

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

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 KPMG 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 KPMG LLP for compensation for services rendered and reimbursement of expenses as auditors and tax advisors 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 \$63,329.10 and reimbursement of expenses in the amount of \$0, 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 KPMG LLP submitted monthly fee applications in the amount of \$63,329.10 as actual, reasonable and necessary and

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.

reimbursement of expenses in the amount of \$0. For the Fee Request period, \$1,754.20 was charged for fee applications.

1. It is our understanding and our opinion that activities associated with the daily operations of a professional firm are considered administrative in nature and as such are reflected in the hourly rates charged by the professional firm. Further, activities relating to the training, assignment of tasks or the supervision of any administrative function should be considered a cost of doing business and a factor considered in establishing the hourly rates of the professional firm. Time expended by a firm in performing conflicts checks and other matters required as a condition of the professional firm's retention should not be compensable and is an administrative activity compensated for in the hourly rates established by the firm and approved by the Court as described in the retention application. Our procedures applied to the Monthly Fee Applications for April 16, 2009 through July 31, 2009 identified 18.3 hours with charges of \$6,080.20 with descriptions which are related to retention application. After discussion with DFR and after review by the firm of these charges, the firm withdrew charges in the amount of \$1,985.20, listed in Exhibit A. We recommend a reduction in fees of this amount.

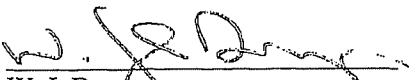
CONCLUSION

Regarding the First Interim Quarterly Fee Request and the fees and expenses discussed in the previous sections, DFR submits its report for the First Interim Quarterly Fee Request of KPMG LLP for as auditors and tax advisors 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 we recommend the approval of fees in the amount of \$61,343.90 (\$63,329.10 minus \$1,985.20) and the reimbursement of expenses of \$0.

Respectfully submitted,

DIRECT FEE REVIEW LLC

By:


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FEE AUDITOR

Exhibit A:

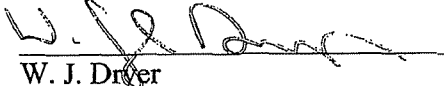
Professional	Date	Description	Hours	Rate	Total
Husby, Richard K	6/16/2009	Review and provide comments on draft retention agreement.	1.5	\$322	\$483.00
Sellers, Monica	6/16/2009	Review draft documents, include rates and other pertinent information; email request for advice and confirmation.	0.5	\$336	\$168.00
Husby, Richard K	6/17/2009	Discussion with M. Sellers (KPMG) regarding revisions to retention documents.	0.5	\$322	\$161.00
Husby, Richard K	6/17/2009	Review and provide comments on updated draft retention agreement.	0.5	\$322	\$161.00
Sellers, Monica	6/17/2009	Discussion with R. Husby (KPMG) regarding revisions to retention documents.	0.6	\$336	\$201.60
Husby, Richard K	6/24/2009	Review and provide comments on updated draft retention agreement.	1.0	\$322	\$322.00
Husby, Richard K	6/25/2009	Review and provide comments on updated draft retention agreement.	1.0	\$322	\$322.00
Campbell, Celeste H.	8/7/2009	Respond to R. Rathnau (KPMG) regarding next steps for additional fees approvals.	0.1	\$238	\$23.80
Campbell, Celeste H.	8/7/2009	Respond to R. Rathnau (KPMG) regarding pre-petition outstanding amounts.	0.2	\$238	\$47.60
Campbell, Celeste H.	8/7/2009	Review Farrell declaration for specifics regarding pre-petition amounts.	0.4	\$238	\$95.20
					\$1,985.20

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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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