

EXHIBIT D

SECURITY AND PLEDGE AGREEMENT

THIS SECURITY AND PLEDGE AGREEMENT (this "Security Agreement") is made and entered into as of this _____ day of March, 2010, by and among the Bankruptcy Estates of The SCO Group, Inc., a Delaware corporation ("SCO Group"), and SCO Operations, Inc., a Delaware corporation ("SCO Operations") (SCO Group and SCO Operations are sometimes collectively referred to herein as "SCO"), by and through Edward N. Cahn, solely in his capacity as Chapter 11 trustee for the Bankruptcy Estates of SCO (collectively, "Debtor"), and Seung Ni Capital Partners, L.L.C., a Delaware limited liability company ("Secured Party").

RECITALS:

A. Secured Party, and Debtor have entered into that certain Secured Super-Priority Credit Agreement, of even date herewith (the "Credit Agreement"), in connection with Secured Party's making of a portion of a loan in the amount of up to \$2,000,000.00 to Debtor (the "Loan").

B. The provisions of the Credit Agreement require that Debtor execute certain documents, including this Security Agreement, which provides for a lien and security interest in favor of the Secured Party in certain of the assets and properties of the Debtor, whether now owned or hereafter acquired, as security for the Loan.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Debtor and Secured Party agree as follows:

1.

DEFINITIONS

Definitions. Except as otherwise defined herein, each of the capitalized terms appearing in this Agreement shall have the meaning ascribed or given to it in that certain Secured Super-Priority Credit Agreement, of even date herewith, executed by and among the Borrower and Secured Party, as one of the Lenders (the "Credit Agreement"). This provision shall apply to all capitalized terms appearing hereinabove and hereinbelow. In addition, unless otherwise defined herein or in the Credit Agreement, each term used herein and defined in the Uniform Commercial Code as enacted in the State of Delaware ("UCC") shall have the meaning given to such term in the UCC. Each of the Lenders has entered into a duplicate original of the Credit Agreement with Borrower.

2.

GRANT OF SECURITY INTEREST

a. Debtor, for consideration and to secure the Secured Obligations (as defined herein), hereby grants to Secured Party a first lien and a continuing security interest (subject only

to Permitted Encumbrances, as defined herein) in all of Debtor's right, title and interest in all of the following assets and properties of Debtor, tangible and intangible, whether now owned or hereafter acquired, together with all additions, substitutions, and proceeds therefrom or arising out of the rights reflected therein, and all renewals, amendments, substitutions, and replacements of all or any part thereof collectively, ("Collateral"):

i. Inventory. All inventory in all of its forms, wherever located, including but not limited to: (i) all raw materials and work in process therefor, finished goods thereof, and materials used or consumed in the manufacture or production thereof; (ii) goods which are returned to or repossessed by Debtor; (iii) all supplies and personal property now owned or hereafter acquired and held for sale or lease or furnished or to be furnished under contracts of service or used or consumed in Debtor's business (including without limitation, packaging and/or shipping materials); and (iv) all additions and accessions thereto, and substitutions therefor and products thereof and documents therefor, and all documents of title issued in respect of any of the foregoing, whether negotiable or non-negotiable, and including, without limitation, all warehouse receipts, and all other goods which constitute "inventory" (as defined in the UCC) (collectively, the "Inventory").

ii. Accounts and Rights. All accounts, notes, drafts, acceptances, letters of credit, chattel paper, instruments, documents, and other obligations of any kind, now or hereafter existing, arising in connection with the sale or lease of goods, including without limitation the Inventory, or the rendering of services, and all rights now or hereafter existing in and to all security agreements, mortgages, deeds of trust, collateral assignments, leases, and other contracts securing or otherwise relating to any such accounts, notes, drafts, acceptances, chattel paper, instruments, documents, and all other items which constitute "accounts" (as defined in the UCC) (collectively, the "Accounts").

