

**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>Objection Deadline: July 9, 2009 at 4:00 p.m. (ET)</b>
	)	<b>Hearing Date: July 16, 2009 at 4:30 p.m. (ET)</b>
	)	<b>(Waiver of Local Rule 2016-2 Requested)</b>

**DEBTORS' APPLICATION PURSUANT TO SECTIONS 327(a) AND 328(a)  
OF THE BANKRUPTCY CODE FOR AN ORDER AUTHORIZING THE  
DEBTORS TO RETAIN AND EMPLOY PRICEWATERHOUSECOOPERS  
LLP AS TAX ADVISOR *NUNC PRO TUNC* TO THE PETITION DATE,  
AND WAIVING CERTAIN REQUIREMENTS OF LOCAL RULE 2016-2**

Building Materials Holding Corporation ("**BMHC**") and certain of its affiliates, as debtors and debtors in possession (collectively, with BMHC, the "**Debtors**"), submit this Application (the "**Application**") for entry of an order pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the "**Bankruptcy Code**"), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"), substantially in the form annexed hereto as **Exhibit A**, for authorization to employ and retain PricewaterhouseCoopers LLP ("**PwC**") as tax advisor *nunc*

---

<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.

*pro tunc* to June 16, 2009 (the "**Petition Date**") and to compensate PwC pursuant to section 330 of the Bankruptcy Code. In support thereof, the Debtors respectfully represent:

### **JURISDICTION AND VENUE**

1. The Court has jurisdiction to consider this Application pursuant to 28 U.S.C. sections 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. section 157(b). Venue is proper pursuant to 28 U.S.C. sections 1408 and 1409.

### **RELIEF REQUESTED**

2. By this Application, the Debtors request, pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, Bankruptcy Rule 2014(a), and Local Rule 2014-1, entry of an order (a) authorizing them to employ and retain PwC as tax advisor, *nunc pro tunc* to the Petition Date, on the terms set forth herein and in that certain the engagement letter between BMHC and PwC, dated May 4, 2009 (the "**Engagement Letter**"), annexed hereto as **Exhibit B<sup>2</sup>** and (b) (b) waiving certain requirements of Local Rule 2016-2 in connection therewith. In support of the Application, the Debtors submit the declaration of Roger A. Feusier (the "**Feusier Declaration**") annexed hereto as **Exhibit C**.

### **BACKGROUND**

3. On June 16, 2009 (the "**Petition Date**"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the "**Chapter 11 Cases**"). The Debtors continue to operate their businesses and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in the Chapter 11 Cases.

---

<sup>2</sup> In the event of any inconsistencies between the description of PwC's engagement with the Debtors in this Application and the terms of the Engagement Letter, the Engagement Letter shall control.

4. The Debtors are one of the largest providers of residential building products and construction services in the United States. The Debtors distribute building materials, manufacture building components (e.g., millwork, floor and roof trusses, and wall panels), and provide construction services to professional builders and contractors through a network of 31 distribution facilities, 43 manufacturing facilities, and five regional construction services facilities.

5. The Debtors operate under two brand names: BMC West® and SelectBuild®.

- ***BMC West.*** Under the BMC West brand, the Debtors market and sell building products, manufacture building components, and provide construction services to professional builders and contractors. Products include structural lumber and building materials purchased from manufacturers, as well as manufactured building components such as millwork, trusses, and wall panels. Construction services include installation of various building products and framing. The Debtors currently offer these products and services in major metropolitan markets in Texas, Washington, Colorado, Idaho, Utah, Montana, North Carolina, California, and Oregon.
- ***SelectBuild.*** Under the SelectBuild brand, the Debtors offer integrated construction services to production homebuilders, as well as commercial and multi-family builders. Services include wood framing, concrete services, managing labor and construction schedules, and sourcing materials. The Debtors currently offer these services in major metropolitan markets in California, Arizona, Nevada and Illinois.

6. On the Petition Date, the Debtors filed their proposed chapter 11 plan (the "***Plan***") and accompanying disclosure statement (the "***Disclosure Statement***"). As set forth in greater detail in the Plan and Disclosure Statement, the Plan contemplates a restructure of the Debtors' balance sheet and ownership structure, as well as an immediate cash distribution to unsecured creditors and an opportunity for such creditors to receive full payment from the

Reorganized Debtors, depending on business performance. The Debtors believe that the restructuring proposal embodied in the Plan provides the Debtors' creditors with the best means of maximizing value of the Debtors and their businesses. To implement this restructuring, the Debtors have obtained a commitment to provide \$80 million in the form of debtor-in-possession financing, which the Court approved on an interim basis on June 17, 2009.

**A. PwC's Qualifications**

7. PwC is a leading full-service, accounting, consulting, and financial services firm. PwC has considerable experience providing accounting, tax, auditing, and financial advisory services to businesses in chapter 11 cases, including, among others, Adelphia Communications Corp., American Home Mortgage Holdings, Inc., Buffets Holding, Inc., Calpine Corporation, Constar International, Inc., Dana Corporation, Delphi Corporation, Foamex International Inc., Meridian Automotive Systems Composites Operations, Inc., Sea Containers Ltd, and Tribune Company.

8. PwC is well qualified to assist the Debtors as their tax advisor. Prior to the Petition Date, PwC and its predecessors have served as the Debtors' tax advisor for over 10 years. By virtue of this prior service, PwC's professionals have worked closely with the Debtors' management, internal staff, and other professionals and are familiar with the books, records, financial information, and other data maintained by the Debtors.

9. It is anticipated that PwC will render services to the Debtors as needed throughout the course of the Chapter 11 Cases as described in the Engagement Letter and this Application. PwC's services as tax advisor do not duplicate the services provided to the Debtors by any of the Debtors' other professionals. PwC will undertake to work with the Debtors and their other professionals to make every reasonable effort to avoid duplication between PwC's services and the services provided by any other professionals employed by the Debtors.

10. The Debtors believe that the services of PwC are necessary to enable the Debtors to maximize the value of their estates and to reorganize successfully. Further, PwC is well qualified and able to represent the Debtors in a cost-effective, efficient and timely manner.

**B. Scope of Services**

11. Subject to the direction of the Debtors and further order of this Court, PwC will assist the Debtors in various matters, including, without limitation:

- a. Income tax consulting services pertaining to a potential restructuring, reorganization, or recapitalization of the Debtors whether pursuant to chapter 11 of the Bankruptcy Code or otherwise, including:
  - assistance with developing restructuring alternatives and estimation of the tax consequences;
  - assessing the tax impact of asset disposition;
  - analysis of impact on tax attributes;
  - assistance with tax compliance matters; and
  - other related services.
- b. Compensation and benefits issues, including:
  - advice with respect to structure and tax impacts of current and prospective compensation plans;
  - tax calculations and modeling;
  - impact of potential reductions in force;
  - assistance with employee communications; and
  - other related services.
- c. Actuarial matters, including:
  - comprehensive annual actuarial evaluation relating to self insurance matters;
  - periodic updates during the year regarding reserve amounts and underlying assumptions; and
  - other related matters.
- d. Financial advisory matters, including:
  - forecasting and evaluation of various financial metrics;
  - development or analysis of restructuring plans;
  - contingency planning; and
  - other related services.

In addition to the services described above, the Engagement Letter covers any other tax, accounting, or financial advisory services which are non-duplicative with services for which the Debtors have engaged a professional service provider other than PwC.

**C. PwC's Disinterestedness**

12. To the best of the Debtors' knowledge, and as disclosed herein and in the Feusier Declaration, (a) PwC is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code and as required by sections 327(a) of the Bankruptcy Code and referenced by section 328(a) of the Bankruptcy Code, and holds no interest adverse to the Debtors or their estates for the matters for which PwC is to be employed, and (b) PwC has no connection to the Debtors, their creditors, or their related parties except as disclosed herein and in the Feusier Declaration.

13. In connection with the preparation of the Feusier Declaration, PwC's professionals conducted a review of PwC's professional contacts with the Debtors, their affiliates, and certain entities holding large claims against the Debtors that were reasonably known to us (collectively, the "***Interested Parties***"). PwC's review consisted of queries of an internal computer database containing names of individuals and entities that are present, recent, or former clients of PwC in order to identify potential relationships. A summary of such representations that PwC was able to locate using its reasonable efforts is reflected in ***Schedule A*** to the Feusier Declaration.

14. PwC confirms it is not providing and will not provide services to any of the clients that are listed on ***Schedule A*** if such services are adverse to the Debtors or related to issues connected to the Debtors' bankruptcy. Further, PwC is not providing and will not provide services to the Debtors that would be adverse to any of the entities listed on ***Schedule A***. Despite

the size or significance of the relationships with the entities listed on *Schedule A*, none of those relationships will compromise in any way PwC's ability to serve as the Debtors' tax advisors.

15. PwC has provided and likely will continue to provide services unrelated to the Chapter 11 Cases for the various entities shown on *Schedule A*. PwC's assistance to these parties has been primarily related to auditing, tax, and/or other consulting services. Based on the Feusier Declaration, the Debtors do not believe that PwC's services to these creditors or other parties in interest could impact their rights in the Chapter 11 Cases, nor does PwC's involvement in the Chapter 11 Cases compromise its ability to continue such auditing, tax, and/or consulting services on behalf of those clients in unrelated matters. Based on the Feusier Declaration, with respect to those potential parties in interest listed on *Schedule A* who are PwC clients, 1 of those clients accounted for more than 1.0% of PwC's revenues for the fiscal year ended June 30, 2008, and one of those clients accounted for more than 1.5% of PwC's revenues for the fiscal year ended June 30, 2008.

