

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

IN RE: BUILDING MATERIALS HOLDING CORPORATION, et al., Debtors.	Chapter 11 Case No. 09-12074 (KJC) Jointly Administered
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CLERK
U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

FILED

VERIFIED STATEMENTS OF CONNECTIONS

I, Richard A. Capella, declare under penalty of perjury:

1. I am a Partner of Morris, Polich & Purdy, LLP located at 1055 W. 7th Street, Los Angeles, CA 90017. (the "**Firm**").
2. Building Materials Holding Corporation and its affiliates, as debtors and debtors in possession (collectively, the "**Debtors**") have requested that the Firm provide legal services to the Debtors, and the Firm has consented to provide such services.
3. If the Firm is a law firm, I state that the Firm did represent the Debtors prior to their bankruptcy filings.
4. The Firm may have performed services in the past, may currently perform services and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in these chapter 11 cases. The Firm does not perform service for any such person in connection with these chapter 11 cases, or have any relationship with any such person, their attorneys or accountants that would be adverse to the Debtors or their estates. Furthermore, if the Firm is either (i) not a law firm (ii) a law firm that did not represent the Debtors prior to their bankruptcy filings, the Firm is a "disinterested person" under 11 U.S.C. § 101(14), such that the Firm:

- (a) is not a creditor, an equity security holder, or an insider of any of the Debtors;

(b) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of any of the Debtors; and

(c) does not have any interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason.

5. As part of its customary practice, the Firm is retained in cases, proceedings and transactions involving many different parties, some of whom may represent or be employed by the Debtors, claimants, and parties-in-interest in the Debtors' chapter 11 cases.

6. Neither I nor any principal, partner, director, officer, etc. of, or professional employed by, the Firm had agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principal and regular employees of the Firm.

7. In the ordinary course of its business, the Firm maintains a database for purposes of performing "conflict checks." [The Firm's database contains information regarding the Firm's present and past representations.] Pursuant to Federal Rule of Bankruptcy Procedure 2014(a), I obtained a list of the entities identified in Rule 2014(a) from counsel to the Debtors for purposes of searching the aforementioned database and determining the connection(s) which the Firm has with such entities. The Firm's search of the database identified the following connections:

- Aon, Inc.
- ACE American Insurance Co.
- Westchester Surplus Lines Insurance Co.
- Lexington Insurance Company UKB
- XL Europe Limited

- Catlin Insurance Company (UK) Ltd.
- Max Re Ltd.
- American International Specialty Lines Insurance
- Western Risk Specialists Inc.
- XL Specialty Insurance Co.
- Federal Insurance Co.
- National Union Fire Insurance Co. of Pittsburgh PA
- Arch Insurance Company
- XL Insurance Ltd.
- Zurich American Insurance Co.
- Swiss Re
- AIG Environmental
- Chubb Group of Insurance Companies

8. Neither I nor any partner of or professional employed by, the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matter(s) upon which this Firm is to be employed. Furthermore, if the Firm is either (i) not a law firm or (ii) a law firm that did not represent the Debtors prior to their bankruptcy filings, I state that neither I nor any partner of or professional employed by, the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors.

9. The Debtors owe the Firm \$ 17,095.00 for prepetition services, the payment of which is subject to limitations contained in the United States Bankruptcy Code, 11 U.S.C. § 101-1532. If the Firm is either (i) not a law firm or (ii) a law firm that did not represent the Debtors prior to their bankruptcy filings, my signature below acknowledges that the Firm understands that any and all pre-petition claims that it has against the Debtors will be deemed waived if the Firm's employment is authorized.

10. As of June 16, 2009, which was the date on which the Debtors commenced these chapter 11 cases, the Firm was party to an engagement or services agreement with the Debtors. A copy of such agreement is attached as Exhibit A to this Declaration.

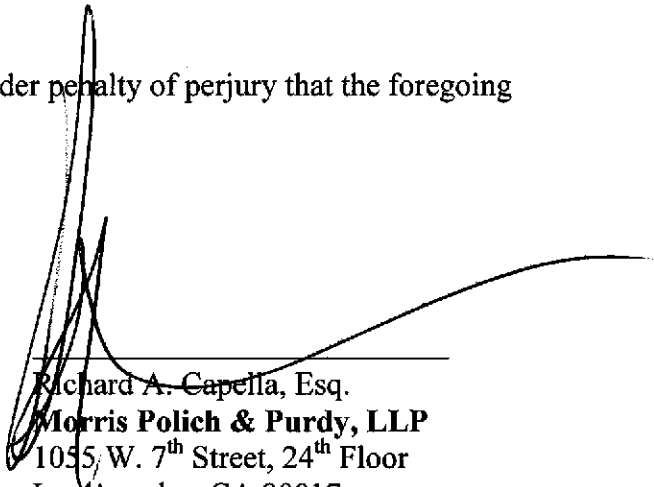
11. As of June 16, 2009, the Firm was not party to an agreement for indemnification with certain of the Debtors.

