

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

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

**FEE AUDITOR'S FINAL REPORT REGARDING FIRST INTERIM QUARTERLY FEE
REQUEST OF PRICEWATERHOUSECOOPERS, LLP**

Direct Fee Review LLC (“DFR”), appointed and employed as the Fee Auditor in the above-captioned bankruptcy proceedings and acting in its capacity regarding the First Interim Fee Request of PricewaterhouseCoopers, LLP for compensation for services rendered and reimbursement of expenses as tax 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 \$369,724.00 and reimbursement of expenses in the amount of \$0, submits its final report.

BACKGROUND

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

DISCUSSION

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

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

PricewaterhouseCoopers, LLP submitted monthly fee applications in the amount of \$369,724.00 as actual, reasonable and necessary and reimbursement of expenses in the amount of \$0. For the Fee Request period \$7,970.00 was charged for fee applications.

1. DFR noted charges which appear to be pre-petition. These items are listed in Exhibit A. We requested that the firm review the charges and identify the amount found to be pre-petition if any. The firm agreed that the charge should not have been included in the Fee Request. The firm stated that "the reduction of \$1,200.00 would have changed the disclosure to the following: "Total fees incurred during the Fee Period, \$246,211.00, less the pre-petition retainer, \$150,657.00." The net fee request from the client would be the same, \$95,554.00." After review of the application procedure we do not recommend any adjustment.
2. 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. Our procedures applied to the monthly fee applications for June 16, 2009 through August 31, 2009 identified entries which do not provide a complete and detailed task description. We requested that future applications provide sufficient detail for each entry 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.
3. It Local Rule 2016-2 provides in section (d) (vii) that activity descriptions shall not be lumped; each activity shall have a separate description and time allotment. Our procedures applied to the monthly fee application for June 16, 2009 through August 31, 2009 identified entries with descriptions which do not indicate the time for each activity. We requested that the firm provide sufficient detail and time allotment for each activity in all future applications 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.
4. 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. We requested that future applications provide sufficient detail for each entry 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.
5. During our review we noted entries that appear to be duplicated and we requested that these entries be reviewed by the firm to determine if they are in fact duplicated. These entries are listed in Exhibit B. We request that entries be consolidated to correctly reflect the time spent on the activity. After review the firm responded that "the various time

entries were confirmed within our billing systems to include these hours for each professional identified. We agree the respective professionals should have disclosed a secondary or follow-up discussion versus having the same time entry for the separate meetings. We have discussed these improvements with the team.” We are not making a recommendation for a reduction in the fees for these entries.

CONCLUSION

Regarding the First Interim Fee Request and the fees and expenses discussed in the previous sections, DFR submits its report for the First Interim Fee Request of PricewaterhouseCoopers, LLP as tax 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 we recommend the approval of fees in the amount of \$369,724.00.

Respectfully submitted,

DIRECT FEE REVIEW LLC

By:


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FEE AUDITOR

Exhibit A:

Senior Managing Director	Kevin L Wick	6/15/2009	2	600	1200	0709H140: Review of 5/31/09 actuarial data base received for quarterly update.
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Exhibit B:

Senior Managing Director	Thomas W Wilson	8/3/2009	1	600	600	0809H0118: Follow-up with IRS via phone regarding subsequent year audit.
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Senior Managing Director	Thomas W Wilson	8/3/2009	1	600	600	0809H0118: Follow-up with IRS via phone regarding subsequent year audit.
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Senior Managing Director	Thomas W Wilson	8/3/2009	0.5	600	300	0809H0118: Follow-up with IRS via phone regarding subsequent year audit.
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Senior Managing Director	Thomas W Wilson	8/3/2009	0.5	600	300	0809H0118: Follow-up with IRS via phone regarding subsequent year audit.
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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 2nd day of December, 2009.

By: 
W. J. Dryer

SERVICE LIST Notice Parties

The Applicants

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