16. Further, as part of its diverse practice, PwC appears in numerous cases, proceedings, and transactions that involve many different professionals, including attorneys, accountants, and financial consultants, who may represent claimants and parties in interest in the Chapter 11 Cases. Also, PwC has performed in the past, and may perform in the future, audit, tax, and consulting services for various attorneys and law firms in the legal community, and has been represented by several attorneys and law firms in the legal community, some of whom may be involved in these proceedings. In addition, PwC has in the past, may currently, and will likely in the future be working with or against other professionals involved in these cases in matters unrelated to the Debtors and the Chapter 11 Cases.

17. Based on the Feusier Declaration, the Debtors do not believe that PwC's current and former representation of the entities identified in ***Schedule B*** to the Feusier Declaration constitutes representation of interests adverse to the Debtors' estates with respect to the matters for which the Debtors wish to retain PwC. The Debtors submit that PwC's employment is in the best interests of the Debtors' estates.

18. Despite the efforts described above to identify and disclose PwC's connections with Interested Parties, PwC is unable to state with certainty that every client relationship or other connection has been disclosed. In this regard, if PwC discovers additional information that requires disclosure, PwC will file a supplemental disclosure with the Court as promptly as possible.

19. In sum, the Debtors have been advised that (a) PwC is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code and as required by section 327(a) of the Bankruptcy Code and referenced by section 328(a) of the Bankruptcy Code, and holds no interest adverse to the Debtors or their estates for the matters for which PwC is to be employed, and (b) PwC has no connection to the Debtors, their creditors, or their related parties herein, except as disclosed in the Feusier Declaration.

20. PwC has agreed not to share with any person or firm the compensation to be paid for professional services rendered in connection with the Chapter 11 Cases, other than as permitted pursuant to section 504 of the Bankruptcy Code.

**D. Terms of Retention**

21. Subject to this Court's approval and in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, guidelines established by the Office of the United States Trustee for the District of Delaware (the "***U.S. Trustee***"), and any other applicable orders of this Court, PwC intends to (a) seek compensation



for its tax provision and tax compliance services, as well as its additional tax advisory services, including the tax consulting services, matters involving tax authorities and unforeseen issues on an hourly basis in accordance with its ordinary and customary rates in effect on the date such services are rendered, and (b) seek reimbursement of actual and necessary costs and expenses incurred by PwC in connection with these services.

22. PwC has informed the Debtors that its currently hourly rates, subject to periodic adjustments, are as follows:

Professional Level:	Hourly Rates
Partner	\$625-780
Managing Director	\$600-650
Director/Senior Manager	\$450-550
Manager	\$300-450
Senior Associate	\$200-350
Associate	\$175-250
Paraprofessional	\$150

23. In addition, PwC charges the Debtors for reasonable out-of-pocket expenses, including the internal per ticket charges for booking travel. The internal per ticket travel charge is an allocation of estimated costs of running PwC's travel department in a manner to maximize cost savings.

24. Pursuant to Local Rule 2016-2(d), in a motion for compensation and reimbursements of expenses, activities must be billed in tenths of an hour. It is not the general practice of PwC employees, however, to keep records in such increments. PwC's customary practice is to provide a detailed description of the services rendered and the amount of time spent on each date in half-hour increments. The Debtors believe that PwC's customary practice with respect to time descriptions will still provide this Court with the ability to appropriately review

and evaluate the services provided by PwC. Furthermore, because it would be more efficient for PwC to continue in its customary time-keeping practices, the Debtor respectfully seek a waiver of Local Rule 2016-2(d) to permit PwC to submit its time records in half-hour increments.

25. PwC professionals providing the Engagement Letter services will consult with internal PwC bankruptcy retention and billing advisors<sup>3</sup> to ensure compliance with the requirements of the Bankruptcy Code, as well as to decrease the overall fees associated with the administrative aspects of PwC's engagement. The services provided by these PwC bankruptcy retention and billing advisors shall include, but are not limited to, assistance with the bankruptcy retention documents; assistance with the required disinterestedness disclosures; assistance with completion of the requisite fee applications; and assistance with compliance with the other applicable Bankruptcy Rules, Local Rules, orders of this Court, and guidelines established by the U.S. Trustee. Due to the specialized nature of the services, and consistency between bankruptcy venues, specific billing rates have been established for these bankruptcy advisors.

26. As required by the Engagement Letter, the Debtors paid a \$150,000 retainer amount to PwC in May 2009 to be credited against fees incurred. PwC will refund any portion of the retainer not used upon completion of all services pertaining to the Engagement Letter or upon the request of the Debtors. As of the Petition Date, approximately \$98,000 in fees and expenses have been incurred by PwC and approximately \$152,000 of the retainer remains outstanding. The retainer amount is not being held in a segregated account.

---

<sup>3</sup> The rate per hour for these PwC bankruptcy advisors by level of experience will be as follows: (a) Partner: \$780; (b) Managing Director: \$650; (c) Director/Senior Manager: \$550; (d) Manager: \$400; (e) Senior Associate: \$290; (f) Associate: \$225; and (g) Paraprofessional: \$100 - \$150. These rates are subject to periodic adjustments.

27. In the Chapter 11 Cases, an evergreen security retainer is appropriate for several reasons. See *In re Insilco Technologies, Inc.*, 291 B.R. 628, 634 (Bankr. D. Del. 2003) (Carey, J.) ("Factors to be considered, include...whether terms of an engagement agreement reflect normal business terms in the marketplace;...the relationship between the Debtor and the professionals, i.e., whether the parties involved are sophisticated business entities with equal bargaining power who engaged in an arms-length negotiation[] [and]...whether the retention, as proposed, is in the best interests of the estate[...]); see also Statements of Chief Bankruptcy Judge Peter J. Walsh, *In re CTC Communications Group, Inc.*, Case No. 02-12873 (PJW) (Bankr. D. Del. May 22, 2003), transcript of hearing held May 22, 2003, at 43 ("I agree and adopt wholeheartedly Judge Carey's decision in the Insilco case."). First, these types of retainer agreements reflect normal business terms in the marketplace. See *In re Insilco Technologies, Inc.*, 291 B.R. at 634 ("[I]t is not disputed that the taking of [security] retainers is a practice now common in the market place."). Second, both PwC and the Debtors are sophisticated business entities that have negotiated the retainer at arm's length. Third, the retention of PwC is in the best interests of the Debtors' estates because the Engagement Letter and retainer allow the Debtors to maintain their prepetition relationship established with PwC. Thus, under the standards articulated in *In re Insilco Technologies, Inc.*, and adopted in *In re CTC Communications Group, Inc.*, the facts and circumstances of the Chapter 11 Cases support the approval of the retainer.

28. The Debtors are submitting, concurrently on the date hereof, a separate application for the retention of KPMG, LLP ("**KPMG**"), as auditors to the Debtors. PwC and KPMG have advised the Debtors that they will make every effort to avoid duplication of their work.

**E. Indemnification**

29. The Debtors have agreed to indemnify PwC in accordance with the indemnification provisions set forth in the Engagement Letter (collectively, the "***Indemnification Provisions***"). Notwithstanding the Indemnification Provisions, such indemnity shall be modified to the extent set forth below (the "***Modified Indemnification Provisions***"):

- (a) Subject to the provisions of subparagraphs (c) and (d) below, the Debtors are authorized to indemnify, and shall indemnify, PwC, in accordance with the Engagement Letter and to the extent permitted by applicable law, for any claim arising from, related to, or in connection with PwC's performance of the services described in the Engagement Letter;
- (b) PwC shall not be entitled to indemnification, contribution, or reimbursement for services provided under the Engagement Letter, unless such services and the indemnification, contribution, or reimbursement therefor are approved by the Court;
- (c) Notwithstanding anything to the contrary in the Engagement Letter, the Debtors shall have no obligation to indemnify any person, or provide contribution or reimbursement to any person, for any claim or expense to the extent that it is (i) judicially determined (the determination having become final and no longer subject to appeal) to have arisen from that person's gross negligence or willful misconduct; (ii) for a contractual dispute in which the Debtors allege the breach of PwC's contractual obligations unless the Court determines that indemnification, contribution, or reimbursement would be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003); or (iii) settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii), but determined by this Court, after notice and a hearing, to be a claim or expense for which that person should not receive indemnity, contribution, or reimbursement under the terms of the Engagement Letter as modified by the Order approving this Application; and
- (d) If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal) and (ii) the entry of an order closing the Chapter 11 Cases, PwC believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution, or reimbursement obligations under the Engagement Letter, including without limitation the advancement of defense costs, PwC must file an application before this Court, and the Debtors may not pay any such amounts to PwC before the entry of an order by this Court approving the

payment. This subparagraph (d) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for payment by PwC for indemnification, contribution, or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify PwC.

### **BASIS FOR RELIEF REQUESTED**

30. Section 327(a) of the Bankruptcy Code provides that a debtor, subject to Court approval:

May employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the [debtor] in carrying out the [debtor]'s duties under this title.

11 U.S.C. section 327(a). Section 328(a), in turn, provides that employment of a professional person under section 327 of the Bankruptcy Code may be "on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis" subject to later re-evaluation by the court. *See* 11 U.S.C. § 328(a).

