

EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

THE SCO GROUP, INC., a)
Delaware corporation,) Deposition of:
)
Plaintiff,) JEAN ACHESON
)
vs.)
)
NOVELL, INC., a Delaware) Case No. 2:04CV00139
corporation,)
) Judge Dale A. Kimball
Defendants.)

MARCH 20, 2007 * 9:30 a.m.

Location: Anderson & Karrenberg
700 Chase Tower
50 West Broadway
Salt Lake City, Utah 84101

Reporter: Diana Kent, CSR, RPR, CRR
Notary Public in and for the State of Utah
Videographer: Max Nelson, CLVS

1 immediate question that I'm asking you and then we
2 can -- I can follow up with questions, although I
3 appreciate you elaborating.
4 A. Okay.
5 Q. Can you summarize that answer? In other
6 words, based on all those communications that you had
7 involving Novell personnel and Novell management
8 around the time of the APA and after the closing,
9 what was your basic understanding of the basic terms
10 of what Novell had sold to Santa Cruz and what it had
11 retained, if anything?
12 MR. PERNICK: Objection. Vague. Lacks
13 foundation.
14 A. Basically Novell had sold the entire UNIX
15 product line and its assets, its intellectual
16 property, its contracts, the third-party royalty
17 agreements. There were other agreements. They were
18 all assigned to SCO and beyond that. And then there
19 was the administrative situation in order to handle
20 the binary royalties.
21 MR. PERNICK: Move to strike.
22 Q. So is your testimony that the only thing
23 that Novell retained out of the UNIX business was the
24 right to what you call the SVRX binary royalties?
25 MR. PERNICK: Objection. Lacks

1 foundation. Leading.
2 A. That is correct.
3 Q. Mr. Pernick asked you many questions about
4 instances when you or someone else at Novell or Santa
5 Cruz would have expressly stated that Novell did not
6 have a right after the sale under the APA to anything
7 other than what you call the binary royalty stream.
8 Do you recall those questions?
9 A. Yes, I do.
10 Q. And you stated a couple times that there
11 were some discussions; do you recall saying that?
12 MR. PERNICK: Objection to form.
13 Mischaracterizes testimony. Lacks foundation.
14 Leading.
15 A. Sorry. Could you repeat?
16 Q. I'm just trying to short-circuit this for
17 everybody. But based on his objections lets me walk
18 through everything and we will have to stay here
19 later.
20 A. Okay.
21 MR. GONZALEZ: But these are basic things
22 that she has already testified to before.
23 Q. (By Mr. Gonzalez) During these
24 communications that are the basis of your
25 understanding of the basic terms --

1 A. Yes.
2 Q. -- were there some discussions as to the
3 rights that Novell had retained under the APA?
4 A. Yes, I believe there were.
5 Q. And based on those discussions, what was
6 your understanding of what Novell had retained under
7 the APA?
8 MR. PERNICK: Objection. Lacks
9 foundation.
10 A. The SVRX binary royalty stream for the
11 customers that were existing at the time of the APA.
12 Q. Can you and I agree, just as a shorthand,
13 that what you have just described as what Novell
14 retained, we can just call that the binary royalty
15 stream just to make this a little shorter? Can we
16 have that agreement?
17 MR. PERNICK: Objection.
18 Q. Can we agree on that? Can you and I agree
19 on that, Ms. Acheson?
20 A. Yes.
21 Q. So when you hear me say the binary royalty
22 stream I will mean what I believe you just said: The
23 binary royalties from the existing customers at the
24 time of the APA.
25 A. That's fine.

1 Q. Okay. So during these communications that
2 you had which involved Novell people that are the
3 basis of your understanding of what Novell retained,
4 were there discussions with Novell people about that
5 subject matter of what Novell had retained?
6 MR. PERNICK: Objection. Vague. Lacks
7 foundation.
8 A. Yes.
9 Q. And who were some of those people?
10 A. Cindy Lamont, Barb Cavalla, Terry Dulin.
11 Q. Those three names you just mentioned,
12 which meetings would those have --
13 A. Those were usually --
14 Q. -- would those have occurred?
15 A. Those were usually more specific
16 agreements around the reporting of the royalties to
17 Novell.
18 Q. Going back a little further in time. When
19 you were meeting with the transition team, were there
20 discussions about the rights that Novell had retained
21 under the APA, namely this binary royalty stream?
22 A. Among other things, yes, I believe there
23 was some. It was just very generalized because, once
24 again, this was just sort of an understood point.
25 MR. PERNICK: Move to strike.