iii. Equipment and Fixtures. All equipment and fixtures, in all forms, wherever located, and all machinery, furnishings, appliances, leasehold improvements, vehicles, aircraft, trade fixtures, chattels and motor vehicles, including without limitation equipment processing, fabricating, production and other equipment, together with all increases, parts, fittings, accessories, special tools and accessions now or hereafter attached thereto or used in connection with, and any and all replacements of or substitutions for all or any part of the foregoing.

iv. General Intangibles. All general intangibles, including, but not limited to, all bank deposit accounts, customer deposit accounts, deposits, rights related to prepaid expenses, negotiable or non-negotiable instruments, chattel paper, Securities Collateral not constituting Investment Property (as defined below), payment intangibles, choses in action, causes of action, equity and patronage rights in cooperatives, and all other intangible personal property of every kind and nature (other than Accounts), including without limitation, corporate or other business records, intellectual property, inventions, designs, patents, patent applications, copyrights, trademarks, trade names, trade secrets, goodwill, registrations, licenses, permits, and all franchises, customer lists, tax refunds, tax refund claims, miscellaneous rights to payment, rights and claims against carriers and shippers, leases, rights to indemnification, government subsidies, set asides, diversions,

deficiencies or disaster payments or payments in kind, government benefits, or any such payments received from the government or from any other source for participation in any government program, manure spreading licenses, easements and agreements, environmental permits, waster disposal permits, brands and brand registrations, water rights (including without limitation, water stock, ditch rights, well permits, water permits, applications and the like), storage agreements or contracts, leasehold interests in real and personal property and any security interests or other security held by or granted to Debtor to secure payment by any account debtor of any of the Accounts, and any other “general intangibles” (as defined in the UCC), and all other intangible personal property of every kind and nature.

v. Investment Property. All investment property, as defined in Article 9 of the UCC (“Investment Property”), including, without limitation, all securities accounts and all certificated and uncertificated securities (“Securities”) and all options, warrants or other rights to purchase the Securities, and any and all substitutions to or for the Securities from time to time, including any new, substituted or additional shares or other securities, issued by reason of any share dividend, reclassification, readjustment, split-off, split-up, or other change declared or made in the capital structure of the issuer of the Securities and all now existing and hereafter arising general intangibles of Debtor with respect to the Securities, including without limitation, all voting rights and rights to and interest in all cash and noncash dividends and all other property now or hereafter distributable on account of or receivable with respect to any of the foregoing, and the proceeds, products, and accessions of and to any of the foregoing.

vi. Bank Accounts. All bank accounts and investment accounts of Debtor.

vii. Insurance. All right, title and interest of Debtor under any policies of insurance.

viii. Books and Records. All books, records, customer lists, supplier lists, ledgers, evidences of shipping, invoices, purchase orders, sales orders, and other evidences of Debtor’s business records, including all cabinets, drawers, and other containers that may hold the same, and computer records, lists, and software programs, wherever located.

ix. Commercial Tort Claims. (i) The SCO Group, Inc., by and through Edward N. Cahn, Chapter 11 Trustee, v. Novell, Inc., Case No. 2:04cv00139, pending in the United States District Court for the District of Utah; and (ii) the SCO Group, Inc. v. International Business Machines Corporation, Case No. 2:03cv00294, pending in the United States District Court for the District of Utah (the foregoing cases are collectively defined herein as the “Litigation.”

x. Litigation Proceeds. All of the Litigation Proceeds.

xi. Payment Intangibles. All right, title and interest of Debtor (in each case, whether now or hereafter existing, owned, arising, or acquired) in and to a payment intangible (as defined in the UCC), and (whether or not included in such definition) a

General Intangible under which the account debtor's principal obligation is a monetary obligation, including without limitation any judgments, settlements, or other rights to payment or any proceeds therefrom.

