

IN RE:

BUILDING MATERIALS HOLDING CORPORATION, *et al.*,¹

Debtors.

Chapter 11

Case No. 09-12074 (KJC)

Jointly Administered

Ref. Docket Nos. 1175

**FEE AUDITOR'S FINAL REPORT REGARDING SECOND INTERIM QUARTERLY
FEE REQUEST OF YOUNG CONAWAY STARGATT & TAYLOR, 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 Second Interim Fee Request of Young Conaway Stargatt & Taylor, LLP for compensation for services rendered and reimbursement of expenses as Co-counsel 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 \$203,864.00 and reimbursement of expenses in the amount of \$48,506.10, 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 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 September 1, 2009 through November 30, 2009 Young Conaway

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.

Stargatt & Taylor, LLP submitted monthly fee applications in the amount of \$203,864.00 for fees as actual, reasonable and necessary and reimbursement of expenses in the amount of \$48,506.10. For the Fee Request period \$1,014.50 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 with descriptions which we consider vague or insufficient. We requested clarification and additional detail for entries that state only "preparations", "assist", "attention", "worked with" and "emails". After discussions with the firm and additional information provided by the firm we do not recommend any change for these entries. Because there is no recommendation for a reduction in the fees for these entries, the exhibit has not been included.
2. 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 September 1, 2009 through November 30, 2009 identified entries with descriptions which did not provide such detail. After discussions with the firm and additional information provided by the firm we do not recommend any change for these entries. Because there is no recommendation for a reduction in the fees for these entries, the exhibit has not been included.
3. We identified entries that may be block billing or seem to be unreasonable for the time charged. Per local rule 2016-2 (d) (vii) activity descriptions shall not lumped; each activity shall have a separate description and a time allotment. We requested sufficient detail to allow determination of reasonableness and necessity in fee application. After discussions with the firm and additional information provided by the firm we do not recommend any change for these entries. Because there is no recommendation for a reduction in the fees for these entries, the exhibit has not been included.
4. We noted the unusual charges for photocopies and "CD copies" in the monthly fee application for the period October 1, 2009 to October 31, 2009. Also, we noted an unusual entry in the monthly fee application for the period November 1, 2009 to November 30, 2009 described as "CCID 3158635 Appr Atty Jeremy Graves". We requested information related to the charges. After discussions with the firm and additional information provided by the firm we do not recommend any change for these entries. Because there is no recommendation for a reduction in the fees for these entries, the exhibit has not been included.

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 Young Conaway Stargatt & Taylor, LLP for compensation for services rendered and reimbursement of expenses as Co-counsel to the Debtors and Debtors-in-Possession for the Period from September 1, 2009 through November 30, 2009 and we recommend the approval of fees in the amount of \$203,864.00 and the reimbursement of expenses in the amount of \$48,506.10.

Respectfully submitted,

DIRECT FEE REVIEW LLC

By:

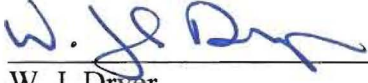

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FEE AUDITOR

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 26th day of December, 2009.

By: 
W. J. Dryer

SERVICE LIST **Notice Parties**

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