31. Bankruptcy Rule 2014(a) requires that an application for retention include:

[S]pecific facts showing the necessity for the employment, the name of the [firm] to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant's knowledge, all of the [firm's] connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee.

Fed. R. Bankr. P. 2014(a).

32. Bankruptcy Rule 2016 sets forth the procedures that a professional must undergo to seek court approval of payment of compensation for services and reimbursement of necessary expenses from the estates. In particular, this rule provides that "[t]he requirements of

this subdivision shall apply to an application for compensation for services rendered by an attorney or accountant. . . . " Fed. R. Bankr. P. 2016(a).

33. The hourly rates and expense reimbursement structure described herein appropriately reflect the nature and scope of services to be provided by PwC and PwC's substantial experience with respect to tax advisory services and is consistent with the fee structures typically utilized by PwC and other leading tax advisors.

34. Moreover, similar retentions have been approved and implemented by courts in other large chapter 11 cases in this circuit and in other circuits.<sup>4</sup> *See, e.g., In re Adelphia Communications Corp.*, et al, Case No. 02-41729 (REG) (Bankr. S.D.N.Y. 2002) (orders dated February 7, 2005 and March 8, 2005 approving expanded retention of PwC as accountants and financial advisors to the debtors); *In re Century/ML Cable Venture*, Case No. 02-14838 (REG) (Bankr. S.D.N.Y. 2002) (order dated July 6, 2005 approving the retention of PwC as accountants to the debtors); *In re Anchor Glass Container Corporation*, Case No. 8:05-bk-15606 (ALP) (Bankr. M.D. Fla. 2005) (order dated December 12, 2005 approving the retention of PwC as auditors to the debtors); *In re BBi Enterprises, L.P.*, Case No. 05-46580 (TJT) (Bankr. E.D. Mich. 2005) (order dated April 8, 2005 approving retention of PwC as accountants and financial advisors to the debtors).

35. The Debtors believe that no parties in interest will be prejudiced by the granting of the *nunc pro tunc* employment of PwC. Since May 4, 2009, PwC has performed work on the Debtors' behalf in good faith in order to properly advance and protect the interests of

---

<sup>4</sup> The Debtors have not annexed copies of the unreported orders cited herein because of their size. Copies of these orders, however, are available upon request of the Debtors' counsel, including at the hearing to consider the Application.

the Debtors. PwC has performed this work at the direction of the Debtors. Accordingly, it is appropriate that PwC be employed and retained *nunc pro tunc* to the Petition Date.

36. Based on the foregoing, the Debtors submit that the relief requested is necessary and appropriate, is in the best interests of their estates and creditors, and should be granted in all respects.

### **NOTICE**

37. No trustee, examiner, or creditors' committee has been appointed in the Chapter 11 Cases. The Debtors have provided notice of filing of the Application to: (a) the U.S. Trustee; (b) the 50 largest unsecured creditors of the Debtors on a consolidated basis as identified in the Debtors' chapter 11 petitions; (c) counsel to Wells Fargo Bank, as agent under the Prepetition Credit Agreement and the DIP Facility (as defined in the Plan); and (d) any persons who have filed a request for notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002. Due to the nature of the relief requested, the Debtors respectfully submit that no further notice of this Application is required.

### **NO PRIOR REQUEST**

38. No prior request for the relief sought in this Application has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: Wilmington, Delaware  
June 25, 2009

BUILDING MATERIALS HOLDING  
CORPORATION

A handwritten signature in black ink, appearing to read "P. Street", is written over a horizontal line.

By: Paul S. Street  
Title: Senior Vice President,  
General Counsel Chief Administrative  
Officer, and Corporate Secretary



**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>Objection Deadline: July 9, 2009 at 4:00 p.m. (ET)</b>
	)	<b>Hearing Date: July 16, 2009 at 4:30 p.m. (ET)</b>
	)	
	)	<b>(Waiver of Local Rule 2016-2 Requested)</b>

**NOTICE OF APPLICATION**

TO: (I) THE OFFICE OF THE UNITED STATES TRUSTEE; (II) THE DEBTORS' FIFTY LARGEST UNSECURED CREDITORS ON A CONSOLIDATED BASIS; (III) COUNSEL TO WELLS FARGO BANK, AS AGENT UNDER THE PREPETITION CREDIT FACILITY AND THE DIP FACILITY (AS DEFINED IN THE PLAN); AND (IV) ALL PARTIES ENTITLED TO NOTICE UNDER RULE 2002-1(b) OF THE LOCAL RULES OF BANKRUPTCY PRACTICE AND PROCEDURE FOR THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

**PLEASE TAKE NOTICE** that the above-captioned debtors and debtors in possession (collectively, the "Debtors") have filed the attached **Debtors' Application Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code for an Order Authorizing the Debtors to Retain and Employ PricewaterhouseCoopers LLP as Tax Advisor *Nunc Pro Tunc* to the Petition Date, and Waiving Certain Requirements of Local Rule 2016-2 (the "Application")**.

**PLEASE TAKE FURTHER NOTICE** that any objections to the Application must be filed on or before **July 9, 2009 at 4:00 p.m. (ET)** (the "Objection Deadline") with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must serve a copy of the objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

---

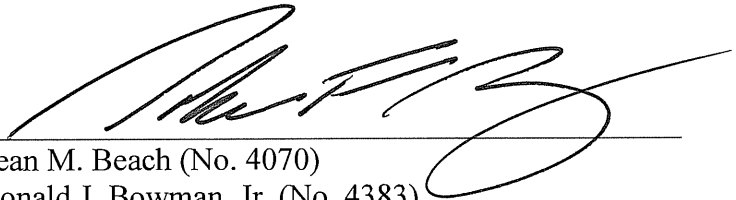
<sup>1</sup> The Debtors, along with the last four digits of each Debtor's tax identification number, are as follows: Building Materials Holding Corporation (4269), BMC West Corporation (0454), SelectBuild Construction, Inc. (1340), SelectBuild Northern California, Inc. (7579), Illinois Framing, Inc. (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.

**PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE APPLICATION WILL BE HELD ON JULY 16, 2009 AT 4:30 P.M. (ET) BEFORE THE HONORABLE KEVIN J. CAREY AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 5TH FLOOR, COURTROOM NO. 5, WILMINGTON, DELAWARE 19801.**

**PLEASE TAKE FURTHER NOTICE** that if you fail to respond in accordance with this notice, the Court may grant the relief requested in the Application without further notice or hearing.

Dated: Wilmington, Delaware  
June 26, 2009

YOUNG CONAWAY STARGATT & TAYLOR, LLP



Sean M. Beach (No. 4070)  
Donald J. Bowman, Jr. (No. 4383)  
Robert F. Poppiti, Jr. (No. 5052)  
The Brandywine Building  
1000 West Street, 17th Floor  
P.O. Box 391  
Wilmington, Delaware 19899-0391  
Telephone: (302) 571-6600  
Facsimile: (302) 571-1253

----and----

GIBSON, DUNN & CRUTCHER LLP  
Michael A. Rosenthal (admitted *pro hac vice*)  
Matthew K. Kelsey (admitted *pro hac vice*)  
Saeed M. Muzumdar (admitted *pro hac vice*)  
200 Park Avenue, 47th Floor  
New York, New York 10166-0193  
Telephone: (212) 351-4000  
Facsimile: (212) 351-4035

Aaron G. York (admitted *pro hac vice*)  
Jeremy L. Graves (admitted *pro hac vice*)  
2100 McKinney Avenue, Suite 1100  
Dallas, Texas 75201-6911  
Telephone: (214) 698-3100  
Facsimile: (214) 571-2900

**PROPOSED ATTORNEYS FOR DEBTORS  
AND DEBTORS IN POSSESSION**

# **EXHIBIT A**

**Proposed Order**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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

**ORDER PURSUANT TO SECTIONS 327(a) AND 328(a) OF THE  
BANKRUPTCY CODE AUTHORIZING THE DEBTORS TO RETAIN  
AND EMPLOY PRICEWATERHOUSECOOPERS LLP AS TAX  
ADVISOR *NUNC PRO TUNC* TO THE PETITION DATE, AND  
WAIVING CERTAIN REQUIREMENTS OF LOCAL RULE 2016-2**

Upon consideration of the application (the "*Application*") of Building Materials Holding Corporation and certain of its affiliates, as debtors and debtors in possession (collectively, the "*Debtors*") for entry of an order pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the "*Bankruptcy Code*"), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "*Bankruptcy Rules*"), and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the "*Local Rules*") for authorization to employ and retain PricewaterhouseCoopers LLP ("*PwC*") as tax advisor to the Debtors, all as set forth in the Application; and upon the

---

<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.

Feusier Declaration<sup>2</sup> in support of the Application; and the Court having found that venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C. sections 1408 and 1409; and the Court having found that the relief requested in the Application is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and notice of the Application and the opportunity for a hearing on the Application was appropriate under the particular circumstances; and the Court having reviewed the Application and having considered the statements in support of the relief requested therein at a hearing before the Court (the "**Hearing**"); and the Court having determined that the legal and factual bases set forth in the Application and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED:**

1. The Application is granted as set forth below.
2. In accordance with sections 327(a) and 328(a) of the Bankruptcy Code, Bankruptcy Rule 2014, and Local Rule 2014-1, the Debtors are authorized to employ and retain PwC *nunc pro tunc* to the Petition Date as their tax advisor on the terms set forth in the Application.
3. PwC shall be compensated in accordance with the procedures set forth in section 330 of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and such procedures as may be fixed by order of this Court; *provided, however*, that PwC may submit time records in half-hour increments.