xii. Products and Proceeds. All products and proceeds of any and all of the foregoing, including, but not limited to, proceeds which constitute property of the types described in the foregoing paragraphs of this Section 2 and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing; provided, however, notwithstanding anything to the contrary contained in this Agreement or the other Loan Documents, no lien or security interest is hereby granted on or created in any Excluded Property (as defined below) and the Collateral shall not include any Excluded Property. "Excluded Property" means, collectively, (1) any voting stock (or other voting equity interests) in excess of 65% of the outstanding voting stock (or other voting equity interests) of any foreign Subsidiary, (2) any claims or causes of action of the Estates under Chapter 5 of the Bankruptcy Code and the proceeds thereof, (3) any property that is, as of the date of this Agreement, the subject of a pending sale motion by Debtor before the Bankruptcy Court, and (4) Non-Core Assets.

3.

SECURED OBLIGATIONS

This Security Agreement shall secure the payment and performance of all obligations of Debtor to Secured Party arising under the Note and the Loan Documents pursuant to which Debtor has agreed to: (i) the due and punctual payment, in lawful money of the United States, of all amounts owing under the Credit Agreement, the Notes, and any other Loan Documents, including principal, interest, fees, costs, reimbursements, and all other obligations under any of the Loan Documents, as and when any of the foregoing shall become due and payable in accordance with the terms thereof at stated maturity, by acceleration, or otherwise; and (ii) the full and timely performance of any and all other obligations of every kind which is now, or may hereafter become due, whether now existing or hereafter contracted or incurred, arising under the Credit Agreement, the Note or any other Loan Document(s) (collectively, the obligations described in clauses (i) and (ii) above, the "Secured Obligations"), and extends to any renewal, refinancing, refunding, extension or modification of any Secured Obligations on one or more occasions, and to any interest that accrues on any Secured Obligations before or after the bankruptcy of Debtor.

4.

REPRESENTATIONS AND WARRANTIES

- a. Debtor represents and warrants to Secured Party as follows:
- i. Title to Collateral. Section 3.12 of the Credit Agreement is hereby incorporated herein.

COVENANTS OF DEBTOR

a. Debtor covenants to Secured Party that:

i. Title to Collateral. Except for Liens permitted under the Credit Agreement (collectively, Permitted Encumbrances”), Debtor shall not create or permit the existence of any Liens against any of the Collateral. Except with respect to Permitted Encumbrances, Debtor shall: (a) provide prompt written notice to Secured Party of any future Liens against any Collateral; (b) promptly obtain a release or discharge of any Liens; and (c) diligently defend Debtor’s and Secured Party’s interests in the Collateral.

ii. Location of Debtor and Collateral. Debtor will not change its chief executive office, the location of any material Collateral, or the location of its material books and records without giving at least thirty (30) days’ prior written notice to Secured Party and furnishing Secured Party with such documents as Secured Party may request pursuant to Section 5.12 hereof prior to taking any such action.

iii. Inspection of Collateral. Upon Secured Party’s request and, absent the existence of an Event of Default, at Secured Party’s cost and expense, Debtor shall at all reasonable times and upon reasonable advance written notice allow Secured Party or persons designated by Secured Party to: (a) examine the Collateral, wherever located, (b) examine and make extracts or copies from Debtor’s books and records; and (c) discuss Debtor’s affairs, finances, operations, and accounts with its respective officers, directors, employees, and independent certified public accountants.

iv. Transfers, Dispositions and Encumbrances. Debtor will not sell, assign or transfer or otherwise dispose of any of the Collateral, except as expressly permitted by the Credit Agreement.

v. Compliance with Laws. Debtor shall not use the Collateral in violation of any applicable statutes, regulations or ordinances, except for violations which would not have a Material Adverse Effect.

vi. Further Assurances. Section 5.07 of the Credit Agreement is hereby incorporated herein. Notwithstanding anything to the contrary contained in Section 5.07 of the Credit Agreement or elsewhere in the Loan Documents, Debtor shall not be required to enter into any control or similar agreements with respect to any deposit or other accounts.

