

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

IN RE:)	
)	Chapter 11
BUILDING MATERIALS HOLDING CORPORATION, <i>et al.</i>,¹)	Case No. 09-12074 (KJC)
)	
Debtors.)	Jointly Administered
)	
)	Ref. Docket Nos. 1306
)	
)	

FEE AUDITOR'S FINAL REPORT REGARDING SEVENTH MONTHLY AND FINAL APPLICATION OF GIBSON, DUNN & CRUTCHER 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 Seventh Monthly and Final Application of Gibson, Dunn & Crutcher LLP for allowance of compensation for services rendered and reimbursement of expenses as Co-counsel 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 \$842,130.75 and reimbursement of expenses in the amount of \$26,150.83, and for the final period June 16, 2009 through December 17, 2009 (“Final Fee Request”) seeking approval of fees in the amount of \$4,087,048.75 and reimbursement of expenses in the amount of \$97,507.45, 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 Gibson, Dunn & Crutcher LLP submitted an Interim Fee Request in the amount of \$842,130.75 as actual, reasonable and necessary and reimbursement of expenses in the amount of \$26,150.83. For the Interim Fee Request period \$9,451.00 was charged for fee applications.

1. Based upon our procedures applied to the Final Fee Request we have noted that a material amount of time 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 \$108,257.50 and we have calculated that 2.65% of the charges relate to fee applications on a cumulative basis. We do not recommend any change for these entries.
2. Our procedures identified the entry in Exhibit A. The detailed time noted was less than the total amount of time charged. We requested that the firm review the entry and verify the

correct amount. After review of the additional information provided by the firm we recommend a reduction in the amount of \$68.00 for this entry. The firm has agreed that this adjustment is correct.

3. Our procedures identified four travel charges which appeared to be unusual with high costs. We requested that the firm review these entries and explain the amounts of the charges. 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.
4. Our procedures identified the entries in Exhibit B with charges for meals that might exceed the levels that we consider reasonable. We requested that the firm review the entries and consider the reasonableness of these charges. After review the firm proposed an adjustment of \$221.72. After our review of the additional information provided by the firm we recommend a reduction in the amount of \$221.72 for these charges.
5. We identified three travel related charges that with descriptions that we found to be insufficient for evaluation and requested that the firm provide additional details to allow for review in accordance with Local Rules and Guidelines. 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.

6. 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.

7. We noted an unusual charge for travel expense in London in the fee request for the Interim Fee Request period December 1, 2009 to December 17, 2009. We requested information related to the charge. After discussions with the firm which confirmed that the specific charge to the estate resulted from extensive conference calls while in London, not travel charges, and were solely related to the business of the estate and after review of the additional information provided by the firm we do not recommend any change for this entry. Because there is no recommendation for a reduction in the charge for this entry, the exhibit has not been included.

FINAL APPROVAL OF FEES AND EXPENSES

8. 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 \$3,244,918.00 and expenses in the total amount of \$71,356.62 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 Gibson, Dunn & Crutcher LLP for allowance of compensation for services rendered and reimbursement of expenses as Co-counsel 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 \$842,062.75 (\$842,130.75 less \$68.00) and the reimbursement of expenses in the amount of \$25,929.11 (\$26,150.83 less \$221.72). 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 \$3,244,918.00 and expenses in the total amount of \$71,356.62 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 \$4,086,980.75 (\$4,087,048.75 less 68.00) and the reimbursement of expenses in the amount of \$97,285.73 (\$97,507.45 less 221.72).

Respectfully submitted,

DIRECT FEE REVIEW LLC

By: 
W. J. Dyer

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

FEE AUDITOR

Exhibit A:

68	1.7	612	20091215	15210	Complete draft assignment agreement among Illinois Framing and Woodmark (.5); confer with G. Davidson regarding employee language and payment allocation (.7); create redline of agreements (.3); review final agreements; edit assignment agreements (.1).	360	Greenberg, Christina
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Exhibit B:

748	1	211.83	20091218	E111	VENDOR: JEREMY GRAVES; INVOICE#: 12/14-12/18/09; DATE: 12/18/2009 - WILMINGTON, DE-NY/MEALS; TRAVEL FOR OMNIBUS HEARING AND CONFIRMATION HEARING	211.83	
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749	1	51.62	20091218	E111	VENDOR: JEREMY GRAVES; INVOICE#: 12/14-12/18/09; DATE: 12/18/2009 - WILMINGTON, DE-NY/WALDORF ASTORIA HOTEL/MEALS; TRAVEL FOR OMNIBUS HEARING AND CONFIRMATION HEARING	51.62	
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756	1	172.51	20091218	E111	VENDOR: AARON G. YORK; INVOICE#: 12/15-12/18/09; DATE: 12/18/2009 - 12/15-12/18/09 MEAL; TRAVEL TO NY TO PREPARE FOR CONFIRMATION HEARING; TRAVEL TO WILMINGTON, DE BACK TO NYC ON 12/17/09 FOR CONFIRMATION HEARING	172.51	
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761	1	100.02	20091218	E111	VENDOR: AARON G. YORK; INVOICE#: 12/15-12/18/09; DATE: 12/18/2009 - 12/15-12/18/09 NY, THE WALDORF-ASTORIA HOTEL/MEAL; TRAVEL TO NY TO PREPARE FOR CONFIRMATION HEARING; TRAVEL TO WILMINGTON, DE BACK TO NYC ON 12/17/09 FOR CONFIRMATION HEARING	100.02	
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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 2nd day of February, 2010.

By:


W. J. Dryer

SERVICE LIST Notice Parties

The Applicants

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

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