---

<sup>2</sup> Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to them in the Application.

4. The indemnification provisions of the Engagement Letter are approved, subject to the following clarifications:

- (a) Subject to the provisions of subparagraphs (c) and (d) below, the Debtors are authorized to indemnify, and shall indemnify, PwC, in accordance with the Engagement Letter and to the extent permitted by applicable law, for any claim arising from, related to, or in connection with PwC's performance of the services described in the Engagement Letter;
- (b) PwC shall not be entitled to indemnification, contribution, or reimbursement for services provided under the Engagement Letter, unless such services and the indemnification, contribution, or reimbursement therefor are approved by the Court;
- (c) Notwithstanding anything to the contrary in the Engagement Letter, the Debtors shall have no obligation to indemnify any person, or provide contribution or reimbursement to any person, for any claim or expense to the extent that it is (i) judicially determined (the determination having become final and no longer subject to appeal) to have arisen from that person's gross negligence or willful misconduct; (ii) for a contractual dispute in which the Debtors allege the breach of PwC's contractual obligations unless the Court determines that indemnification, contribution, or reimbursement would be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003); or (iii) settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii), but determined by this Court, after notice and a hearing, to be a claim or expense for which that person should not receive indemnity, contribution, or reimbursement under the terms of the Engagement Letter as modified by this Order; and
- (d) If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal) and (ii) the entry of an order closing the Chapter 11 Cases, PwC believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution, or reimbursement obligations under the Engagement Letter, including without limitation the advancement of defense costs, PwC must file an application before this Court, and the Debtors may not pay any such amounts to PwC before the entry of an order by this Court approving the payment. This subparagraph (d) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for payment by PwC for indemnification, contribution, or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify PwC.

5. Notwithstanding any terms of the Engagement Letters to the contrary, the third paragraph on page 5 of the Engagement Letter shall be struck in its entirety.

6. Notwithstanding any terms of the Engagement Letters to the contrary, the Court shall have jurisdiction over any controversy arising from or related to the Application, the Engagement Letters, or PwC's retention in the Chapter 11 Cases.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

8. The Court shall retain jurisdiction with respect to all matters arising under or relating to the implementation and enforcement of this Order.

Dated: Wilmington, Delaware  
July \_\_\_\_, 2009

---

Kevin J. Carey  
Chief United States Bankruptcy Judge

# **EXHIBIT B**

**PwC Engagement Letter**



May 4, 2009

Mr. William M. Smartt  
Senior Vice President and CFO  
Building Materials Holding Corporation  
Four Embarcadero Center, Suite 3250  
San Francisco, CA 94111

Dear Bill:

This letter confirms that Building Materials Holding Corporation ("BMHC", "you", the "Company" or "Client") has engaged PricewaterhouseCoopers LLP ("we" or "us" or "PwC") to provide the services described below.

**Scope of Our Services**

You are engaging us to assist in various matters, including but not limited to:

- Income tax consulting services pertaining to potential restructuring, reorganization, or recapitalization of the Company whether pursuant to Chapter 11 of the United States Bankruptcy Code or otherwise, including:
  - Assistance with developing restructuring alternatives and estimation of the tax impacts;
  - Assessing the impact of disposition of assets for tax purposes;
  - Analysis of impact on tax attributes;
  - Assistance with tax compliance matters, and
  - Other related services
- Assistance regarding compensation and benefits issues, including:
  - Advice with respect to structure and tax impacts of current and prospective compensation plans;
  - Tax calculations and modeling;
  - Impact of potential reductions in force;
  - Assistance with employee communications, and
  - Other related services
- Assistance with respect to actuarial matters, including:
  - Comprehensive annual actuarial evaluation relating to self insurance matters;
  - Periodic updates during the year regarding reserve amounts and underlying assumptions, and
  - Other related matters



Mr. William M. Smartt

May 4, 2009

Page 2

- Assistance with respect to financial advisory matters, including:
  - Forecasting and evaluation of various financial metrics;
  - Development or analysis of restructuring plans;
  - Contingency planning, and
  - Other related services.

In addition to the services described above, this engagement letter covers any other tax, accounting, or financial advisory services which are non-duplicative with services for which the Company has engaged a professional service provider other than PwC.

In the event the Company undergoes a restructuring under Chapter 11 of the United States Bankruptcy Code, the services described above may apply to both pre-petition and post-petition periods.

#### **Other PricewaterhouseCoopers Firms and Subcontractors**

We may subcontract portions of the Services to non-U.S. members of the PricewaterhouseCoopers international network of firms, and you authorize us to provide information we receive in connection with this engagement, including your entire tax return information, to such other member firms located outside the United States for the purpose of providing the Services and for related administration and regulatory compliance purposes. We will be responsible for those subcontracted Services being performed in accordance with all of the requirements of this letter. Each member of the PricewaterhouseCoopers international network of firms is a separate and independent legal entity and you agree to bring any proceeding arising from the Services against us and not other member firms.

We may engage (a) subcontractor(s), other than non-U.S. members of the PricewaterhouseCoopers international network of firms, to perform services in connection with this engagement. You agree that we may subcontract any of the Services hereunder provided that we shall be responsible for the fulfillment of our obligations under this agreement. You acknowledge that we may disclose your information, including your entire tax return information, to our subcontractor involved in the provision of the Services, including any subcontractor located outside of the United States.

#### **Consent to Disclose Client Information**

Client authorizes PwC to participate in discussions with and to disclose your information, including your tax return information, to your agents and representatives acting on your behalf (including accountants, attorneys, financial and other professional advisors), their respective officers, directors or employees, (collectively, "Professional Advisors"), provided that: they

Mr. William M. Smartt

May 4, 2009

Page 3

have a need to know the information to assist or advise you in connection with the transaction or subject matter described in this letter (and not for the Professional Advisors' own benefit or any other purpose); you first advise such Professional Advisors that: (a) they do not acquire any benefits in or rights as a result of their access to, use of, or reliance on the Deliverables or Services; and (b) that PwC shall have no duty, liability or responsibility to such Professional Advisors in connection with the Deliverables and/or Services.

You have the ability to request a more limited disclosure than that authorized by this consent, as you may direct. This consent is valid for a period of three years following receipt of your information.

#### **Ownership and Use**

We are providing these Services solely for your use and benefit and pursuant to a client relationship exclusively with you. We disclaim any contractual or other responsibility to others based upon these Services or upon any deliverables or advice we provide.

You will own all tangible written material delivered to you under this engagement letter, except as follows: PwC will own its working papers and preexisting materials and any general skills, know-how, processes, or other intellectual property (including a non-client specific version of any deliverables) which may have been discovered or created by PwC as a result of its provision of the Services. You will have a nonexclusive, non-transferable license to use such materials included in the deliverables for your own use as part of such deliverables.

#### **Our Responsibilities**

We will perform the Services in accordance with the Statements on Standards for Tax Services established by the American Institute of Certified Public Accountants. Accordingly, we will not provide an audit or attest opinion or other form of assurance, and we will not verify or audit any information provided to us. Any spreadsheets or software tools that PwC provides to Client are for Client's convenience and are provided as is. PwC will not be responsible for results obtained by anyone other than PwC from the use of those items.

#### **Your Responsibilities**

To facilitate our work, you will need to provide any and all information and documents that will enable PwC to properly perform the services requested by you.

You are responsible for all management functions and decisions relating to this engagement, including evaluating and accepting the adequacy of the scope of the Services in addressing

Mr. William M. Smartt

May 4, 2009

Page 4

your needs. You are also responsible for the results achieved from using any Services or deliverables, and it is your responsibility to establish and maintain internal controls. You will designate a competent member of your management to oversee the Services.

We expect that you will provide timely, accurate and complete information and reasonable assistance, and we will perform the engagement on that basis.

You confirm that the requirements for audit committee pre-approval under the Sarbanes-Oxley Act of 2002 have been complied with relating to this engagement.

#### **Fees and Expenses**

Our fee is based on the time required by our professionals to complete the engagement. Individual hourly rates vary according to the experience and skill required. Hourly rates may be revised from time to time, and the adjusted rates will be reflected in billings. Exhibit A, attached hereto, provides a range of hourly rates by professional staff class/level.

As part of this engagement, we will require payment of \$150,000 upon signing of this engagement letter (the "retainer amount"). This \$150,000 will be credited against the fees we incur. We will refund any portion of the retainer amount at your request or upon the completion of all services pertaining to this engagement letter. If all \$150,000 of the retainer amount is earned we will request from you a similar retainer amount pertaining to subsequent services.

We also will bill you for our reasonable out-of-pocket expenses and our internal per ticket charges for booking travel. Our internal per ticket travel charge is an allocation of estimated costs of running our travel department in a manner to maximize cost savings.

#### **Payment Schedule**

Our standard practice is to render our invoices on a monthly basis. These monthly invoices will serve to reduce the retainer amount described above. In the event the fees for our services exceed the retainer amount and an additional retainer amount has not been received, payment for our services is due on presentation of invoices and is expected to be received within 30 days of the invoice date.