EVENTS OF DEFAULT

Each of the Events of Default listed in the Credit Agreement shall constitute an Event of Default hereunder.

RIGHTS AND REMEDIES OF SECURED PARTY

In addition to the remedies outlined and provided for in the Credit Agreement, Secured Party shall have the following remedies upon the occurrence and during the continuance of any Event of Default:

a. Insurance. If any loss, damage or injury occurs to any insured Collateral, Secured Party may, at its option, apply the proceeds of any policy of insurance insuring such Collateral to the payment of any of the Secured Obligations, or may apply such proceeds to the repair or replacement of such Collateral pursuant to such disbursement procedures and conditions as Secured Party may reasonably require. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, in the event of loss, damage or injury to any insured Collateral, Secured Party shall make the proceeds of any policy of insurance insuring such Collateral available to Debtor for the purpose of repairing or replacing such Collateral; provided, that the disbursement of such proceeds to Debtor shall be subject to such disbursement procedures and conditions as Secured Party may reasonably require.

b. General. Upon the occurrence and during the continuance of an Event of Default and at any time thereafter, Secured Party may declare the Secured Obligations immediately due and payable, and Secured Party shall have all the rights and remedies of a secured party under Article 9 of the UCC or other Applicable Law and all the rights provided herein, in the Credit Agreement, or in any other Loan Document, all of which rights and remedies shall, to the full extent permitted by law, be cumulative.

c. Right of Secured Party to Take Possession and Dispose of Collateral. Upon the occurrence of an Event of Default that is continuing, Secured Party shall also have the right to:

i. take possession of the Collateral and enter upon the premises on which the Collateral or any part thereof may be situated and remove the Collateral from those premises without notice to Debtor, and thereafter to hold, store, and/or use, operate, manage, and control the Collateral and do all things Secured Party shall deem necessary or appropriate in the preparation, marketing and disposition thereof, including, but not limited to, caring for, protecting, storing, transporting and otherwise placing in marketable condition any of the Collateral;

ii. without charge, use or occupy the premises of Debtor or premises under Debtor's control and exercise all rights of Debtor under any leases or subleases covering such premises;

iii. require Debtor to deliver the Collateral to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties;

iv. without charge, use any patent, trademark, trade name, or other intellectual property or technical process owned (or, to the extent permitted under the applicable license, licensed) by Debtor in connection with any of the Collateral; and

v. sell, lease or otherwise dispose of any or all of the Collateral in its then present condition or following any commercially reasonable preparation or processing thereof, whether by public or private sale, for cash, on credit or otherwise, with or without representations or warranties, and upon such commercially reasonable terms as may be acceptable to Secured Party, and Secured Party may purchase the Collateral at any public sale or at any private sale where the Collateral being sold is of a type customarily sold on a recognized market or of a type which is the subject of widely distributed standard price quotations

Debtor authorizes Secured Party to enter upon its premises for all of these purposes and hereby waives any claim of trespass and any right to payment as a result of such entry upon or such use of the premises.

d. Notice of Disposition of Collateral. Upon the occurrence of an Event of Default that is continuing, unless the Collateral is perishable or threatens to decline speedily in value, Secured Party will give notice to Debtor of any public sale or of the time after which any private sale or other intended disposition is to be made by Secured Party with respect to any Collateral which is subject to Article 9 of the UCC at the address for Debtor specified above, or such other address as may from time to time be shown on Secured Party's records, at least ten (10) days prior to such action. Any such notice shall be deemed to meet any requirement hereunder or under any applicable law (including, without limitation, the UCC) that reasonable notification be given of the time and place of such sale or other disposition or the time after which such sale or other disposition may occur. Debtor consents and agrees that, in addition to the other rights and remedies provided to Secured Party in this Article 7, Secured Party may, in lieu of, or prior to, selling the Collateral at public or private sale, retain any payments received on account of any of the Collateral and apply the same to amounts owing under the Secured Obligations until such time as the Secured Obligations have been paid in full.

