

**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 No. 1175
)	

**FEE AUDITOR'S FINAL REPORT REGARDING SECOND 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 Second 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 September 1, 2009 through November 30, 2009 (“Fee Request”) seeking approval of fees in the amount of \$600,000.00 and reimbursement of expenses in the amount of \$40,698.50, 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 September 1, 2009 through November 30, 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 \$600,000.00 as actual, reasonable and necessary and reimbursement of expenses in the amount of \$40,698.50. For the Fee Request period \$0 was charged for fee applications.

1. DFR noted charges of costs which appear to be excessive. These items are listed in Exhibit A. We requested that the firm review the charges to confirm economy class rates or provide an explanation of the fare. After discussions with the firm and additional information provided by the firm, the firm agreed that one of the fares was not economical and we recommend that expenses be reduced by \$1,246.00. The firm has agreed to reduce charges by \$1,246.00 for this fare.
2. Based upon a review for reasonableness DFR noted the entry listed in Exhibit B 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 the firm we recommend that expenses be reduced by \$225.44. The firm has agreed to reduce charges by \$225.44 for these entries.
3. Based upon a review for reasonableness we have noted the taxi expense entries listed in Exhibit C exceed the normal fixed charge of \$45 between JFK and New York City. We requested the firm provide additional information related to these charges which will explain the difference. The firm responded that “these trips were completed using black car service, not standard yellow taxi service, because of the location of the fare”. After discussions with the firm and additional information provided by the firm we do not recommend any change for these entries.
4. Also, we noted the charges listed in Exhibit D and E and 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.
5. Based upon a review of timekeepers fee charges DFR noted the entries listed in Exhibit F 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 provide an explanation for these charges. The firm responded that “Ben Berg is an analyst who joined the firm recently and supported our work on BMHC through various administrative and basic analytical tasks. We did not separately record his hours however we have recorded his meals in proportion to the amount of his time he spent on BMHC. Since all professionals work on multiple projects meal expenses for Brad, Paul C and Paul G are billed to BMHC roughly in proportion to the percentage of total time that we each spent on BMHC relative to other projects we work on.” After review of retention documents and the response; we do not recommend that expenses be reduced for these amounts.


CONCLUSION

Regarding the Second Interim Fee Request and the expenses discussed in the previous

sections, DFR will submit its report for the Second 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 September 1, 2009 through November 30, 2009 and we recommend the approval of the reimbursement of expenses net of adjustments identified above in the amount of \$39,227.06 (\$40,698.50 minus \$1,471.44).

Respectfully submitted,

DIRECT FEE REVIEW LLC

By: 
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FEE AUDITOR

Exhibit A:

4-Aug-09	R/T Airfare to Los Angeles, CA to attend meetings regarding BMHC	Los Angeles	\$3,430.20	Vendor	B. Dietz
12-Aug-09	R/T Airfare to San Francisco, CA to attend meetings w/ BMHC	San Francisco	\$1,659.20	Vendor	P. Croci
13-Aug-09	R/T Airfare to San Francisco, CA to attend meetings w/ BMHC	San Francisco	\$1,659.20	Vendor	P. Guarino
17-Aug-09	R/T Airfare to San Francisco, CA to attend meetings w/ BMHC	San Francisco	\$1,579.20	Vendor	P. Croci
17-Aug-09	One-way flight to San Francisco, CA for Paul Gaurino & Brad Dietz to attend meetings w/ BMHC	San Francisco	\$4,123.20	Vendor	P. Guarino
20-Aug-09	Return flight to JFK Airport from attending meetings w/ BMHC	New York	\$1,444.60	Vendor	P. Guarino
28-Oct-09	R/T airfare to San Francisco, CA to attend meetings w/ BMHC	San Francisco	\$3,025.20	Vendor	B. Dietz

Exhibit B:

17-Aug-09	Dinner at Bob's Steak & Chop House w/ Brad Dietz, Paul Guarino of PJSC and B. Roure, M. Kailer after attending meetings w/ BMHC	San Francisco	\$354.93	Vendor	P. Croci
19-Aug-09	Dinner at Tadich Grill w/ Brad Dietz, Paul Croci of PJSC & Bill Roure after attending meetings w/ BMHC	San Francisco	\$195.51	Vendor	P. Guarino
16-Sep-09	Dinner meeting at Gino's with Michael Rosenthal of Gibson, Dunn & Crutcher regarding BMHC	New York	\$125.00	Vendor	B. Dietz