We reserve the right to charge interest on any past due balances at a rate of 1% per month or part thereof.

Mr. William M. Smartt  
May 4, 2009  
Page 5

**Termination and Dispute Resolution**

Either party may terminate the Services by giving notice to that effect. Any dispute relating in any way to the Services or this letter shall be resolved by arbitration, except that either party shall be free to seek equitable relief in court. The arbitration will be conducted in accordance with the Rules for Non-Administered Arbitration of the International Institute for Conflict Prevention and Resolution then in effect. The arbitration will be conducted before a panel of three arbitrators. The arbitration panel shall have no power to award non-monetary or equitable relief of any sort. It shall also have no power to award damages inconsistent with the Limitations on Liability provisions below. You accept and acknowledge that any demand for arbitration arising from or in connection with the Services must be issued within one year from the date you became aware or should reasonably have become aware of the facts that give rise to our alleged liability and in any event no later than two years after any such cause of action accrued.

This engagement letter and any dispute relating to the Services will be governed by and construed, interpreted and enforced in accordance with the laws of the State of New York, without giving effect to any provisions relating to conflict of laws that would require the laws of another jurisdiction to apply.

**Limitations on Liability**

Except to the extent finally determined to have resulted from our gross negligence or intentional misconduct, our liability to pay damages for any losses incurred by you as a result of breach of contract, negligence or other tort committed by us, regardless of the theory of liability asserted, is limited to no more than the total amount of annual fees paid to us for the particular service provided under this engagement letter. In addition, we will not be liable in any event for lost profits or any consequential, indirect, punitive, exemplary or special damages. Also, we shall have no liability to you arising from or relating to any third party hardware, software, information or materials selected or supplied by you.

**Indemnification**

You agree to indemnify and hold us and other PricewaterhouseCoopers firms engaged as subcontractors hereunder, and our respective partners, principals and employees harmless from and against any and all third party claims resulting from any of the Services or Deliverables under this agreement, except to the extent determined to have resulted from our gross negligence or other intentional misconduct relating to such Services and/or Deliverables.

Mr. William M. Smartt

May 4, 2009

Page 6

**Regulatory Matters**

Notwithstanding anything to the contrary in this agreement, you have no obligation of confidentiality with respect to any materials, advice or portions of Deliverables to the extent they concern the tax structure or tax treatment of any transaction.

Based on our discussions, it is anticipated that the written advice PricewaterhouseCoopers provides during the course of this engagement will be Other Written Advice as defined by Circular 230. Accordingly, unless otherwise prohibited or we agree to issue a Covered Opinion as defined by Circular 230, our written advice may include a disclosure stating that the advice was not intended or written to be used, and it cannot be used, for the purpose of avoiding tax penalties that may be imposed. Our advice will contain any other disclosures required by Circular 230.

**Tax Return Disclosure and Tax Advisor Listing Requirements**

Treasury Regulations Section 1.6011-4 requires that taxpayers disclose to the IRS their participation in certain reportable transactions. Additionally, certain states have adopted rules with purposes similar to Treasury Regulations under Internal Revenue Code Section 6011. You agree to advise us if you determine that any matter covered by this agreement is a reportable transaction that is required to be disclosed under Section 1.6011-4, or is a transaction requiring disclosure to a particular state under such state's particular statutes or regulations.

Similar rules under Internal Revenue Code Sections 6111 and 6112 require that we submit information returns and maintain lists of certain client engagements if we are material advisors to clients that have participated in a reportable transaction. Additionally, certain states have adopted rules similar in scope to Internal Revenue Code Sections 6111 and 6112, thereby creating similar registration and list maintenance requirements in those states. Therefore, if we determine, after consultation with you, that you have participated in a transaction causing us to have a registration and/or list maintenance obligation, we will place your name and other required information on a list. We will contact you if we are required to provide your name to the IRS or any state in connection with any matter under this agreement.

**Federal (Internal Revenue Code Section 6694) and State Preparer Standards.**

Federal law and certain state laws impose obligations on tax return preparers with respect to a position reported on a tax return or claim for refund that does not meet certain standards regarding levels of confidence. If during the course of this engagement we identify a position that does not meet these standards, we will advise you about your penalty exposure and



Mr. William M. Smartt  
May 4, 2009  
Page 7

whether you can avoid penalty through disclosure. If we are preparing the return or claim for refund and it is concluded that disclosure is required, we will prepare the disclosure and provide it to you.

Our work may require consultation with a PricewaterhouseCoopers subject matter specialist to reach and document the level of technical support for the position. We will discuss with you any additional fees that may be incurred as a result of complying with these requirements.

#### **Other Matters**

By entering into this engagement letter, you are binding to its terms your subsidiaries and affiliates to the extent you have the authority to do so; we disclaim any contractual or other responsibility to any other subsidiaries and affiliates. You agree we may use your name in experience citations and recruiting materials. This engagement letter supersedes any prior understandings, proposals or agreements with respect to the Services, and any changes must be agreed to in writing.

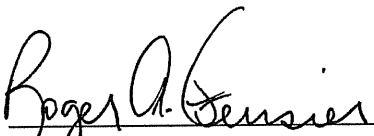
PwC is owned by professionals who hold CPA licenses as well as by professionals who are not licensed CPAs. Depending on the nature of the services we provide, non-CPA owners may be involved in providing services to you now or in the future.

\* \* \* \* \*

We are pleased to have the opportunity to provide services to you. If you have any questions about the contents of this letter, please discuss them with me (415/498-6060). If the Services and terms outlined in this letter are acceptable, please sign one original of this letter in the space provided and return it to the undersigned.

Yours very truly,

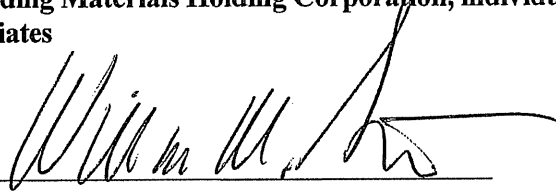
**PricewaterhouseCoopers LLP**

  
\_\_\_\_\_  
**Roger A. Feusier, Partner**

Mr. William M. Smartt  
May 4, 2009  
Page 8

**Acknowledged and Agreed**

**Building Materials Holding Corporation, individually and on behalf of its subsidiaries and affiliates**



Signature

5/5/09  
Date

WILLIAM M. SMARTT SUP. CFO

Name and Title

Building Materials Holding Corporation



# **EXHIBIT C**

## **Feusier Declaration**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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

**DECLARATION OF ROGER A FEUSIER IN SUPPORT OF DEBTORS'  
APPLICATION PURSUANT TO SECTIONS 327(a) AND 328(a) OF THE  
BANKRUPTCY CODE FOR AN ORDER AUTHORIZING THE DEBTORS TO  
RETAIN AND EMPLOY PRICEWATERHOUSECOOPERS LLP AS TAX  
ADVISOR *NUNC PRO TUNC* TO THE PETITION DATE, AND  
WAIVING CERTAIN REQUIREMENTS OF LOCAL RULE 2016-2**

I, Roger A. Feusier, being duly sworn, hereby deposes and says as follows:

1. I am a partner in PricewaterhouseCoopers LLP ("**PwC**"), an accounting and financial services firm that has an office at 3 Embarcadero Center, 20th Floor, San Francisco, California, 94111. I am duly authorized to make this declaration (the "**Declaration**") on behalf of PwC in support of the application (the "**Application**") of Building Materials Holding Corporation ("**BMHC**") and certain of its affiliates as debtors and debtors in possession (collectively, with BMHC, the "**Debtors**") for entry of an order authorizing the employment and retention of PwC as tax advisors under the terms and conditions set forth in the Application.

---

<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.

Except as otherwise noted,<sup>2</sup> I have personal knowledge of the matters set forth herein, and, if called as a witness, I would testify thereto.

### **QUALIFICATIONS OF PwC**

2. PwC is well qualified to assist the Debtors on the matters for which the Debtors propose to retain PwC. Prior to the Petition Date, PwC and its predecessors have served as the Debtors' tax advisor for over ten years. In providing its services to the Debtors, PwC's professionals have worked closely with the Debtors' management, internal staff, and other professionals and have become familiar with the books, records, financial information, and other data maintained by the Debtors. PwC is a leading full-service, accounting, consulting, and financial services firm. PwC has considerable experience providing accounting, tax, auditing, and financial advisory services to businesses in a chapter 11 environment, and has been employed in numerous cases under the Bankruptcy Code, including the chapter 11 cases of Adelphia Communications Corp., American Home Mortgage Holdings, Inc., Buffets Holding, Inc., Calpine Corporation, Constar International, Inc., Dana Corporation, Delphi Corporation, Foamex International Inc., Meridian Automotive Systems Composites Operations, Inc., Sea Containers Ltd, Tribune Company, and many others.

### **SCOPE OF SERVICES**

3. Subject to the Court's approval, the terms and conditions of PwC's retention and its compensation are set forth in the Engagement Letter,<sup>3</sup> attached to the Application as ***Exhibit B***. The terms and conditions of the Engagement Letter were negotiated

---

<sup>2</sup> Certain of the disclosures herein relate to matters within the personal knowledge of other professionals at PwC and are based on information provided by them.