e. Right of Secured Party to Use and Operate Collateral. Upon the occurrence of an Event of Default that is continuing:

i. Upon exercise of Secured Party's right to take possession of the Collateral, Secured Party may, from time to time, make all repairs, replacements, alterations, additions, and improvements to any of the Collateral that Secured Party deems proper. Debtor shall reimburse Secured Party on demand for any reasonable expenses incurred by Secured Party pursuant to the foregoing authorization and any such unreimbursed expenses shall constitute amounts owing under the Secured Obligations for all purposes under this Security Agreement.

ii. Secured Party shall have the right to operate, manage and control the Collateral and to carry on Debtor's business and to exercise all rights and powers of Debtor in respect of the Collateral as Secured Party sees fit, including the right to enter into agreements with respect to the Collateral or any part thereof; and Secured Party shall be entitled to collect and receive all rents, issues, profits, fees, revenues, and other income of the Collateral and every part thereof. Such rents, issues, profits, fees, revenues, and other income shall be applied to pay the expenses of holding and operating the Collateral and of conducting the business thereof and of all maintenance, repairs,

replacements, processing, alterations, additions, and improvements, and to make all payments which Secured Party may be required or may reasonably elect to make, if any, for taxes, assessments, insurance, and other charges upon the Collateral or any part thereof, and all other payments which Secured Party may be required or authorized to make under any provision of this Security Agreement (including reasonable attorneys' fees and expenses). The remainder of such rents, issues, profits, fees, revenues, and other income shall be applied to the payment of the Secured Obligations as provided by law.

f. Collection of Accounts. Upon the occurrence of any Event of Default that is continuing:

i. Debtor shall provide promptly to Secured Party such reports, certificates, lists of account debtors (showing names, addresses and amounts owing), invoices applicable to each account, and other data concerning Debtor's accounts, contracts, collections and other matters as Secured Party may from time to time request.

ii. Secured Party shall have the right at any time and from time to time, without notice, to: (i) notify account debtors that their accounts, chattel paper or the general intangible on which they are obligated have been assigned to Secured Party; (ii) advise account debtors of Secured Party's security interest and/or instruct account debtors to make payments directly to Secured Party; (iii) charge to any investment or other account (excluding escrow accounts) of Debtor with or controlled by Secured Party any item of payment received by Secured Party which is dishonored by the drawee or maker thereof; (iv) endorse all items of payment made payable to Debtor which may come into the possession of Secured Party; (v) collect all accounts in the name of Secured Party or in Debtor's name, and take control of any cash or non-cash proceeds of accounts and of any returned or repossessed goods; (vi) compromise, extend or renew the amount owing on any account or deal with any account as Secured Party may deem advisable; and (vii) make exchanges, substitutions or surrenders of collateral for any account.

iii. Once any or all account debtors have been notified, whether by Debtor or Secured Party, to make payment directly to Secured Party, all amounts and proceeds received by Debtor in respect of such accounts shall be received in trust for the benefit of Secured Party, shall be segregated from other funds of Debtor, and shall be immediately paid over to Secured Party in the same form as so received. Such actions and the application of any such amounts to the Secured Obligations shall not be deemed to constitute retention in satisfaction of the Secured Obligations under the UCC and any comparable provision of the UCC as enacted in any other state where the Collateral is located.

