

**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. 1320
)	

**FEE AUDITOR’S FINAL REPORT REGARDING FOURTH MONTHLY AND FINAL
APPLICATION OF KPMG 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 Fourth Monthly and Final Application of KPMG LLP for allowance of compensation for services rendered and reimbursement of expenses as auditors and tax advisors to the Debtors and Debtors-in-Possession for the interim period December 1, 2009 through December 17, 2009 (“Interim Fee Request”) seeking approval of fees in the amount of \$10,332.00 and reimbursement of expenses in the amount of \$0, and for the final period June 16, 2009 through December 17, 2009 (“Final Fee Request”) seeking approval of fees in the amount of \$172,456.95 and reimbursement of expenses in the amount of \$0, submits its final report.

BACKGROUND

In performance of audit procedures and in preparation of this report designed to quantify and

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.

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 December 1, 2009 through December 17, 2009 KPMG LLP submitted an Interim Fee Request in the amount of \$10,332.00 as actual, reasonable and necessary and reimbursement of expenses in the amount of \$0. For the Interim Fee Request period \$6,479.20 was charged for fee applications.

1. Based upon our procedures applied to the Interim Fee Request for December 1, 2009 through December 17, 2009 we have noted that a material amount of time in this fee application is related to the preparation of fee applications. We deem it generally acceptable to spend less than \$50,000 or 5% of time charged preparing fee applications. We apply these guidelines on a cumulative basis. We noted that for the Final Fee Request period the firm has charged \$16,164.50 and we have calculated that 9.25% of the charges relate to fee applications on a cumulative basis. Although we do not have an objection to the amount of fees, we questioned the percentage of time spent. We noted that the work and tasks of this firm are substantially related to subsequent periods and that this fact results in the higher rate. After discussions with the firm and after review of the

additional information provided by the firm we do not recommend any change for these entries.

FINAL APPROVAL OF FEES AND EXPENSES

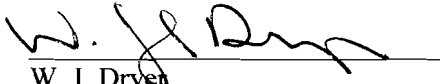
2. The firm previously filed the First Interim Quarterly Fee Request for the period June 16, 2009 through August 31, 2009 and the Second Quarterly Fee Request for the period September 1, 2009 through November 30, 2009. We reviewed these fee requests and filed our reports with the Court recommending approval of fees in the total amount of \$162,124.95 and expenses in the total amount of \$0 for the period June 16, 2009 through November 30, 2009.

CONCLUSION

Regarding the Interim Fee Request period and the fees and expenses discussed in the previous sections, DFR submits its final report for the Interim Fee Request period of KPMG LLP for allowance of compensation for services rendered and reimbursement of expenses as auditors and tax advisors to the Debtors and Debtors-in-Possession for the period from December 1, 2009 through December 17, 2009 and we recommend the approval of fees in the amount of \$10,332.00 and the reimbursement of expenses in the amount of \$0. We have no changes to make to our reports related to the period June 16, 2009 through November 30, 2009 and therefore continue to recommend approval of fees in the total amount of \$162,124.95 and expenses in the total amount of \$0 for that period. For the Final Fee Request period from June 16, 2009 through December 17, 2009 we recommend the approval of fees in the amount of \$172,456.95 and the reimbursement of expenses in the amount of \$0.

Respectfully submitted,

DIRECT FEE REVIEW LLC

By: 
W. J. Dryer


5068 W. Plano Parkway
Suite 300
Plano, TX 75093
Telephone: 972-381-4255
Telephone: 609-432-3428
Dfr.wjd@gmail.com

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 22th day of January, 2010.

By:


W. J. Dryer

SERVICE LIST Notice Parties

The Applicants

KPMG LLP
Attn: Glenn Farrell
55 Second Street, Suite 1400
San Francisco, CA 94105

The Debtor

Building Materials Holding Corporation
Attn: Paul S. Street
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.
The Brandywine Building,
1000 West Street, 17th Floor
PO Box 391
Wilmington, DE 19899-0391

Gibson, Dunn & Crutcher LLP
Attn: Michael A. Rosenthal and Matthew K. Kelsey
200 Park Avenue
New York, NY 10166

Counsel to the Committee

Benesch Friedlander Coplan & Aronoff LLP
Attn: Bradford J. Sandler, Jennifer R. Hoover, Jennifer E. Smith
222 Delaware Ave., Suite 801
Wilmington, DE 19801

Arent Fox LLP
Attn: Christopher J. Giaimo, Jr. and Katie A. Lane
1050 Connecticut Avenue, NW
Washington, DC 20036

Office of the United States Trustee

OFFICE OF THE U.S. TRUSTEE
Attn: Joseph McMahon
844 King Street, Suite 2207
Wilmington, DE 19801