

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

IN RE:)	
)	Chapter 11
BUILDING MATERIALS HOLDING CORPORATION, <i>et al.</i>, ¹)	Case No. 09-12074 (KJC)
)	
Debtors.)	Jointly Administered
)	
)	Ref. Docket No. 1175
)	
)	

**FEE AUDITOR'S FINAL REPORT REGARDING SECOND 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 September 1, 2009 through November 30, 2009 (“Fee Request”) seeking approval of fees in the amount of \$546,921.00 and reimbursement of expenses in the amount of \$121.41, 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 September 1, 2009 through November 30, 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 \$546,921.00 as actual, reasonable and necessary and reimbursement of expenses in the amount of \$121.41. For the Fee Request period \$17,970.00 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. Our procedures applied to the monthly fee applications for September 1, 2009 through November 30, 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.
2. 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 September 1, 2009 through November 30, 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.
3. 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 application for September 1, 2009 through November 30, 2009 identified entries with descriptions which do not indicate such information. We requested that the firm provide sufficient detail 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. We noted the entries in Exhibit A which refer to "expense consolidator" and we did not see any expenses charged in the monthly application. We requested that the firm explain these entries. The firm responded that "we have to extract the detailed expense reports from our PwC billing systems and review the details for compliance with the Code. Staff spent time reviewing this information and incorporating into a draft court submission and the engagement team decided not to invoice the Debtor for the out-of-pocket expenditures. We have requested engagement team consultation given their decision to not invoice the expenses incurred. We still request reimbursement for these additional procedures but we will ensure to verify hour and expenses are billable prior to extensive analysis in the future." We are not making a recommendation for a reduction in the fees for these entries.

5. We note the entries in Exhibit B seem to be incorrectly classified as “tax advisory services”. The firm responded that “we concur that Bret's bankruptcy time was incorrectly classified as "tax advisory services". Although this is an oversight on our part regarding "classification" it is still correct time incurred associated with reviewing the court submission and we respectfully request payment for these hours.” We are not making a recommendation for a reduction in the fees for these entries.


CONCLUSION

Regarding the Second Interim Fee Request and the fees and expenses discussed in the previous sections, DFR submits its report for the Second 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 September 1, 2009 Through November 30, 2009 and we recommend the approval of fees in the amount of \$546,921.00 and the reimbursement of expenses in the amount of \$121.41.

Respectfully submitted,

DIRECT FEE REVIEW LLC

By:


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FEE AUDITOR

Exhibit A:

Office Staff	Fannie Kurniawan	11/5/2009	0.5	Bankruptcy Requirements and Obligations	125	62.5	1109H247: Prepare expense consolidator (October 2009).
Office Staff	Fannie Kurniawan	11/9/2009	0.5	Bankruptcy Requirements and Obligations	125	62.5	1109H250: Continue to prepare expense consolidator (October 2009).

Exhibit B:

Director	Bret H Balonick	10/21/2009	1	Tax Advisory Services	550	550	1009H045: Review of hours incurred for work performed to date 10/21/2009 related to bankruptcy proceedings. Review of descriptions of work performed to date 10/21/2009 related to bankruptcy proceedings and comparison of actual hours to budgeted hours in p
Staff - Experienced	Chyan Wong	11/9/2009	1.8	Tax Advisory Services	225	405	1109H175: Perform Billing analysis for time period October 1 to October 31.

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 28th day of December, 2009.

By: 
W. J. Dryer

SERVICE LIST Notice Parties

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