g. Rights of Secured Party With Respect to the Securities Collateral. Upon the occurrence of any Event of Default that is continuing:

i. Secured Party, in its discretion, and without notice to Debtor, may take any one or more of the following actions without liability except to account for property actually received by it: (i) transfer to or register in its name or the name of its nominee any stock certificates or any other evidence of the Securities Collateral, with or without

indication of the security interest herein created, and whether or not so transferred or registered, receive the income, dividends and other distributions thereon and apply them to the Secured Obligations in any order of priority; (ii) exercise or cause to be exercised all voting and corporate powers with respect to any of the Securities Collateral so registered or transferred, including: (A) all rights to call or require shareholders/partners/members meetings and to remove or elect directors/managing partners/managers, as applicable; and (B) all rights of proxy appointments, conversion, exchange, subscription or any other rights, privileges or options pertaining to such Securities Collateral, as if the absolute owner thereof; (iii) exchange any of the Securities Collateral for other property upon a reorganization, recapitalization, reclassification or other readjustment and, in connection therewith, deposit any of the Securities Collateral with any depository upon such terms as Secured Party may determine; and (iv) in its name or in the name of Debtor, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Securities Collateral, and Secured Party further shall have the right at any time to sign and endorse the name of Debtor upon any stock certificate, stock power, check, draft, money order, or any other documents of title or evidences of payment with respect to the Securities Collateral, in the name of Debtor, it being the intention of Debtor to grant to Secured Party the right to sell any portion or all of the Securities Collateral and the proceeds therefrom, upon the occurrence and during the continuance of an Event of Default hereunder.

ii. If Secured Party in good faith believes that the Securities Act of 1933 (“Act”) or any other state or federal law prohibits or restricts the manner of sale or distribution of any of the Securities Collateral, Secured Party may sell such Securities Collateral privately or in any other manner deemed advisable by Secured Party at such price or prices as Secured Party determines in its reasonable discretion. Debtor recognizes that such prohibition or restriction may cause the Securities Collateral to have less value than it otherwise would have and that, consequently, such sale or disposition by Secured Party may result in a lower sales price than if the sale were otherwise held. Secured Party may sell the Securities Collateral in one or more sales or parcels, for cash, credit or future delivery, and with or without the use of a broker, as Secured Party may deem advisable. Secured Party may be the purchaser of any or all of the Securities Collateral to the extent permitted by law. In no event shall Debtor be required to register the Securities Collateral.

8.

GENERAL PROVISIONS

a. Amendment, Modification, and Waiver. Section 8.07 of the Credit Agreement is hereby incorporated herein.

b. Consistency with Credit Agreement and Order. In the event of any conflict between the terms and conditions of this Agreement and the terms and conditions of the Credit Agreement or the Order, the terms and conditions of the Credit Agreement or the Order, as applicable, shall supersede and control in all respects; provided, however, that as among this

Agreement, the Credit Agreement, the other Loan Documents and the Order, the Order shall govern in all respects.

c. Costs and Attorneys' Fees. Debtor will, upon demand, pay to Secured Party the amount of any and all reasonable out of pocket expenses, including the reasonable attorneys' fees and expenses of counsel for Secured Party, and of any experts and agents which Secured Party may incur in connection with: (a) the administration of this Security Agreement upon the occurrence and during the continuance of an Event of Default; (b) the collection, retaking, storage, custody, preservation, use or operation of, preparing for sale, selling or other disposition and delivery, collection from, or other realization upon, any of the Collateral upon the occurrence and during the continuance of an Event of Default; (c) the exercise or enforcement of any of the rights of Secured Party hereunder; or (d) the failure by Debtor to perform or observe any of the provisions hereof.

d. Revival of Obligations. To the extent Debtor or any third party makes a payment or payments to Secured Party, and to the extent that the Secured Party enforces its security interest or exercises any right of setoff, and such payment or payments or the proceeds thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, and/or required to be repaid to a trustee, receiver, or any other party under any bankruptcy, insolvency or other law or in equity, then, to the extent of such recovery, the Secured Obligations or any part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment or payments had not been made, or such enforcement or setoff had not occurred.

