup>	\$ -		\$ -	
<i>Net Plan Distribution Value After Taxes</i>	<i>\$ 6,361.7</i>		<i>\$ 7,879.8</i>	
	<u>Estimated Allowed Claims (\$)</u>		<u>Estimated Allowed Claims (\$)</u>	
Class 2 - Miscellaneous Secured Claims	\$ -	100.0%	\$ -	100.0%
<i>Net Plan Distribution Value After Distribution to Secured Claims</i>	<i>\$ 6,361.7</i>		<i>\$ 7,879.8</i>	
Chapter 11 Professional Fees and Expenses	\$ 820.0	100.0%	\$ 820.0	100.0%
Chapter 7 Professional/Trustee Fees and Expenses (See Schedule C)	\$ 464.1	100.0%	\$ 509.8	100.0%
Wind-Down Fees and Expenses (See Schedule D)	\$ 1,472.0	100.0%	\$ 892.7	100.0%
Administrative Claims (Excluding Professional/Trustee Fees and Expenses)	\$ 3,107.0	100.0%	\$ 3,107.0	100.0%
<i>Net Plan Distribution Value After Distribution to Chapter 11 Administrative Claims</i>	<i>\$ 468.8</i>		<i>\$ 2,550.5</i>	
Priority Claims				
Priority Tax Claims				
Class 1 - Priority Non-tax Claims	\$ -	100.0%	\$ -	100.0%
<i>Net Plan Distribution Value After Distribution to Priority Claims</i>	<i>\$ 468.8</i>		<i>\$ 2,550.5</i>	
Unsecured Claims				
Class 3 - General Unsecured Claims other than Novell / IBM	\$ 4,991.0	10.0%	\$ 5,279.0	48.3%
Class 4 - General Unsecured Claims of Novell / IBM	\$ -	10.0%	\$ -	48.3%
<i>Net Plan Distribution Value After Distribution to Unsecured Claims</i>	<i>\$ -</i>		<i>\$ 139.1</i>	
Estimated Shortfall on Unsecured Claims	\$ (4,492.4)		\$ (2,726.5)	
Net Plan Distribution Value Available After Allowed Claims	\$ -		\$ -	
Net Plan Distribution Value Available to Equity	\$ -		\$ -	
	<u>Estimated Allowed Shares of Equity Securities</u>			
Equity Interests				
Class 5 - Remaining Equity Interests	21,886.3	N/A	\$ -	N/A
<i>Net Plan Distribution Value Available After Distribution To Equity</i>	<i>21,886.3</i>		<i>\$ -</i>	

**Notes:**

- [1] This schedule should be read in conjunction with Section VI (C) (viii) "Liquidation Analysis".  
[2] Discrepancies may exist relative to figures elsewhere in the Plan and Disclosure Statement due to rounding of numbers.  
[3] The Debtor has NOL carryforwards of \$66.7 million which is expected to eliminate any tax liability.

SCHEDULE C  
THE SCO GROUP, INC.  
TRUSTEE FEE CALCULATION

Low Estimated Value	Running Balance	%	Matrix	Fee Matrix	Amount Charged	Fee
\$6,361,650	\$6,361,650	25%	<\$5,000		\$5,000	\$1,250.0
	\$6,356,650	10%	>\$5,000, <\$50,000		\$45,000	\$4,500.0
	\$6,311,650	5%	>\$50,000, <\$1 million		\$950,000	\$47,500.0
	\$5,361,650	3%	>\$1 million		\$5,361,650	\$160,848.5
				Total Chapter 7 Trustee Fees		\$214,100
				Total Chapter 7 Prof Fees and Exp.		\$250,000
				Total Chapter 7 Prof./Trustee Fees and Expenses		\$464,100

High Estimated Value	Running Balance	%	Matrix	Fee Matrix	Amount Charged	Fee
\$7,879,800	\$7,879,800	25%	<\$5,000		\$5,000	\$1,250.0
	\$7,874,800	10%	>\$5,000, <\$50,000		\$45,000	\$4,500.0
	\$7,829,800	5%	>\$50,000, <\$1 million		\$950,000	\$47,500.0
	\$6,879,800	3%	>\$1 million		\$6,879,800	\$206,394.0
				Total Chapter 7 Trustee Fees		\$259,644
				Total Chapter 7 Prof Fees and Exp.		\$250,000
				Total Chapter 7 Prof./Trustee Fees and Expenses		\$509,644

**SCHEDULE D**  
**The SCO GROUP, INC.**  
**Proposed Wind-Down Budget**  
**(dollar amounts in thousands)**

**Estimated Low Value:**

	Months					
	1	2	3	4	5	6
Salaries, Bonuses, and Benefits	\$118	\$118	\$101	\$82	\$45	\$120
Rent and Lease Expense	48	48	48	48	48	48
Office Expenses	3	3	3	3	3	3
Insurance	60	60	60	60	60	60
Utilities	17	17	17	17	17	17
Other	20	20	20	20	20	20
<b>Total</b>	<b>\$266</b>	<b>\$266</b>	<b>\$249</b>	<b>\$280</b>	<b>\$193</b>	<b>\$268</b>
<b>Cumulative Total</b>	<b>\$266</b>	<b>\$532</b>	<b>\$781</b>	<b>\$1,061</b>	<b>\$1,254</b>	<b>\$1,522</b>

Wind down is expected to be 6 months to fulfill obligations under service support agreements.

**Estimated High Value:**

	Months		
	1	2	3
Salaries, Bonuses, and Benefits	\$118	\$118	\$213
Rent and Lease Expense	48	48	48
Office Expenses	3	3	3
Insurance	60	60	60
Utilities	17	17	17
Other	20	20	20
<b>Total</b>	<b>\$266</b>	<b>\$266</b>	<b>\$384</b>
<b>Cumulative Total</b>	<b>\$266</b>	<b>\$532</b>	<b>\$893</b>

Wind down is expected to be 3 months to fulfill obligations under service support agreements.