Exhibit C:

27-Jul-09	Taxi from PJSC to JFK Airport for flight to Los Angeles, CA to attend meetings regarding BMHC	New York	\$71.74	Vendor	B. Dietz
29-Jul-09	Taxi from JFK Airport to home (New York, NY) from Los Angeles, CA from attending meetings regarding BMHC	New York	\$100.83	Vendor	B. Dietz
5-Aug-09	Taxi from JFK Airport to home (New York, NY) from Los Angeles, CA from attending meetings regarding BMHC	New York	\$89.96	Vendor	B. Dietz
17-Aug-09	Taxi from home (New York, NY) to JFK Airport for flight to San Francisco, CA to attend meetings w/ BMHC	New York	\$108.66	Vendor	P. Guarino
20-Aug-09	Taxi from JFK Airport to home (New York, NY) from Los Angeles, CA from attending meetings regarding BMHC	New York	\$109.21	Vendor	B. Dietz

Exhibit D:

29-Oct-09	Inflight internet service while on return flight from San Francisco, CA from attending meetings w/ BMHC	San Francisco	\$12.95	Vendor	B. Dietz
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Exhibit E:

31-Oct-09	Capital IQ	New York	\$1,162.76	Vendor	
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ExhibitF:

				Hours	
				Charged	Comment
24-Aug-09	Working Dinner/ Late Night Meal - Mangia	\$24.86	B. Benjamin	0.0	Non-Timekeeper
24-Aug-09	Working Dinner/ Late Night Meal - Johnny Rockets	\$20.01	P. Croci	0.5	Less than 10 hrs
24-Aug-09	Working Dinner/ Late Night Meal - Mangia	\$24.37	P. Guarino	1.0	Less than 10 hrs
25-Aug-09	Working Dinner/ Late Night Meal - Liberty Café	\$24.34	P. Guarino	2.0	Less than 10 hrs
28-Aug-09	Working Dinner/ Late Night Meal - Scarlatto Restaurant	\$25.48	B. Benjamin	0.0	Non-Timekeeper
29-Aug-09	Lunch from Europa Café while working on weekend (Sat.) on BMHC	\$12.25	B. Dietz		No time charged
29-Aug-09	Working Dinner/ Late Night Meal - PJ Clarkes	\$24.71	P. Croci	6.5	Sat Less than 10 hrs
30-Aug-09	Working Dinner/ Late Night Meal - Espresso	\$24.26	B. Benjamin	0.0	Non-Timekeeper
30-Aug-09	Working Dinner/ Late Night Meal - Shun Lee	\$21.01	P. Guarino	7.0	Sun Less than 10 hrs
31-Aug-09	Working Dinner/ Late Night Meal - Toasties	\$25.47	B. Benjamin	0.0	Non-Timekeeper
31-Aug-09	Working Dinner/ Late Night Meal - Mangia	\$24.88	P. Croci	5.5	Less than 10 hrs
31-Aug-09	Working Dinner/ Late Night Meal - Mangia	\$24.88	P. Guarino	8.0	Less than 10 hrs
1-Sep-09	Working Dinner/ Late Night Meal - Hatsuhana	\$25.59	P. Croci	0.0	No time charged
1-Sep-09	Working Dinner/ Late Night Meal - Mangia	\$25.44	P. Guarino	6.0	Less than 10 hrs
3-Sep-09	Working Dinner/ Late Night Meal - La Bellezza	\$16.00	P. Croci	5.5	Less than 10 hrs
3-Sep-09	Working Dinner/ Late Night Meal - Tao	\$22.14	P. Guarino	1.0	Less than 10 hrs
8-Sep-09	Working Dinner/ Late Night Meal - La Bellezza	\$16.56	P. Croci	3.3	Less than 10 hrs
8-Sep-09	Working Dinner/ Late Night Meal - Mangia	\$25.44	P. Guarino	7.0	Less than 10 hrs
9-Sep-09	Working Dinner/ Late Night Meal - Johnny Rockets	\$18.61	P. Croci	9.5	Less than 10 hrs
9-Sep-09	Working Dinner/ Late Night Meal - Sarabeth's	\$24.91	P. Guarino	4.0	Less than 10 hrs
10-Sep-09	Working Dinner/ Late Night Meal - Liberty Café	\$15.93	P. Croci	5.5	Less than 10 hrs
10-Sep-09	Working Dinner/ Late Night Meal - Burger Heaven	\$22.09	P. Guarino	4.0	Less than 10 hrs
11-Sep-09	Working Dinner/ Late Night Meal - Outback Steakhouse	\$25.09	P. Croci	3.3	Less than 10 hrs
11-Sep-09	Working Dinner/ Late Night Meal - Outback Steakhouse	\$25.09	P. Guarino	8.5	Less than 10 hrs
15-Sep-09	Working Dinner/ Late Night Meal - Lenny's	\$25.26	P. Guarino	2.5	Less than 10 hrs
16-Sep-09	Working Dinner/ Late Night Meal - Patsys	\$19.85	P. Croci	5.8	Less than 10 hrs
16-Sep-09	Working Dinner/ Late Night Meal - Patsys	\$24.70	P. Guarino	5.8	Less than 10 hrs
17-Sep-09	Working Dinner/ Late Night Meal - PJ Clarkes	\$25.36	P. Guarino	4.2	Less than 10 hrs