e. Performance by Secured Party. If Debtor shall at any time fail to pay or perform punctually any of its duties hereunder, Secured Party may, at its option and upon reasonable notice to Debtor, without obligation and without waiving or diminishing any of its other rights or remedies hereunder, fully perform or discharge any of such duties. All reasonable out of pocket costs and expenses incurred by Secured Party in connection therewith, together with interest thereon at the Default Interest Rate set forth in the Credit Agreement shall become part of the Secured Obligations and be paid by Debtor upon demand.

f. Power of Attorney. Secured Party is hereby appointed Debtor's attorney-in-fact, with full power of substitution, at Secured Party's option and Debtor's expense, to do all acts and things which Secured Party may reasonably deem necessary to protect or enforce and collect on the Collateral upon the occurrence of an Event of Default hereunder that is continuing, including, without limitation:

i. obtaining and adjusting the insurance required to be maintained under the Credit Agreement and adjusting or settling any and all such insurance and, upon any disposition of the Collateral pursuant to Section 7 of this Security Agreement, canceling any and all insurance covering such Collateral, endorsing the name of Debtor on any and all checks or drafts drawn by any insurer, whether representing payment for a loss or a return of unearned premium, and executing any and all proofs of claim and other documents or instruments of every kind required by any insurer in connection with any payment by such insurer;

ii. upon the occurrence of an Event of Default that is continuing, asking, demanding, collecting, suing for, recovering, compromising, receiving and giving receipts for moneys due and to become due under or in respect of any of the Collateral;

iii. upon the occurrence of an Event of Default that is continuing, collecting and endorsing the name of Debtor in favor of Secured Party on any and all checks, drafts, money orders, notes, acceptances or other instruments of the same or a different nature, constituting, evidencing or relating to the Collateral;

iv. upon the occurrence of an Event of Default that is continuing, receiving and opening all mail addressed to Debtor and removing therefrom any cash or non-cash items of payment constituting proceeds of the Collateral; and

v. upon the occurrence of an Event of Default that is continuing, filing any claims or taking any action or instituting any proceedings which Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of Secured Party with respect to any of the Collateral.

The power vested in Secured Party as Debtor's attorney-in-fact is, and shall be deemed to be, coupled with an interest and cannot be revoked.

g. Protection of Collateral. Secured Party shall not be required to take any steps necessary to preserve any rights in the Collateral. Secured Party shall further be under no duty to exercise or to withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to Secured Party in this Security Agreement, and Secured Party shall not be responsible for any failure to exercise such rights, nor for its delay in so doing. Secured Party shall be deemed to have exercised reasonable care as custodian of the Collateral if it takes such action to protect and preserve the Collateral as Debtor shall request, but failure to honor any such request shall not be deemed to be a failure by Secured Party to exercise reasonable care. The care which Secured Party gives to the safekeeping of property of like kind shall constitute reasonable care of the Collateral when in Secured Party's possession.

h. Additional Rights of Secured Party. Secured Party, in its discretion, and without notice to Debtor, may take any one or more of the following actions without liability except to account for property actually received by it: (a) after the occurrence of an Event of Default, renew, extend, or otherwise change the terms and conditions of any of the Collateral; (b) take or release any other collateral as security for any of the Collateral or the Secured Obligations; and (c) add or release any guarantor, endorser, surety or other party to any of the Collateral or Secured Obligations.

i. Binding Effect/Successors. Sections 8.03 and 8.04 of the Credit Agreement is hereby incorporated herein.

j. Advances. Nothing herein contained shall be construed to obligate Secured Party to make any loans or advances to Debtor, and the sole purpose of this Security Agreement is to provide collateral security for the Secured Obligations.

k. Severability/Entire Agreement. Section 8.09 of the Credit Agreement is hereby incorporated herein.

l. Governing Law. This Security Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware, except to the extent that perfection (and the effect of perfection and non-perfection) and certain remedies may be governed by the laws of any jurisdiction other than the State of Delaware.

m. Notices. Section 8.01 of the Credit Agreement is hereby incorporated into this Security Agreement.

