

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

<b>IN RE:</b>	)	
	)	<b>Chapter 11</b>
<b>BUILDING MATERIALS HOLDING CORPORATION, <i>et al.</i>,<sup>1</sup></b>	)	<b>Case No. 09-12074 (KJC)</b>
	)	
<b>Debtors.</b>	)	<b>Jointly Administered</b>
	)	
	)	<b>Ref. Docket No. 1162</b>
	)	
	)	

**FEE AUDITOR'S FINAL REPORT REGARDING SECOND 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 Second 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 September 1, 2009 through November 30, 2009 (“Fee Request”) seeking approval of fees in the amount of \$162,860.00 and reimbursement of expenses in the amount of \$7,055.89, 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 Executive

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<sup>1</sup> 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.

Sounding Board Associates, Inc. submitted monthly fee applications in the amount of \$162,860.00 as actual, reasonable and necessary and reimbursement of expenses in the amount of \$7,055.89. For the Fee Request period \$15,085.00 was charged for fee applications.

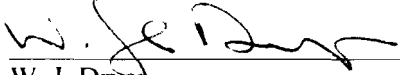
1. Local Rule 2016-2 provides in section (d) that all motions shall include complete and detailed activity descriptions; each activity description shall include the type of activity; each activity description shall include the subject matter and shall be sufficiently detailed to allow the Court to determine 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 September 1, 2009 through November 30, 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. We noted the entries listed in Exhibit A billed at 100% of rates. These are charges for travel time. Travel time is required to be billed at 50% of rates. We requested that the firm correct this error. The firm replied that this had happened due to a problem in their billing system and they would adjust their billing appropriately. Accordingly, we recommend a reduction in the fees of \$ 3,605.00 for these entries..
3. From our procedures applied to the monthly fee applications we noted the entries which may be considered excessive or insufficient in description. In general DFR deems charges in excess of \$15/\$25/\$50 for breakfast/lunch/dinner to be not reasonable. Airfare must be for economy class rates. Mileage reimbursement must not exceed \$.55 per mile. Expenses such as parking, taxi, train or toll are evaluated based on the reasonable and necessary criteria applied to the description. We requested additional information such as trip durations, locations and purposes related to the charges. After discussions with and additional information provided by the firm, we are satisfied that these expenses were reasonable, necessary and economical. In addition, the firm committed to provide greater detail in the future. Because we are not making a recommendation for a reduction in the fees for these entries, no exhibit has been included here.

## **CONCLUSION**

Regarding the Second Quarterly Application and the fees and expenses discussed in the previous sections, DFR submits its report for the Second 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 September 1, 2009 through November 30, 2009 and we recommend the approval of fees in the amount of \$159,255.00 (\$162,860.00 less \$3,605.00) and reimbursement of expenses in the amount of \$7,055.89.

Respectfully submitted,

**DIRECT FEE REVIEW LLC**

By:   
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**FEE AUDITOR**

**Exhibit A:**

10/07/09	148	MD	Travel from Delaware Court to office after hearing.	2.20	350.00	\$770.00
10/07/09	148	MD	Travel to Delaware for cour hearing for BMHC disclosure matters	2.40	350.00	\$840.00
10/14/09	148	MD	Travel to Newark and San Francisco from NYO.	8.00	350.00	\$2,800.00
10/15/09	148	MD	Travel from San Francisco to New Jersey	8.00	350.00	\$2,800.00

## 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

#### **The Applicants**

Executive Sounding Board Associates Inc.  
Attn: Daniel J. Kerrigan  
1350 Broadway, Suite 702  
New York, NY 10018

#### **The Debtor**

Building Materials Holding Corporation  
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720 Park Boulevard  
Suite 200  
Boise, ID 83712

#### **Counsel to the Debtors**

Young Conaway Stargatt & Taylor, LLP  
Attn: Sean M. Beach and Robert F Poppiti, Jr.  
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Gibson, Dunn & Crutcher LLP  
Attn: Michael A. Rosenthal and Matthew K. Kelsey  
200 Park Avenue  
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#### **Counsel to the Committee**

Benesch Friedlander Coplan & Aronoff LLP  
Attn: Bradford J. Sandler, Jennifer R. Hoover, Jennifer E. Smith  
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Wilmington, DE 19801

Arent Fox LLP  
Attn: Christopher J. Giaimo, Jr. and Katie A. Lane  
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**Office of the United States Trustee**

OFFICE OF THE U.S. TRUSTEE

Attn: Joseph McMahon  
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