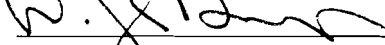
19-Sep-09	Working Dinner/ Late Night Meal - Shun Lee Palace	\$23.65	P. Guarino	2.5	Less than 10 hrs
21-Sep-09	Working Dinner/ Late Night Meal - Chopt	\$23.76	P. Guarino	3.0	Less than 10 hrs
21-Sep-09	Working Dinner/ Late Night Meal - PJ Clarkes	\$22.76	P. Guarino		No time charged
22-Sep-09	Working Dinner/ Late Night Meal - Mangia	\$24.88	P. Croci	4.6	Less than 10 hrs
22-Sep-09	Working Dinner/ Late Night Meal - Mangia	\$24.88	P. Guarino	0.0	No time charged
23-Sep-09	Working Dinner/ Late Night Meal - Montebello Restaurant	\$18.28	P. Croci	9.0	Less than 10 hrs
23-Sep-09	Working Dinner/ Late Night Meal - Montebello Restaurant	\$18.29	P. Guarino	5.5	Less than 10 hrs
24-Sep-09	Working Dinner/ Late Night Meal - Iwasaki	\$23.76	B. Berg	0.0	Non-Timekeeper
24-Sep-09	Working Dinner/ Late Night Meal - Johnny Rockets	\$20.01	P. Croci	6.0	Less than 10 hrs
24-Sep-09	Working Dinner/ Late Night Meal - Akdeniz	\$20.91	P. Guarino	2.0	Less than 10 hrs
25-Sep-09	Working Dinner/ Late Night Meal - Burger Heaven	\$23.37	P. Croci	8.5	Less than 10 hrs
25-Sep-09	Working Dinner/ Late Night Meal - Peking Duck	\$25.11	P. Guarino	4.5	Less than 10 hrs
26-Sep-09	Working Dinner/ Late Night Meal - Burger Heaven	\$15.72	P. Guarino	3.0	Sat
29-Sep-09	Working Dinner/ Late Night Meal - Akdeniz	\$24.26	P. Guarino	1.0	Less than 10 hrs
30-Sep-09	Working Dinner/ Late Night Meal - Johnny Rockets	\$23.64	P. Croci	8.0	Less than 10 hrs
30-Sep-09	Working Dinner/ Late Night Meal - Tao	\$24.37	P. Guarino	8.0	Less than 10 hrs
5-Oct-09	Working Dinner/ Late Night Meal - Patsys Pizzeria	\$19.85	P. Croci	5.0	Less than 10 hrs
7-Oct-09	Working Dinner/ Late Night Meal - Yuva	\$24.37	P. Guarino	0.0	No time charged
8-Oct-09	Working Dinner/ Late Night Meal - PJ Clarkes	\$25.22	P. Croci	3.5	Less than 10 hrs
8-Oct-09	Working Dinner/ Late Night Meal - Il Valentino	\$24.34	P. Guarino	8.0	Less than 10 hrs
11-Oct-09	Working Dinner/ Late Night Meal - Mama Mexico	\$19.09	P. Croci	0.0	No time charged
11-Oct-09	Working Dinner/ Late Night Meal - Mama Mexico	\$19.10	P. Guarino	2.0	Less than 10 hrs
14-Oct-09	Working Dinner/ Late Night Meal - DeGrazia Restaurant	\$20.77	P. Guarino	6.1	Less than 10 hrs
15-Oct-09	Working Dinner/ Late Night Meal - Outback Steakhouse	\$23.84	P. Croci	5.5	Less than 10 hrs
15-Oct-09	Working Dinner/ Late Night Meal - Mangia	\$22.69	P. Guarino	4.5	Less than 10 hrs
19-Oct-09	Working Dinner/ Late Night Meal - Mangia	\$25.44	P. Guarino	3.5	Less than 10 hrs
20-Oct-09	Working Dinner/ Late Night Meal - Mangia	\$25.00	P. Croci	3.5	Less than 10 hrs
20-Oct-09	Working Dinner/ Late Night Meal - Mangia	\$25.01	P. Guarino	3.8	Less than 10 hrs
21-Oct-09	Working Dinner/ Late Night Meal - Patsys Pizzeria	\$24.98	P. Croci	4.0	Less than 10 hrs
21-Oct-09	Working Dinner/ Late Night Meal - Patsys Pizzeria	\$24.98	P. Guarino	2.0	Less than 10 hrs