n. Consent to Jurisdiction and Service of Process. Section 8.14 of the Credit Agreement is hereby incorporated herein.

o. Jury Waiver. Section 8.10 of the Credit Agreement is hereby incorporated herein.

p. Financing Statements. A copy, including a photocopy, of this Security Agreement may be filed as a financing statement. Debtor authorizes Secured Party to file without the signature of Debtor (where permitted by law) one or more financing or continuation statements, and amendments thereto relative to all or any part of the Collateral, as Secured Party may deem appropriate in order to perfect or continue the perfection and priority of Secured Party's security interest in the Collateral.

q. Counterparts/Facsimiles. Section 8.12 of the Credit Agreement is hereby incorporated herein.

r. Collateral Agent Agreement. Debtor acknowledges and agrees that Secured Party, as Agent and alone, shall have the right to enforce all Lenders' rights relating to the Collateral under the Loan Documents and under duplicate originals of all of the Loan Documents executed by the Lenders (other than the Lender) and Debtor.

s. Employee Carve-Out Amounts. (a) Upon the occurrence and during the continuance of an Event of Default, payments of any amounts on account of the Secured Liens and the Superpriority Claims (in each case, as defined in the Order) shall be subject and subordinate only to payment of all accrued and unpaid wages, salaries, benefits and severance and all taxes associated therewith for employees of Debtor and the foreign Subsidiaries of Debtor (collectively, the "Employee Carve-Out Amounts"); and (b) in the event that Lenders (as defined in the Order) exercise any rights or remedies under the Loan Documents, Lenders shall deposit all collections and proceeds of Collateral into a segregated account until all Employee Carve-Out Amounts are paid in full; and (c) upon the occurrence of an Event of Default, Debtor shall promptly remit all amounts in excess of the Employee Carve-Out Amounts to Security Party.

t. No Personal Liability for Trustee. Section 8.17(a) of the Credit Agreement is incorporated herein.

u. Releases.

i. At such time as the Secured Obligations (other than contingent indemnification obligations and obligations with respect to the Loan Fee) have been paid in full, the Collateral (other than the Litigation Proceeds) shall be released from the Liens created hereby, and all obligations of Debtor hereunder with respect to the Collateral (other than the Litigation Proceeds) shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral (other than the Litigation Proceeds) shall revert to Debtor. At the request of Debtor following any such release, Secured Party shall deliver to the Debtor any Collateral (other than the Litigation Proceeds) held by Secured Party hereunder, and execute and deliver to Debtor such documents as Debtor shall reasonably request to further evidence such release.

ii. At such time as the Loan Fee has been paid in full with respect to any Litigation, the Litigation Proceeds with respect to such Litigation shall be released from the Liens created hereby, and all obligations of Debtor hereunder with respect to such Litigation Proceeds shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to such Litigation Proceeds shall revert to Debtor. At the request of Debtor following any such release, Secured Party shall execute and deliver to Debtor such documents as Debtor shall reasonably request to further evidence such release.

iii. If any of the Collateral shall be sold, transferred or otherwise disposed of by Debtor in a transaction permitted by the Credit Agreement, such Collateral shall be released from the Liens created hereby, and all obligations of Debtor hereunder with respect to such Collateral shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to such Collateral shall revert to Debtor. At the request of Debtor following any such release, Secured Party shall deliver to the Debtor any such Collateral held by Secured Party hereunder, and execute and deliver to Debtor such documents as Debtor shall reasonably request to further evidence such release.

IN WITNESS WHEREOF, the parties to this Security Agreement have executed it as of the Effective Date.

BORROWER:

Edward N. Cahn, in His Sole Capacity as
Trustee of the Bankruptcy Estates of The SCO
Group, Inc., a Delaware corporation and SCO
Operations, Inc., a Delaware corporation

SECURED PARTY:

Seung Ni Capital Partners, L.L.C., a Delaware
limited liability company

By: _____
Name: _____
Title: _____

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