<sup>3</sup> Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to them in the Application.

between the Debtors and PwC, and they reflect the parties' mutual agreement as to the substantial efforts that will be required in this engagement. Under the Engagement Letter, PwC will provide such tax advisory services as PwC and the Debtors shall deem appropriate and feasible in order to advise the Debtors in the course of these cases, including, but not limited to the following:

- a. Income tax consulting services pertaining to a potential restructuring, reorganization, or recapitalization of the Debtors whether pursuant to chapter 11 of the Bankruptcy Code or otherwise, including:
  - assistance with developing restructuring alternatives and estimation of the tax consequences;
  - assessing the tax impact of asset disposition;
  - analysis of impact on tax attributes;
  - assistance with tax compliance matters; and
  - other related services.
- b. Compensation and benefits issues, including:
  - advice with respect to structure and tax impacts of current and prospective compensation plans;
  - tax calculations and modeling;
  - impact of potential reductions in force;
  - assistance with employee communications; and
  - other related services.
- c. Actuarial matters, including:
  - comprehensive annual actuarial evaluation relating to self insurance matters;
  - periodic updates during the year regarding reserve amounts and underlying assumptions; and
  - other related matters.
- d. Financial advisory matters, including:
  - forecasting and evaluation of various financial metrics;
  - development or analysis of restructuring plans;
  - contingency planning; and
  - other related services.

In addition to the services described above, the Engagement Letter covers any other tax, accounting, or financial advisory services which are non-duplicative with services for which the Debtors have engaged a professional service provider other than PwC.

## **DISINTERESTEDNESS AND ELIGIBILITY**

4. In connection with the preparation of this Declaration, PwC has attempted to determine whether it holds or represents any interests adverse to the Debtors. In order to undertake this analysis, PwC obtained from the Debtors a list of the major parties in interests in the Chapter 11 Cases (the "***Interested Parties***") annexed hereto as ***Schedule A***. PwC searched its client database to determine if PwC has any relationships with the Interested Parties. A summary of relationships with the Interested Parties identified during this process, based on PwC's preliminary review of the list of Interested Parties, is set forth on ***Schedule B***.

5. Based on the results of this review, except as discussed below, PwC does not have an active relationship with any of the Interested Parties listed on ***Schedule A*** in matters related to these proceedings. Further, PwC represents that, to the best of its knowledge, it knows of no fact or situation that would constitute or cause an adverse interest to the Debtors.

6. PwC has provided and could reasonably be expected to continue to provide services unrelated to the Debtors' cases for the various other entities shown on ***Schedule B***. PwC's assistance to these parties has been related to providing various tax, audit, consulting, and/or other advisory services. To the best of my knowledge, no services have been provided to these parties in interest which involve their rights in the Chapter 11 Cases, nor does PwC's involvement in the Chapter 11 Cases compromise its ability to continue such consulting services.

7. Further, as part of its diverse practice, PwC appears in numerous cases and proceedings, and participates in transactions that involve many different professionals, including attorneys, accountants, and financial consultants, who represent claimants and parties in interest in the Chapter 11 Cases. Further, PwC has performed in the past, and may perform in the future, advisory consulting services for various attorneys and law firms, and has been represented by several attorneys and law firms, some of whom may be involved in these proceedings. Based on

our current knowledge of the professionals involved, and to the best of my knowledge, none of these relationships create interests materially adverse to the Debtors in matters upon which PwC is to be employed, and none are in connection with the Chapter 11 Cases.

8. PwC does not believe it is a "creditor" of any of the Debtors within the meaning of section 101(10) of the Bankruptcy Code. Further, neither I nor any member of the PwC engagement team serving the Debtors, to the best of my knowledge, is a holder of any of the Debtors' debt or equity securities.

9. To the best of my knowledge, no employee of PwC is a relative of, or has been connected with, any judge of the bankruptcy court for this district, the Office of the United States Trustee for the District of Delaware (the "*U.S. Trustee*") or any employee of the U.S. Trustee. PwC has not reviewed the relationship that the members of the PwC engagement team may have against a comprehensive list of employees within the U.S. Trustee's office, but will do so upon being provided with a list of such persons by the U.S. Trustee.

10. To the best of my knowledge, PwC is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, in that PwC:

- a. is not a creditor, equity security holder, or insider of the Debtors;
- b. was not, within two years before the date of filing of the Debtors' chapter 11 petitions, a director, officer, or employee of the Debtors; and
- c. does not have an interest materially adverse to the interest of the Debtors' estates or of any class of creditors or equity security holders.

11. In addition, to the best of my knowledge and based upon the results of the relationship search described above and disclosed herein, other than as described herein, PwC neither holds nor represents an interest adverse to the Debtors.

12. If any new material relevant facts or relationships are discovered or arise, PwC will promptly file a supplemental declaration pursuant to Bankruptcy Rule 2014(a).

### **PROFESSIONAL COMPENSATION**

13. Subject to Court approval and in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and guidelines established by the U.S. Trustee, PwC will seek from the Debtors payment for compensation on an hourly basis and reimbursement of actual and necessary expenses incurred by PwC. PwC's customary hourly rates as charged in bankruptcy and non-bankruptcy matters of this type by the professionals assigned to this engagement, as well as the scope of our services, are outlined in the Application and the Engagement Letter. These hourly rates are adjusted annually.

14. PwC professionals providing the Engagement Letter services will consult with internal PwC bankruptcy retention and billing advisors<sup>4</sup> to ensure compliance with the requirements of the Bankruptcy Code, as well as to decrease the overall fees associated with the administrative aspects of PwC's engagement. The services provided by these PwC bankruptcy retention and billing advisors shall include, but are not limited to, assistance with the bankruptcy retention documents; assistance with the required disinterestedness disclosures; assistance with completion of the requisite fee applications; and assistance with compliance with the other applicable Bankruptcy Rules, Local Rules, orders of this Court, and guidelines established by the U.S. Trustee. Due to the specialized nature of the services, and consistency between bankruptcy venues, specific billing rates have been established for these bankruptcy advisors.

---

<sup>4</sup> The rate per hour for these PwC bankruptcy advisors by level of experience will be as follows: (a) Partner: \$780; (b) Managing Director: \$650; (c) Director/Senior Manager: \$550; (d) Manager: \$400; (e) Senior Associate: \$290; (f) Associate: \$225; and (g) Paraprofessional: \$100 - \$150. These rates are subject to periodic adjustments.

15. It is not the general practice of PwC professionals to keep detailed time records (i.e., in increments of one-tenth of an hour (six minutes)) similar to those customarily kept by attorneys who are compensated through the Bankruptcy Court. The PwC professionals' customary practice is to provide a description of the services rendered and the amount of time spent on each date in rendering services on behalf of their clients.

16. PwC intends to file interim and final fee applications for the allowance of compensation for services rendered and reimbursement of expenses incurred in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any applicable orders of the Court, as described below:

**Hourly Services:** PwC will submit a narrative summary of each project category describing the services rendered and will identify each professional rendering services, the number of hours spent, and the amount of compensation requested, as well as reasonably detailed records of its hourly fees incurred in connection with its services that shall set forth a description of the services rendered by each professional and the amount of time spent on each date, in half-hour increments.

I believe that these time descriptions still provide the ability to review the time entries and evaluate the services provided by our professionals. Accordingly, to the extent necessary based on the foregoing, PwC respectfully requests that the information requirements set forth in Local Rule 2016-2(d) be modified and waived, to the extent necessary.

17. According to PwC's books and records, during the ninety day period prior to the Petition Date, PwC received approximately \$402,000 from the Debtors for professional services performed and expenses incurred. Further, PwC's current estimate is that it has received unapplied advance payments from the Debtors in excess of prepetition amounts owing in the amount of \$152,000. The Debtors and PwC have agreed that any portion of the advance payments not used to compensate PwC for its prepetition services and expenses will be held and



applied against its final postpetition billing. The funds are not being held in a segregated account.

18. To the best of my knowledge, (a) no commitments have been made or received by PwC with respect to compensation or payment in connection with the Chapter 11 Cases other than in accordance with applicable provisions of the Bankruptcy Code and the Bankruptcy Rules, and (b) PwC has no agreement with any other entity to share with such entity any compensation received by PwC in connection with the Chapter 11 Cases.

*[Remainder of Page left Intentionally Blank]*

Pursuant to 28 U.S.C. section 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

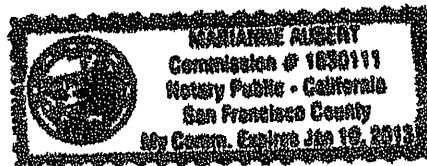
Dated this 23 day of June, 2009

By: Roger A. Feusier  
Roger A. Feusier  
Partner

Sworn to and subscribed before  
me this 23<sup>rd</sup> day of June, 2009

Marianne Aubert  
Notary Public

Proved to me on the basis of  
satisfactory evidence to be the  
person who appeared before me.



# **SCHEDULE A**

## **Interested Parties**

## ***Interested Parties***

### ***Debtor entities (including f/k/a's):***

- Building Materials Holding Corporation
- BMC West Corporation
- SelectBuild Construction, Inc.
- SelectBuild Nevada, Inc.
- KBI Stucco, Inc.
- SelectBuild, LP
- C Construction, Inc.
- TWF Construction, Inc.
- KBI Windows, Inc.
- H.N.R. Framing Systems, Inc.
- SelectBuild Florida, LLC
- SelectBuild Arizona, LLC
- SelectBuild Distribution, Inc.
- SelectBuild Northern California, Inc.
- SelectBuild Southern California, Inc.
- SelectBuild Mid-Atlantic, LLC
- SelectBuild Illinois, LLC
- SelectBuild Trim, LLC
- SelectBuild Mechanical, LLC
- A-1 Building Components, LLC
- Illinois Framing, Inc.