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1 Nonresponsive.
 2 Q. And when you testified just now and
 3 earlier today that this was something that everybody
 4 understood, what do you mean by that, more precisely?
 5 A. Because in the explanations it was
 6 basically understood that while the entire product
 7 line went to SCO, including the customer
 8 relationships, the customer agreements, the
 9 third-party royalties, joint development
 10 arrangements, the products, the source code tapes for
 11 the entire hierarchy of products, the intellectual
 12 property and stuff, it was just understood that the
 13 one thing that SCO was unable to purchase from Novell
 14 was this ongoing SRVX revenue stream.
 15 Q. And so besides your conversations with Ms.
 16 Lamont and Ms. Dulin and Ms. Cavalla -- is that the
 17 name?
 18 A. Yes.
 19 Q. Were there other conversations about what
 20 Novell had retained during the transition team
 21 meetings, for example?
 22 A. Yes, there probably was.
 23 Q. And were there conversations or
 24 communications about that same subject matter, namely
 25 what Novell had retained, during the company-wide

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1 meeting at Novell?
 2 MR. PERNICK: Objection to form. Vague.
 3 A. That, I don't remember. I believe that
 4 there was. That, once again, it was the entire
 5 product line, but that there were segments where we
 6 were going to have a continued relationship with
 7 Novell.
 8 MR. PERNICK: Move to strike.
 9 Nonresponsive.
 10 Q. When you say "continued relationship with
 11 Novell," what do you mean by that?
 12 A. Well, that NetWare was going to be
 13 embedded within the UnixWare code. And the
 14 relationship, the administrative relationship between
 15 the two companies for the processing of the binary
 16 royalty, SVRX binary royalty stream.
 17 Q. Do you recall Mr. Pernick asking you about
 18 whether there were communications during these
 19 meetings around the time of the APA that involved
 20 Novell, communications about -- strike that. Let me
 21 simplify that.
 22 Focusing again on the meetings that
 23 occurred with Novell or at Novell during the time of
 24 the APA, Mr. Pernick asked you if there was ever a
 25 discussion as to who would have the rights to the

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1 fees under new source code licenses. Do you recall
 2 having conversations about that with Mr. Pernick?
 3 A. Yes.
 4 Q. And do you recall, what was your response?
 5 MR. PERNICK: Objection to form.
 6 A. I believe I stated that if it was a new
 7 customer to the SVRX, a customer that did not exist
 8 at the time of the transfer under the APA, that those
 9 fees would belong to SCO.
 10 Q. Did you respond further --
 11 MR. PERNICK: Objection to form.
 12 Q. -- to Mr. Pernick's questions about that?
 13 A. I believe I also stated that it really
 14 wasn't a situation that was thought about because
 15 normally if a customer was coming and they wanted to
 16 be able to develop a derivative work, it would have
 17 been in SCO's best interest to sell UnixWare to them,
 18 to keep them on the latest product. And usually
 19 customers, when they are developing a derivative
 20 work, wish the latest technology.
 21 MR. PERNICK: Move to strike.
 22 Nonresponsive.
 23 Q. What is your understanding today as to
 24 whether SCO or Novell will be entitled or is entitled
 25 to revenue for any new SVRX licenses whether for

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1 source code or for binary code?
 2 MR. PERNICK: Objection. Lacks
 3 foundation.
 4 A. It's my understanding that if there is a
 5 new customer who wishes to purchase a UNIX product
 6 from SCO, that this would be, you know -- that did
 7 not exist at the time of the APA, so it's a new
 8 customer, that they would -- that that would be
 9 revenue due to SCO.
 10 Q. And what is your basis for that
 11 understanding?
 12 A. Once again, discussions with management
 13 and others around the transition period and later.
 14 And legal, of course.
 15 Q. And when you say "discussions around the
 16 transition period and later, including with legal,"
 17 you are referring to people at which company?
 18 A. Well, if it was during the transition
 19 period it would be both. If it was later, it would
 20 normally be mostly my management. It was really kind
 21 of a moot point I don't remember later discussions
 22 coming up with Novell in regards to it.
 23 Q. Do you recall a series of questions by Mr.
 24 Pernick about your education and professional
 25 background?