

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

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

**FEE AUDITOR'S FINAL REPORT REGARDING FIRST INTERIM QUARTERLY FEE REQUEST OF ALVAREZ & MARSAL NORTH AMERICA, LLC**

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 Fee Request of Alvarez & Marsal North America, LLC for compensation for services rendered and reimbursement of expenses as restructuring advisor 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 \$1,177,353.00 and reimbursement of expenses in the amount of \$79,876.45, submits its initial 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 Alvarez & Marsal North

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<sup>1</sup> 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.

America, LLC submitted monthly fee applications in the amount of \$1,177,353.00 as actual, reasonable and necessary and reimbursement of expenses in the amount of \$79,876.45. For the Fee Request period \$24,690.50 was charged for fee applications.

1. Local Rule 2016-2 provides in section (d) that all motions shall include complete and detailed activity descriptions; each activity description shall include the type of activity; each activity description shall include the subject matter and shall be sufficiently detailed to allow the Court to determine whether all the time, or any portion thereof, is actual, reasonable, and necessary. Local Rule 2016-2 provides in section (d) (ix) the activity descriptions shall individually identify all meetings and hearings (conferences and conference by telephone), each participant, the subject(s) of the meeting or hearing (conferences and conference by telephone) and the participant's role. Our procedures applied to the monthly fee applications for June 16, 2009 through August 31, 2009 identified entries which do not provide such task descriptions. We requested that future applications provide sufficient detail for each entry including the identity of the participant and the affiliation and the firm has agreed to provide such detail. Because we are not making a recommendation for a reduction in the fees for these entries, no exhibit has been included here.
2. During our review we noted many examples of entries with descriptions which we consider to be vague. We requested that the firm avoid using terms such as "attention to" or "participated in" without detail to describe the need or reason for the individuals' participation or a description of the activity. Because we are not making a recommendation for a reduction in the fees for these entries, no exhibit has been included here.
3. We requested that the firm provide us with confirmation that all airfare charges are for economy class travel and the firm confirmed that these were economy class fares and that this is the policy of the firm.
4. Based upon a review for reasonableness DFR noted the entries listed in Exhibit A which may be considered excessive. In general DFR deems charges in excess of \$15/\$25/\$50 for breakfast/lunch/dinner to be not reasonable. After additional information provided by the firm and with the agreement of the firm; we recommend that expenses be reduced by \$182.41 for these entries.
5. We have noted the expense entries related to "internet access" and "parking". We requested additional information and we requested that the firm provide the reason that these charges are solely related to this case and why they are not administrative expenses of the firm. After discussions and additional information provided by the firm we have no changes to recommend. Because we are not making a recommendation for a reduction in the charges for these entries, no exhibit has been included here.
6. Based upon a review for reasonableness we have noted certain entries for hotel charges and we questioned other expense entries. After discussions and additional information provided by the firm we have no changes to recommend. Because we are not making a recommendation for a reduction in the charges for these entries, no exhibit has been included here.

7. Also, we have noted expense entries related to mileage and have confirmed with the firm that the mileage reimbursement policy of the firm does not exceed \$0.55 per mile.
8. We have identified the entries listed in Exhibit B and requested additional information be provided. After review by the firm the firm has agreed to an adjustment of \$90.00. We recommend the expenses be reduced by \$90.00 for this entry.


### **CONCLUSION**

Regarding the First Interim Fee Request and the fees and expenses discussed in the previous sections, DFR submits its final report for the First Interim Fee Request of Alvarez & Marsal North America, LLC for as restructuring advisor 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 recommend the approval of fees in the amount of \$1,177,353.00 and the reimbursement of expenses net of adjustments identified above in the amount of \$79,604.04.

Respectfully submitted,

**DIRECT FEE REVIEW LLC**

By:

  
W. J. Dryer

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**FEE AUDITOR**

**Exhibit A:**

Johnson	6/17/2009	\$126.22	Meals	Out of town dinner (Johnson, Spano).
Johnson	6/30/2009	\$32.63	Meals	Out of town lunch (Johnson).
Johnson	7/2/2009	\$20.00	Meals	Out of town breakfast (Johnson).
Johnson	7/9/2009	\$20.00	Meals	Out of town breakfast (Johnson).
Johnson	7/16/2009	\$20.00	Meals	Out of town breakfast (Johnson).
Johnson	7/21/2009	\$200.64	Meals	Out of town dinner (Johnson, Varner).
Johnson	7/23/2009	\$20.00	Meals	Out of town breakfast (Johnson).
Park	7/23/2009	\$74.12	Meals	Out of town breakfast (Park, Western).
Spano	7/14/2009	\$62.02	Meals	Out of town dinner (Spano).
Varner	7/7/2009	\$72.51	Meals	Out-of-town dinner (Varner).
Johnson	8/7/2009	\$20.00	Meals	Out of town breakfast (Johnson).
Johnson	8/28/2009	\$20.00	Meals	Out of town breakfast (Johnson).
Johnson	8/5/2009	\$30.88	Meals	Out of town lunch (Johnson).
Spano	8/2/2009	\$18.14	Meals	Out of town breakfast (Spano).
Spano	8/12/2009	\$54.37	Meals	Out of town dinner (Spano).

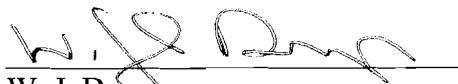
**Exhibit B:**

Johnson	7/20/2009	\$250.00	Transportation	Airport parking.
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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 30th day of November, 2009.

By:

  
W. J. Dryer

### SERVICE LIST

#### Notice Parties

#### The Applicants

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#### The Debtor

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