### ***Equipment Leasing:***

- GE Capital Corp.
- Penske

### ***401(k) Management:***

- Prudential

### ***Lender Syndicate:***

- Wells Fargo Bank
- BNP Paribas
- SunTrust Bank
- American AgCredit
- J.P. Morgan Chase
- U.S. Bank
- LaSalle Bank
- Rabobank
- Raymond James
- Union Bank of California
- Dimaio Ahmad Capital (Duane Street)

- HSBC
- PNC Bank
- Commerzbank
- Guaranty Federal Bank
- Van Kampen American
- Bank of New York (OWS)
- Bank of New York (Blue Mountain)
- Bank of New York (Jersey Street)
- Bank Leumi
- D. E. Shaw Laminar Portfolios
- West Coast Bank
- Whitebox Hedged HY Partnership
- Grandview Capital (Vinacasa, Waterfront)
- Whitney Bank
- Aladdin Capital Mgmt. (Landmark)
- Fraser Sullivan
- Denali Capital
- Phoenix
- PPM American
- Bank of America
- ACA Management
- Gulf Stream Asset Mgmt.
- Alliance Bernstein LP
- AIB Debt Management
- PHL Variable Insurance
- Morgan Stanley
- State Street (Qualcomm)
- Columbus Nova
- Third Avenue Spec. Sit. Fund
- Edwards Angell Palmer & Dodge (Marlborough St.)
- MFS
- The Hartford
- GPX LIX LLC
- Lehman Commercial Paper
- Bayside Capital (Grace Bay Holdings)

***Current and Former Officers and Directors (two year reach back, including officers and directors of subsidiaries)):***

- Robert E. Mellor
- William M. Smartt
- Stanley M. Wilson
- Paul S. Street
- Mark R. Kailer
- Michael D. Mahre

- Jeffrey F. Lucchesi
- Steven H. Pearson
- John D. Fa
- Danny McQuary
- Randy Folts
- Randall Shipp
- Doug Richards
- Ward Cole
- Michael Kearney
- Mike Landgren
- Robert Garcia
- John Volkman
- Steve Webster
- Alan Bruce Willard
- Jon Stone
- John Herring
- Tony Spagnola
- Robert Blose
- Edward Levato
- Keith Kotche
- Gerald Riggs
- Rick Jepson
- Sean Cavanaugh
- Jim Clevan
- Gary Burleson
- Robert R. Thomas
- Henry F. Rice
- Lawrence Calof
- Sara L. Beckman
- Eric S. Belsky
- James K. Jennings, Jr.
- Norman J. Metcalfe
- David M. Moffett
- R. Scott Morrison, Jr.
- Peter S. O'Neill
- Richard G. Reiten
- Norman R. Walker

***Substantial Equity Holders:***

- Schneider Capital Management Corporation
- Royce & Associates, LLC
- Howard H. Leach
- Leach Capital LLC

***Top 50 Largest Vendors:***

- Weyerhaeuser NR Company
- Boise Cascade BMDD
- General Electric Co.
- Marvin Windows & Doors
- JP Morgan Chase Bank
- Masonite
- Hampton Distribution Companies
- James Hardie Building Products
- Guardian Building Products
- Bluelinx Corporation
- Louisiana Pacific Corp.
- DW Distribution
- SB Mira Loma Reload
- Columbia Forest Products
- Ainsworth Lumber Co Ltd.
- Mitek Industries Inc.
- Huttig Building Products
- Jeld Wen Windows & Doors
- American Intl. Forest Products
- Swanson Group
- Milgard Manufacturing Inc.
- SB Dist Nevada LBM
- Silver State Materials Corp.
- JM Thomas Forest Products
- Lumber Products
- Potlatch Land & Lumber LLC
- Orepac Bldg Products
- White Cap
- True Value
- Sauder Mouldings
- Therma Tru Corp.
- West Fraser Mills Ltd.
- All Coast Forest Products
- Taiga Forest Products Ltd.
- Woodgrain
- Sun Mountain Lumber Company
- Sierra Pacific Industries
- Db Constructors Inc.
- Capital Lumber Company
- Martco Partnership
- Coffman Stairs LLC
- Atrium Companies Inc.
- Riley Creek Co.

- Aristokraft
- Masonite Entry Systems
- Cedar Creek Lumber Inc.
- Lifetime Doors Inc.
- Ferguson Enterprises Inc.
- Lumber Yard Supply Co.
- Ready Mix Inc.

***Unions:***

- Chicago Regional Council of Carpenters
- General Teamsters
- Lumber, Production & Industrial Workers Union
- U.B.C. Industrial
- Western Council of Industrial Workers

***Significant other counterparties:***

- Microsoft
- CIT Technology Financing Services, Inc.

***Professionals:***

- Gibson, Dunn & Crutcher, LLP
- Young Conaway Stargatt & Taylor, LLP
- The Garden City Group, Inc.
- Alvarez and Marsal North America, LLC
- Peter J. Solomon Company
- PricewaterhouseCoopers LLP
- KPMG LLP
- Kekst and Company, Inc.

***Significant Customers:***

- Western National Contractors
- D.R. Horton, Inc.
- K B Home
- The Chanen Corporation
- The Ryland Group Inc.
- Barratt American Incorporated
- Mel-Re Construction, Inc.
- Wilshire Homes Of Texas Ltd.
- The Astoria Corporation
- Woodrow Taylor Homes Inc.
- Pulte Homes, Inc.
- Woodside Group Inc.
- Ff Development L.P.
- Van Guard Construction, LLC



- Phi Holding Inc.
- Ashton Woods USA L.L.C.
- J.F. Shea Construction, Inc.
- Nevis Homes, LLC
- Ducati Development Group, LLC
- Framemax, Inc.
- Weekley Homes, L.P.
- David Powers Homes L.E., Ltd.
- Prime Investors & Developers Inc.
- Ivory Homes, Ltd.
- Weyerhaeuser Company
- WI Homes LLC
- Storybook Homes LLC
- Toll Brothers, Inc.
- Main Street Ltd.
- Mansions Custom Homes Iv LLC
- Borm Associates Inc.
- Olson Urban Housing LP
- Highway One Construction, Inc.
- M.D.C. Holdings, Inc.
- Bonadelle Development Corp.
- Core Construction Svcs Nev Inc.
- Lyle Homes, Inc.
- Prescott Homes Inc.
- Fantasy Construction Inc.
- Colrich Construction, Inc
- Mhi Mortgage
- Highland Homes, Ltd.
- Meritage Homes Corporation
- Davidson Communities LLC
- Standard Pacific Corp.
- Pannunzio, Inc.
- Greystone Multi-Family Builders, Inc.
- Summit Companies Of Jacksonville, Inc.
- Centex Corporation
- Signature Properties, Inc.

***Utilities:***

- AHA Macav Power Service
- Allied Waste Services # 538
- APS
- Black Hills Energy
- Araphahoe County
- Atmos Energy

- Bermuda Water Company
- Board of Water Works
- Bona Vista Water District
- CenterPoint Energy
- Central Texas Electric
- City Of Abilene
- City of Austin
- City of Boise
- City of Burlington
- City of Cedar Park  
(Whitestone)  
(Brushy Creek)
- City of Charlotte
- County of Mecklenburg
- City of Coppell
- City of Fort Collins
- City of Fresno
- City of Frisco
- City of Helena
- City of Houston
- City of Hurst
- City of Issaquah
- City of Kent
- City of Killeen
- City of Missoula
- City of Modesto
- City of North Las Vegas
- City of Orem
- City of Poway
- City of Rexburg
- City of Rosenberg
- City of Shelley
- City of Sparks
- City of Terrell
- City of Thornton
- City of West Jordan
- City Waste Paper, Inc
- Clark Public Utilities
- Clark Regional Waste Water
- Colorado Springs Utilities
- CPS Energy
- Douglas County
- Duke Energy
- Duncan Disposal

- EDCO Waste & Recycling Service
- El Paso Electric Company
- El Paso Water
- Evergreen Disposal
- Evergreen Metro District
- Flathead County Water
- Flathead Electric Cooperative, Inc.
- Gas Company
- Hargus Disposal
- Harris County Mud 366
- Idaho Power
- Imperial Irrigation District
- Indio Water Authority
- Intermountain Gas
- Intermountain Rural Electric Association
- Lakeview Light & Power
- Lakewood Refuse Service
- Las Vegas Valley Water District
- Modesto Irrigation District
- Mountain Water Co.
- New Braunfels Utilities
- NorthWestern Energy
- NW Harris Co. Mud # 6
- NW Natural
- Pedernales Electric
- PG & E
- PGE Portland General Electric
- Piedmont Natural Gas
- Pierce County
- Pride Disposal Company
- Puget Sound Energy
- Questar Gas
- Riverside Public Utilities
- Rocky Mountain Power
- Rubatino Refuse Removal Inc
- Sammamish Plateau
- San Diego Gas & Electric
- Sierra Pacific Power Co.
- Snohomish County
- Southern California Edison
- Southwestern Electric Power (American Electric Inc)
- Strategic Energy
- Texas Gas Service
- Truckee Meadows Water

- Tualatin Valley Water District
- United Power
- United Water
- Utility Services
- Waste Connections - Vancouver District 210
- Waste Management
- West Haven Special District
- WTU Retail Energy
- Xcel Energy
- ADG Communications
- AllTel
- Arkadin Global
- ATT
- ATT Mobility
- Broadwing/L3 Communications
- CCI Network Services
- Cellular One
- CenturyTel
- eFax Corporate
- Embarq
- Excel
- Frontier
- Gila River Telecom
- Granite
- Integra Telecom
- InteCall
- Matrix Telecom Inc
- MetTel
- NTS Communications Inc
- PAETEC Communications
- Qwest
- Sprint-Nextel
- TelePacific Comm
- TW Telecom
- UCN Inc
- Verizon
- Westel Fiber

***Current Insurers and Brokers:***

- Marsh USA, Inc.
- Integro USA, Inc.
- Aon, Inc.
- ACE American Insurance Co.
- Westchester Surplus Lines Ins. Co.