22-Oct-09	Working Dinner/ Late Night Meal - PJ Clarkes	\$21.91	P. Croci	4.5	Less than 10 hrs
22-Oct-09	Working Dinner/ Late Night Meal - Tao	\$25.62	P. Guarino	2.0	Less than 10 hrs
26-Oct-09	Working Dinner/ Late Night Meal - Mangia	\$25.44	P. Guarino	1.0	Less than 10 hrs
28-Oct-09	Working Dinner/ Late Night Meal - La Belleza	\$17.95	P. Croci	4.0	Less than 10 hrs
28-Oct-09	Working Dinner/ Late Night Meal - Patsys Pizzeria	\$25.11	P. Guarino	3.5	Less than 10 hrs
29-Oct-09	Working Dinner/ Late Night Meal - Tao	\$24.98	P. Guarino	1.5	Less than 10 hrs
30-Oct-09	Working Dinner/ Late Night Meal - Montebello Restaurant	\$25.62	P. Croci	3.5	Less than 10 hrs
30-Oct-09	Working Dinner/ Late Night Meal - Montebello Restaurant	\$25.62	P. Guarino	4.5	Less than 10 hrs
31-Oct-09	Lunch from Europa Café while working on weekend (Sat.) on BMHC	\$10.08	B. Dietz	0.0	No time charged
31-Oct-09	Working Dinner/ Late Night Meal - Lenny's	\$20.57	P. Guarino	2.0	Less than 10 hrs
2-Nov-09	Working Dinner/ Late Night Meal - Mangia	\$24.23	P. Guarino	1.3	Less than 10 hrs
3-Nov-09	Working Dinner/ Late Night Meal - PJ Clarkes	\$24.63	P. Guarino	3.0	Less than 10 hrs
4-Nov-09	Working Dinner/ Late Night Meal - Mama Mexico	\$24.92	P. Guarino	5.0	Less than 10 hrs
5-Nov-09	Working Dinner/ Late Night Meal - Fresco by Scotto	\$24.88	P. Guarino	3.5	Less than 10 hrs
9-Nov-09	Working Dinner/ Late Night Meal - Johnny Rockets	\$20.01	P. Croci	5.0	Less than 10 hrs
9-Nov-09	Working Dinner/ Late Night Meal - Mangia	\$25.44	P. Guarino	5.0	Less than 10 hrs
10-Nov-09	Working Dinner/ Late Night Meal - Akdeniz	\$25.29	P. Guarino	3.0	Less than 10 hrs
11-Nov-09	Working Dinner/ Late Night Meal - Burger Heaven	\$19.13	P. Croci	0.0	No time charged
11-Nov-09	Working Dinner/ Late Night Meal - Toasties	\$25.41	P. Guarino	0.0	No time charged
12-Nov-09	Working Dinner/ Late Night Meal - PJ Clarkes	\$19.09	P. Croci	2.1	Less than 10 hrs
12-Nov-09	Working Dinner/ Late Night Meal - PJ Clarkes	\$19.10	P. Guarino	4.1	Less than 10 hrs
13-Nov-09	Working Dinner/ Late Night Meal - Sarabeth's	\$22.97	P. Croci	0.0	No time charged
13-Nov-09	Working Dinner/ Late Night Meal - Sarabeth's	\$22.97	P. Guarino	0.0	No time charged
14-Nov-09	Working Dinner/ Late Night Meal - PJ Clarkes	\$25.62	P. Guarino	0.0	Less than 10 hrs
20-Aug-09	Taxi from PJSC to home (Emerson, NJ) - working late on BMHC	\$112.40	P. Croci	4.8	Less than 10 hrs
21-Aug-09	Taxi from PJSC to home (Emerson, NJ) - working late on BMHC	\$76.00	P. Croci	2.8	Less than 10 hrs
24-Aug-09	Taxi from PJSC to home (Emerson, NJ) - working late on BMHC	\$65.00	P. Croci	0.5	Less than 10 hrs
28-Aug-09	Taxi from PJSC to home - working late on BMHC	\$6.00	B. Berg	0.0	Non-Timekeeper
29-Aug-09	Taxi from PJSC to home (Emerson, NJ) - working late on BMHC	\$79.00	P. Croci	6.5	Sat

