

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

**STATEMENT UNDER RULE 2016 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE AND SECTION 329 OF THE BANKRUPTCY CODE**

1. Pachulski Stang Ziehl & Jones LLP (“PSZJ”), pursuant to Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and section 329 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), states that the undersigned is counsel to the above-captioned debtors and debtors in possession (the “Debtors”) in these cases.

2. Compensation agreed to be paid by the Debtors to PSZJ is for legal services to be rendered in connection with these cases. The Debtors have agreed to pay PSZJ for the legal services rendered or to be rendered by its various attorneys, paralegals, and case management assistants in connection with these cases on the Debtors’ behalf. The Debtors also have agreed to reimburse PSZJ for its actual and necessary expenses incurred in connection with these cases.

3. PSZJ has received payments from the Debtors during the year prior to the Petition Date in the amount of \$72,922 plus the Debtors’ aggregate filing fees of \$2,078 in

¹ The Debtors and the last four digits of each of the Debtors’ federal tax identification numbers are as follows: (a) The SCO Group, Inc., a Delaware corporation, Fed. Tax Id. #2823; and (b) SCO Operations, Inc., a Delaware corporation, Fed. Tax ID. #7393.

connection with the preparation of initial documents and its prepetition representation of the Debtors. PSZJ is current as of the Petition Date, but has not yet completed a final reconciliation as of the Petition Date. Upon final reconciliation of the amount actually expended prepetition, any balance remaining from the payments to PSZJ will be credited to the Debtors and utilized as PSZJ's retainer to apply to postpetition fees and expenses pursuant to the compensation procedures approved by this Court.

4. PSZJ will seek approval of payment of compensation upon the filing of appropriate applications for allowance of interim or final compensation pursuant to sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules United States Bankruptcy Court for the District of Delaware, and orders of this Court.

5. The filing fees for each of the Debtors in these cases have been paid in full.

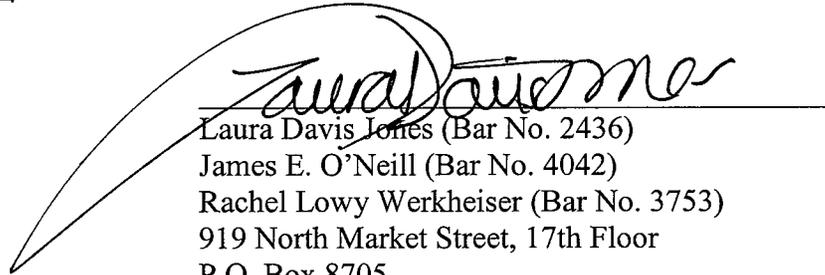
6. The services to be rendered include all those services set forth in the *Application of the Debtors for an Order Pursuant to Section 327(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014-1 Authorizing the Employment and Retention of Pachulski Stang Ziehl & Jones LLP as Bankruptcy Co-Counsel to the Debtors and Debtors in Possession Nunc Pro Tunc to the Petition Date*, submitted concurrently herewith.

7. PSZJ further states that it has neither shared nor agreed to share

(a) any compensation it has received or may receive with another party or person, other than with the partners, of counsel, and associates of PSZJ, or (b) any compensation another person or party has received or may have received.

Dated: September 14, 2007

PACHULSKI STANG ZIEHL & JONES LLP

A large, stylized handwritten signature in black ink, appearing to read "Laura Davis Jones", is written over a horizontal line. The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

Laura Davis Jones (Bar No. 2436)

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Debtors-in-Possession