

**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. 852
)	

FEE AUDITOR'S FINAL REPORT REGARDING FIRST INTERIM QUARTERLY FEE REQUEST OF EXECUTIVE SOUNDING BOARD ASSOCIATES, INC.

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 Quarterly Application of Executive Sounding Board Associates, Inc. for compensation for services rendered and reimbursement of expenses as financial advisors to the Official Unsecured Creditors Committee for the period June 26, 2009 through August 31, 2009 (“Fee Request”) seeking approval of fees in the amount of \$206,082.50 and reimbursement of expenses in the amount of \$12,299.68, 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 26, 2009 through August 31, 2009 Executive Sounding

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.

Board Associates, Inc. submitted monthly fee applications in the amount of \$206,082.50 as actual, reasonable and necessary and reimbursement of expenses in the amount of \$12,299.68. For the Fee Request period \$3,345.00 was charged for fee applications.

1. Local Rule 2016-2 provides in section (d) that all motions shall include complete and detailed activity descriptions; each activity description shall include the type of activity; each activity description shall include the subject matter and shall be sufficiently detailed to allow the Court to determine whether all the time, or any portion thereof, is actual, reasonable, and necessary. Local Rule 2016-2 provides in section (d) (ix) the activity descriptions shall individually identify all meetings and hearings (conferences and conference by telephone), each participant, the subject(s) of the meeting or hearing (conferences and conference by telephone) and the participant's role. Our procedures applied to the monthly fee applications for June 26, 2009 through August 31, 2009 identified entries which do not provide such task descriptions. We requested that future applications provide sufficient detail for each entry including the identity of the participant and the affiliation. The firm agreed to improve descriptions. Because we are not making a recommendation for a reduction in the fees for these entries, no exhibit has been included here.
2. 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 applications for June 26, 2009 through August 31, 2009 identified entries with charges which appear to be lumped. We have shown examples of these entries in Exhibit B. We requested that future applications provide sufficient detail for each entry and avoid being lumped. The firm agreed to improve descriptions. Because we are not making a recommendation for a reduction in the fees for these entries, no exhibit has been included here.
3. Our procedures applied to the monthly fee applications include the recomputation of fees and expenses. The recomputation of fees for July 1 through July 31 for Michael Dervis did not correspond with the amount charged by 1.1 hours or \$385.00. We requested that the firm review these charges and correct the charge if necessary. The firm advised that problems with their billings system resulted in this error and agreed to reduce fees by \$385.00. We recommend a reduction of fees in the amount of \$385.00.
4. During our review we noted the entries which appear to be duplicated and we requested that these entries be reviewed by the firm to determine if they are in fact duplicated. After information provided and discussions with the firm we do not recommend that fees be reduced for these charges.
5. We have noted an entry that seemed to contain travel time which is billed at full rates. We requested that the firm review this entry and correct it if necessary. After information provided and discussions with the firm we will not recommend that fees be reduced for these charges.


6. We have noted an entry which seems to be related to conflicts checks. Time spent related to conflicts checks is generally deemed to be administrative and a general cost incident to the operation of the office and not reimbursable. After information provided and discussions with the firm we will not recommend that fees be reduced for these charges.
7. We requested that the firm provide us with confirmation that all airfare charges are for economy class travel. The firm stated that although some travel was first class the firm only charged economy fare rates.
8. Based upon a review for reasonableness DFR noted the entries listed in Exhibit A which may be considered excessive. In general DFR deems charges in excess of \$15/\$25/\$50 for breakfast/lunch/dinner to be not reasonable. After discussions with and additional information provided by the firm; the firm agreed to reduce expenses by \$100.00. We recommend a reduction of fees in the amount of \$100.00.
9. Based upon a review for reasonableness we have noted entries for travel related charges. We requested additional information such as trip durations, locations and purposes related to the charges. After information provided and discussions with the firm we will not recommend that expenses be reduced for these charges.

CONCLUSION

Regarding the First Quarterly Application and the fees and expenses discussed in the previous sections, DFR submits its report for the First Quarterly Application of Executive Sounding Board Associates, Inc. for compensation for services rendered and reimbursement of expenses as financial advisors to the Official Unsecured Creditors Committee for the Period from June 26, 2009 Through August 31, 2009 and we recommend the approval of fees in the amount of \$205,697.50 (\$206,082.50 less \$385.00) and reimbursement of expenses in the amount of \$12,199.68 (\$12,299.68 less \$100.00).

Respectfully submitted,

DIRECT FEE REVIEW LLC

By: 
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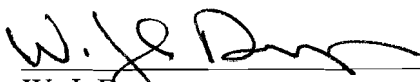
FEE AUDITOR

Exhibit A:

07/28/09	01	Dinner with P. Guarino of PJ Dolomon, Michael Dervis and Jay Kilkenny in Meridan, Idaho - D. Kerrigan	\$227.31
07/29/09	01	Dinner with R. Garcia-Committee chair, R. Salas, representative to Committee chair in San Francisco to discuss BMHC - D. Kerrigan	\$274.50
08/12/09	01	Breakfast in Washington, DC - DK	\$34.89
08/13/09	01	Dinner in Washington -DK	\$64.42
08/13/09	01	Breakfast in Washington, DC - DK	\$33.55
08/19/09	01	Meals with Areat Fox regarding meeting with UCC Counsel - DK	\$91.21
08/19/09	01	Lunch with Arent Fox (C. Giamo, K. Lane) & Michael Dervis at Maloney & Porcelli - DK	\$217.82

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 4th day of December, 2009.

By: 
W. J. Dryer

SERVICE LIST Notice Parties

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