

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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|---|---|--------------------------------|
| IN RE: |) | |
| |) | Chapter 11 |
| BUILDING MATERIALS HOLDING CORPORATION, <i>et al.</i>,¹ |) | Case No. 09-12074 (KJC) |
| |) | |
| Debtors. |) | Jointly Administered |
| |) | |
| |) | Ref. Docket Nos. 654 |
| |) | |

**FEE AUDITOR'S FINAL REPORT REGARDING FIRST INTERIM QUARTERLY FEE
REQUEST OF GIBSON, DUNN & CRUTCHER LLP**

Direct Fee Review LLC ("DFR"), appointed and employed as the Fee Auditor in the above-captioned bankruptcy proceedings and acting in its capacity regarding the First Interim Quarterly Fee Request of Gibson, Dunn & Crutcher LLP for compensation for services rendered and reimbursement of expenses as co-counsel to the Debtors and Debtors-in-Possession for the period June 16, 2009 through August 31, 2009 ("Fee Request") seeking approval of fees in the amount of \$1,477,403.75 and reimbursement of expenses in the amount of \$40,392.19, submits its final report.

BACKGROUND

In performance of audit procedures and in preparation of this report designed to quantify and present factual data relevant to the requested fees, disbursements and expenses contained herein, DFR reviewed the monthly fee statements and the Fee Requests, including each of the billing and expense entries listed in the exhibits to the monthly statements, for compliance with 11 U.S.C. § 330, Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, as amended February 1, 2009 ("Local Rules"), and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, issued January 30, 1996 ("Guidelines").

DISCUSSION

For the compensation period of June 16, 2009 through August 31, 2009 Gibson, Dunn &

¹ The Debtors, along with the last four digits of each Debtor's tax identification number, are as follows: Building Materials Holding Corporation (4269), BMC West Corporation (0454), SelectBuild Construction, Inc. (1340), SelectBuild Northern California, Inc. (7579), Illinois Framing, Inc. (4451), C Construction, Inc. (8206), TWF Construction, Inc. (3334), H.N.R. Framing Systems, Inc. (4329), SelectBuild Southern California, Inc. (9378), SelectBuild Nevada, Inc. (8912), SelectBuild Arizona, LLC (0036), and SelectBuild Illinois, LLC (0792). The mailing address for the Debtors is 720 Park Boulevard, Suite 200, Boise, Idaho 83712.

Crutcher LLP submitted monthly fee applications in the amount of \$1,477,403.75 as actual, reasonable and necessary and reimbursement of expenses in the amount of \$40,392.19. For the Fee Request period \$56,282.50 was charged for fee applications.

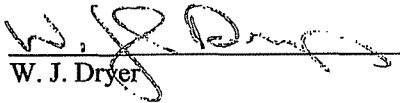
1. Our procedures applied to the Monthly Fee Applications include the recomputation of fees and expenses. The recomputation of fees identified several entries, with descriptions that did not correspond with the amount charged. The firm responded that with one exception the detailed entries were correct and that their fees should be reduced by \$523.50.
2. We have noted the expense entries related to "Conferencing Services" and "Telephone Cost Recovery". We requested additional information and the firm explained how these charges are specific and billed at cost. We accept their explanation and no adjustment is recommended.
3. Our procedures applied to the Monthly Fee Applications identified 23 charges of costs that total \$3,895.91 which appear to be pre-petition. After review by the firm of these charges the firm withdrew charges in the amount of \$3,895.91, we recommend a reduction in expense of this amount.
4. Also, we have enquired about an expense entry related to air travel which the firm confirmed was an economy fare. We accept their confirmation and no adjustment is recommended.
5. Based upon a review for reasonableness DFR noted some entries which may be considered excessive. In general DFR deems charges in excess of \$15/\$25/\$50 for breakfast/lunch/dinner to be not reasonable. On discussion with the firm, they agreed that their expenses should be reduced by \$782.31.
6. Also, we have noted an expense entry for secretary support. The firm confirmed that this had been billed in error and withdrew charges in the amount of \$70.00; we recommend a reduction in expense of this amount.

CONCLUSION

Regarding the First Interim Fee Request and the fees and expenses discussed in the previous sections, DFR submits its report for the First Interim Fee Request of Gibson, Dunn & Crutcher LLP for as general bankruptcy and restructuring counsel to the Debtors and Debtors-in-Possession for compensation for services rendered and reimbursement of expenses for the Period from June 16, 2009 Through August 31, 2009 and recommends the approval of fees in the amount of \$1,476,880.25 (\$1,477,403.75 minus \$523.50) and reimbursement of expenses in the amount of \$35,643.97 (\$40,392.19 minus \$4,748.22).

Respectfully submitted,

DIRECT FEE REVIEW LLC

By: 
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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 24th day of November, 2009.

By:


W. J. Dryer

SERVICE LIST
Notice Parties

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