- All Risks Ltd.
- AXIS Surplus Insurance Company
- Max Specialty Insurance Company
- Aspen Insurance UK Limited
- Marsh Global Markets (Dublin) Limited
- Lexington Insurance Company UKB
- Marsh Ltd.
- Tower Place
- London, N/A EC3R 5 BU
- XL Europe Limited
- Catlin Insurance Company (UK) Ltd.
- Max Re Ltd.
- SR International Business Insurance
- Marsh AG
- AIG Excess Liability Insurance Company Ltd.
- American Int'l Specialty Lines Ins. Co.
- Western Risk Specialists Inc.
- XL Specialty Ins. Co.
- W Brown & Associates Insurance Service
- Federal Ins. Co.
- National Union Fire Insurance Co. of Pittsburgh PA
- Arch Ins. Company
- XL Insurance Ltd.
- Starr Excess Liab Ins Co Ltd.
- Old Republic Insurance Company
- Zurich American Ins. Co.
- Swiss Re
- AIGCEL
- Midwest Employers Casualty Co.
- AIG Environmental
- Chubb Group of Insurance Companies
- AIG Cat Excess
- Indemnity Ins. Co. of N.A. (ACE)

***Landlords:***

- 3 Boulders, LLC
- Ralph Road LLC
- Gregg Street LLC
- ER Management/Federal Blvd Properties LP
- SRC Oates LLC
- Space Center Mira Loma, Inc.
- Hawley Family Trust
- MW LLC
- 2930 Marco St, LLC

- Northpark, LLC
- Eugene MonKarsh
- David Eckenrode
- JH Associates LLC
- Greenwood & McKenzie Real Estate Investments
- Darryl Crow
- Opus West Corporation
- Cactus Bloom LLC
- Scottsdale Ridge Prop Off LLC
- Condos LLC
- Walter Sargent
- John David Gillis
- Boston Properties
- Price Lakeshore LLC
- Sundance Investments L.P.
- Wooten Properties LLP
- WS Properties
- Union Pacific Railroad
- Massie & Co
- Houston Distributing Company, Inc.
- The Home Emporium
- Steve & Becky Studebaker
- Waycon Development
- SRC Polaris LLC
- VEPA III, LLC
- SRC Pellisier, LLC
- Leaman Building Materials, L.P.
- Thunderhead Holdings
- WESTLAND ENTERPRISES
- The Gateway
- David & Patricia Kubich
- Randolph Davis, Sandra Davis, George Davis & Jody Davis
- 3 Boulders, LLC
- Boulders West, LLC
- San Marcos Plaza /JVP LLC
- SSS Properties LLC
- SRC Spencer LLC
- Southwest Land Development
- RAMI Enterprises
- Lone Butte Industrial Park
- Beck Properties
- ViaWest
- Dependable Sheet Metal
- B&T LLC

- MK Plaza Trust
- Nyle Tanner
- The Outfitters Building
- Stutzman Properties, LLC
- Modern Building Systems, Inc.
- Intermountain Design & Display Center, LLC
- Dan Treinen
- Resun Leasing Inc.
- Youngquist Investments, Ltd.
- Elwood HA, LLC
- Hillcrest Partners Joint Venture
- NWV Center LTD
- Douglas C Moore
- Tivydale Business Park
- Sam Golden
- RUMA, Ltd.
- Railroad Management Company LLC
- Braker Center LP
- Chase Merritt/PW Plaza Phase I, Ltd.
- Kevin Mendenhall
- Steel Yards LLC
- Your Daily Home Show LLC
- Union Pacific Railroad
- Aramark-Wahweap Marina
- San Joaquin Valley RR Co
- CRP Holdings B.L.P
- LF Limited LP
- Cedar Mill Lumber & Hardware Co., Inc.
- RRW LLC

***Significant Litigation Counterparties:***

- DR Horton
- Brett Laso
- Merrill Bauchert
- Campbell Companies
- Weis Builders, Inc.
- Chanen Construction
- Fifth Third Bank

***Top 50 Unsecured Creditors (excludes entities already listed above):***

- Simpson Strong Tie Inc.
- Calportland
- Barr Lumber Co. Inc.
- Probuild

- Alenco
- Cemex Inc.
- Hajoca Corp.
- Cobb Holman Lumber Company Inc.
- Pamex Inc.
- Cascade Windows
- Hardwoods Specialty Products
- Simpson Door Company
- Primesource
- Odl Inc.
- Berry Plastics
- Performance Ready Mix LLC
- Schlage Lock Co.
- Masco Builder Cabinet Group
- Mjb Wood Group Inc.
- Penrod Company
- Dixie Plywood Co.
- Vandermeer Forest Products



# **SCHEDULE B**

In addition to the work performed for the Debtors and certain of their nondebtor affiliates identified in the Feusier Declaration, PwC: (a) currently performs or has previously performed services in matters unrelated to the Debtors' chapter 11 cases, to the individuals or entities disclosed in this Schedule B; or (b) has other relationships with such entities, such as banking relationships. PwC's review of its relationships with the parties on Schedule A is continuing and PwC will file a supplemental declaration disclosing the result of the remaining entities in an expedient manner.

#### **RELATIONSHIPS KNOWN AS OF JUNE 22, 2009**

(Attached as table, with the subtitles referring to the categories used by the Debtors in Schedule A – List of Interested Parties)

***401(k) Management:***

Prudential

***Lender Syndicate:***

Wells Fargo Bank

BNP Paribas

American AgCredit

J.P. Morgan Chase

U.S. Bank

Rabobank

Raymond James

Union Bank of California

HSBC

PNC Bank

Commerzbank

Bank of New York (OWS)

Bank of New York (Blue Mountain)

Bank of New York (Jersey Street)

Bank Leumi

Whitney Bank

Aladdin Capital Mgmt. (Landmark)

Fraser Sullivan

Denali Capital

PPM American

Bank of America  
ACA Management  
PHL Variable Insurance  
Morgan Stanley  
Columbus Nova  
The Hartford  
GPX LIX LLC  
Lehman Commercial Paper

***Substantial Equity Holders:***

Schneider Capital Management Corporation  
Royce & Associates, LLC

***Top 50 Largest Vendors:***

General Electric Co.  
JP Morgan Chase Bank  
Masonite  
James Hardie Building Products  
Guardian Building Products  
Bluelinx Corporation  
DW Distribution  
Ainsworth Lumber Co Ltd.  
American Intl. Forest Products  
Milgard Manufacturing Inc.  
Silver State Materials Corp.  
True Value  
Therma Tru Corp.  
West Fraser Mills Ltd.  
Coffman Stairs LLC  
Aristokraft  
Ferguson Enterprises Inc.

***Significant other counterparties:***

Microsoft  
CIT Technology Financing Services, Inc.

***Professionals:***

Gibson, Dunn & Crutcher, LLP

***Significant Customers:***

D.R. Horton, Inc.

Barratt American Incorporated  
Weyerhaeuser Company  
Toll Brothers, Inc.

***Utilities:***

Allied Waste Services # 538  
CenterPoint Energy  
City of Austin  
Clark Public Utilities  
Duke Energy  
Evergreen Disposal  
Modesto Irrigation District  
NW Natural  
Piedmont Natural Gas  
Puget Sound Energy  
Questar Gas  
Southern California Edison  
Southwestern Electric Power (American Electric Inc)  
Texas Gas Service  
United Water  
WTU Retail Energy  
AllTel  
ATT  
ATT Mobility  
Embarq  
Excel  
Integra Telecom  
Matrix Telecom Inc  
PAETEC Communications  
Qwest  
Sprint-Nextel  
Verizon

***Insurers and Brokers:***

Marsh USA, Inc.  
Integro USA, Inc.  
ACE American Insurance Co.  
Westchester Surplus Lines Ins. Co.  
AXIS Surplus Insurance Company  
Aspen Insurance UK Limited

Lexington Insurance Company UKB  
Marsh Ltd.  
XL Europe Limited  
Catlin Insurance Company (UK) Ltd.  
AIG Excess Liability Insurance Company Ltd.  
Western Risk Specialists Inc.  
National Union Fire Insurance Co. of Pittsburgh PA  
XL Insurance Ltd.  
Old Republic Insurance Company

***Landlords:***

Boston Properties  
San Joaquin Valley RR Co  
CRP Holdings B.L.P

***Significant Litigation Counterparties:***

DR Horton  
Fifth Third Bank