

**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. 1292
)	

FEE AUDITOR’S FINAL REPORT REGARDING SEVENTH MONTHLY AND FINAL APPLICATION OF ALVAREZ & MARSAL NORTH AMERICA LLC

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 Seventh Monthly and Final Application of Alvarez & Marsal North America. LLC for allowance of compensation for services rendered and reimbursement of expenses as restructuring advisor 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 \$92,684.50 and reimbursement of expenses in the amount of \$3,726.27, and for the final period June 16, 2009 through December 17, 2009 (“Final Fee Request”) seeking approval of fees in the amount of \$2,134,243.50 and reimbursement of expenses in the amount of \$132,799.04, submits its final report.

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.

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 December 1, 2009 through December 17, 2009 Alvarez & Marsal North America. LLC submitted an Interim Fee Request in the amount of \$92,684.50 for fees as actual, reasonable and necessary and for the reimbursement of expenses in the amount of \$3,726.27. For the Interim Fee Request period \$2,269.50 was charged for fee applications.

1. 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 Interim Fee Request for December 1, 2009 through December 17, 2009 identified entries with descriptions which did not provide such detail. 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. Because there is no recommendation for a reduction in the fees for these entries,

the exhibit has not been included.

2. Our procedures applied to the Interim Fee Request for December 1, 2009 through December 17, 2009 identified entries that may be block billing or seem to be unreasonable for the time charged. We identified many entries with descriptions which appear to lump telephone conversations over a period. 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 the reasonableness of these entries. The firm provided additional detail related to the entries in question. 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. Because there is no recommendation for a reduction in the fees for these entries, the exhibit has not been included.

3. We noted in transportation expenses that there are entries that identify taxi expense to and from LAX and home. The fare from LAX is \$25 and the fare to LAX is \$60. We requested that this difference be explained. 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. Because there is no recommendation for a reduction in the fees for these entries, the exhibit has not been included.

FINAL APPROVAL OF FEES AND EXPENSES

4. 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 \$2,041,559.00 and expenses after adjustments of \$272.41 in the total amount of \$128,800.36 for the period June 16, 2009 through November 30, 2009. We note that the Final Fee Request submitted by the firm does not reflect the adjustments that we recommended to the First Interim Quarterly Fee Request for the period June 26, 2009 through August 31, 2009 which were agreed to by the firm.

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 Alvarez & Marsal North America, LLC for allowance of compensation for services rendered and reimbursement of expenses as restructuring advisor 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 \$92,684.50 and the reimbursement of expenses in the amount of \$3,726.27. 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 \$2,041,559.00 and expenses in the total amount of \$128,800.36 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 \$2,134,243.50 and the reimbursement of expenses in the amount of \$132,526.63 (\$132,799.04 less \$272.41).

Respectfully submitted,

DIRECT FEE REVIEW LLC

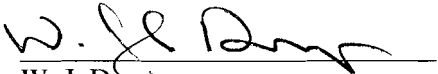
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FEE AUDITOR

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 January, 2010.

By: 
W. J. Dyer

SERVICE LIST
Notice Parties

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