1-Sep-09	Taxi from PJSC to home (Emerson, NJ) - working late on BMHC	\$70.00	P. Croci	0.0	Less than 10 hrs
9-Sep-09	Taxi from PJSC to home - working late on BMHC	\$5.00	P. Guarino	4.0	Less than 10 hrs
9-Sep-09	Taxi from PJSC to home (Emerson, NJ) - working late on BMHC	\$80.00	P. Croci	9.5	Less than 10 hrs
10-Sep-09	Taxi from PJSC to home - working late on BMHC	\$6.00	P. Guarino	4.0	Less than 10 hrs
13-Sep-09	Taxi from PJSC to home - working on weekend (Sun.) on BMHC	\$5.00	P. Guarino	0.0	No time charged
30-Sep-09	Taxi from PJSC to home (Emerson, NJ) - working late on BMHC	\$82.00	P. Croci	8.0	Less than 10 hrs
30-Sep-09	Taxi from PJSC to home - working late on BMHC	\$5.52	P. Guarino	8.0	Less than 10 hrs
6-Oct-09	Taxi from PJSC to home (Emerson, NJ) - working late on BMHC	\$117.05	P. Croci	5.5	Less than 10 hrs
8-Oct-09	Taxi from PJSC to home (Emerson, NJ) - working late on BMHC	\$82.80	P. Croci	8.5	Less than 10 hrs
9-Oct-09	Taxi from PJSC to home (Emerson, NJ) - working late on BMHC	\$83.95	P. Croci	8.5	Less than 10 hrs
21-Oct-09	Taxi from PJSC to home (Emerson, NJ) - working late on BMHC	\$80.50	P. Croci	4.0	Less than 10 hrs
22-Oct-09	Taxi from PJSC to home (Emerson, NJ) - working late on BMHC	\$80.00	P. Croci	4.5	Less than 10 hrs
28-Oct-09	Taxi from PJSC to home (Emerson, NJ) - working late on BMHC	\$82.80	P. Croci	4.0	Less than 10 hrs
28-Oct-09	Taxi from PJSC to home - working late on BMHC	\$7.00	P. Guarino	3.5	Less than 10 hrs
31-Oct-09	Taxi from PJSC to home - working on weekend (Sat.) on BMHC	\$4.10	B. Dietz	0.0	Sat. No time
31-Oct-09	Taxi from home to PJSC - working on weekend (Sat.) on BMHC	\$4.10	B. Dietz	0.0	Sat. No time
		<u>\$2,997.72</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 28th day of December, 2009.

By: 
W. J. Dwyer

SERVICE LIST Notice Parties

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