

**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 PETER J. SOLOMON COMPANY**

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 Peter J. Solomon Company for compensation for services rendered and reimbursement of expenses as investment banker and financial 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 \$400,000.00 and reimbursement of expenses in the amount of \$7859.65, submits its final report related to the reimbursement of expenses.

BACKGROUND

In performance of audit procedures and in preparation of this report designed to quantify and present factual data relevant to the requested disbursements and expenses contained herein, DFR reviewed the monthly fee statements and the Fee Requests, including each of the 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 Peter J. Solomon

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.

Company submitted monthly fee applications in the amount of \$400,000.00 as actual, reasonable and necessary and reimbursement of expenses in the amount of \$7,859.65. For the Fee Request period \$0 was charged for fee applications.

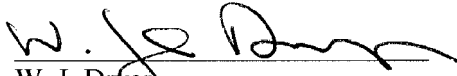
1. DFR noted charges of costs which appear to be pre-petition. These items are listed in Exhibit A. We requested that the firm review the charges to determine the correct period and after review the firm agreed to reduce expense charges in the application by \$2,864.06. We recommend that expenses be reduced by \$2,864.06.
2. Based upon a review for reasonableness DFR noted an entry which may be considered incorrect. In general DFR does not consider social activities to be reasonable or necessary. We requested that the firm review the entry and if it is accurate to adjust the billing. After discussions and additional information provided by the firm we have no changes to recommend. Because we are not making a recommendation for a reduction in the charges for these entries, no exhibit has been included here.
3. Based upon a review for reasonableness we have noted travel entries which when compared to the other making the same trip seem to be excessive. We requested additional information related to the travel time charges which will explain the difference. After discussions and additional information provided by the firm we have no changes to recommend. Because we are not making a recommendation for a reduction in the charges for these entries, no exhibit has been included here.
4. Also, we noted an airfare charge that seemed high compared to other such charges and requested information related to the charge. The firm confirmed that the charge an economy class airfare. After discussions and additional information provided by the firm we have no changes to recommend. Because we are not making a recommendation for a reduction in the charges for these entries, no exhibit has been included here.
5. Based upon a review for reasonableness DFR noted the entries listed in Exhibit B which may be considered as part of a general administrative compensation program that is factor considered in establishing the firm's compensation rate and not actual, necessary or reasonable charges to the estate. We requested that the firm review the entries and explain its expense policy related to these entries. After discussions with the firm and review of retention documents, the firm reserves its right to charge for such out of pocket expenses and we have no changes to recommend.

CONCLUSION

Regarding the First Interim Fee Request and the expenses discussed in the previous sections, DFR submits its final report for the First Interim Fee Request of Peter J. Solomon Company as investment banker and financial advisor to the Debtors and Debtors-in-Possession for reimbursement of expenses for the Period from June 16, 2009 Through August 31, 2009 and we recommend the approval of the reimbursement of expenses in the amount of \$4,995.59 (\$7,859.65 less \$2,864.06).

Respectfully submitted,

DIRECT FEE REVIEW LLC

By: 
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FEE AUDITOR

Exhibit A:

12-Jun-09	Taxi from PJSC to home (Ridgewood, NJ) -working late on BMHC	New York	\$107.10	A. Maxwell
10-Jun-09	Late night dinner from Burger Heaven during BMHC conference call	New York	\$17.60	B. Dietz
14-Jun-09	Lunch from Europa Cafe on weekend (Sun.) while on conference call regarding BMHC	New York	\$8.96	B. Dietz
15-Jun-09	Working Dinner/ Late Night Meal-Cipolla Rosa	New York	\$24.27	P. Guarino
15-Jun-09	Working Dinner/ Late Night Meal-Cipolla Rosa	New York	\$24.27	P. Croci Various
30-Jun-09	In-house copies -B&W, color	New York	\$1,028.40	Personnel Various
6/01/2009 -6/30/2009	LexisNexis	New York	\$441.12	Personnel Various
6/01/2009 -6/30/2009	Capital IQ, Inc_	New York	\$1,212.34	Personnel


Exhibit B:

18-Jun-09	Working Dinner/ Late Night Meal -AJ Maxwell's	New York	20.12	P. Croci
19-Jun-09	Working Dinner/ Late Night Meal-Papillon	New York	23.17	P. Guarino
22-Jun-09	Working Dinner/ Late Night Meal-Printon 56	New York	25.57	P. Guarino
23-Jun-09	Working Dinner/ Late Night Meal -Mangia	New York	25.12	P. Guarino
24-Jun-09	Working Dinner/ Late Night Meal-Scarlatto Restaurant	New York	22.60	P. Croci
24-Jun-09	Working Dinner/ Late Night Meal -Scarlatto Restaurant	New York	22.60	1. Mejia P.
24-Jun-09	Working Dinner/ Late Night Meal -Cipolla Rosa	New York	24.65	Guarino P.
30-Jun-09	Working Dinner/ Late Night Meal-Sarabeth's	New York	24.08	Guarino
30-Jun-09	Working Dinner/ Late Night Meal-Sarabeth's	New York	24.09	P. Croci
2-Jul-09	Working Dinner/ Late Night Meal-Aja Asian	New York	25.17	P. Croci
13-Jul-09	Working Dinner/ Late Night Meal -Trattoria Dopo Teatro	New York	25.38	P. Croci
14-Jul-09	Working Dinner/ Late Night Meal-Johnny Rockets	New York	23.83	P. Croci P.
20-Jul-09	Working Dinner/ Late Night Meal -Burger Heaven	New York	25.38	Guarino P.
21-Jul-09	Working Dinner/ Late Night Meal -Mangia	New York	24.27	Guarino P.
22-Jul-09	Working Dinner/ Late Night Meal-Fresh Basil's	New York	25.61	Guarino P.
23-Jul-09	Working Dinner/ Late Night Meal -Burger Heaven	New York	25.49	Guarino P.
24-Jul-09	Working Dinner/ Late Night Meal-Sarabeth's	New York	23.90	Guarino
			<u>411.03</u>	

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 9th day of December, 2009.

By:


W. J. Dryer

SERVICE LIST Notice Parties

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