12. If the Firm is not a law firm, the following is a list of all payments which the Firm received from the Debtors during the year prior to the Debtors' bankruptcy filings:

13. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Firm should discovery any facts bearing on the matters described herein, the Firm will supplement the information in this Declaration.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Date: August 7, 2009



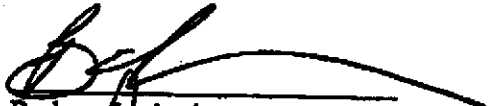
Richard A. Capella, Esq.
Morris Polich & Purdy, LLP
1055 W. 7th Street, 24th Floor
Los Angeles, CA 90017

EXHIBIT A

**FIX FEE AGREEMENT BETWEEN
TWF CONSTRUCTION, INC. DBA
SELECTBUILD AND
MORRIS POLICH & PURDY LLP**

1. \$600.00 as a flat fee plus out of pocket cost (filing fee, service of process fee copies, long distance phone calls, faxes). Includes the drafting of complaint and summons, entry of default, entry of default judgment). The recording of judgment (in public records and with secretary of state) will cause additional out of pocket expenses. If case is resolved by TWF Construction, Inc. dba SelectBuild's In house legal without additional work by Morris Polich & Purdy LLP after filing of complaint and before any pleadings or responses filed by Defendant, Morris Polich & Purdy LLP will file notice of dismissal at instruction of TWF Construction, Inc dba SelectBuild. All communications from defendant regarding negotiations for settlement will be referred to and handled by TWF Construction, Inc. dba SelectBuild's in house legal.
2. If Defendant responds with an answer and case is settled by TWF Construction, Inc dba SelectBuild's in house legal (Pursuant to Para. 1), and Morris Polich & Purdy LLP has to take no further action except for filing of notice of dismissal upon instruction by TWF Construction, Inc dba SelectBuild, flat fee as above will apply.
3. If Defendant takes any further action (e.g., service of discovery or filing of counterclaim, or other action outside the scope of what is outlined above), case will revert to an hourly fee arrangement. The bulk of the work will be performed by a junior associate at the rate of \$195.00 per hour, with supervision by Richard A. Capella (\$245.00 per hour) as needed.
4. If Defendant answers the complaint and TWF Construction, Inc dba SelectBuild's in house legal does not resolve the case, the case will convert to an hourly basis as described in paragraph 3.
5. Of course, in each case, we would have to run a conflict check.

Dated: July 30, 2008


Barbara Laskaris
Regional Manager of Claims and Contracts
TWF Construction Inc dba Select Build

Dated: July 30, 2008


Richard Capella, Esq.
Morris Polich & Purdy, LLP

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PROOF OF SERVICE

I, the undersigned, an employee of Morris Polich & Purdy LLP, located at 1055 West Seventh Street, 24th Floor, Los Angeles, California, 90017 declare under penalty of perjury that I am over the age of eighteen (18) and not a party to this matter, action or proceeding.

On August 11, 2009 I served the foregoing document, described as "**VERIFIED STATEMENT OF CONNECTIONS**" in this action by placing

☐ the original of the document ☒ true copies of the document
in separate sealed envelopes addressed to the following party(ies) in this matter at the following address(es):

Paul Street
Building Materials Holding Corporation
720 Park Blvd, Suite 200
Boise, ID 83712

Maureen E. Thomas
Counselor & Consultant
Legal-Operations-Risk Management
9832 Coledale Court
White Lake, MI 48386

☒ **BY U.S. MAIL** I deposited such envelope in the mail at Los Angeles, California. The envelopes were mailed with postage thereon fully prepaid. I am readily familiar with Morris Polich & Purdy's practice of collection and processing correspondence for mailing. Under that practice, documents are deposited with the U.S. Postal Service on the same day which is stated in the proof of service, with postage fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after the date stated in this proof of service.

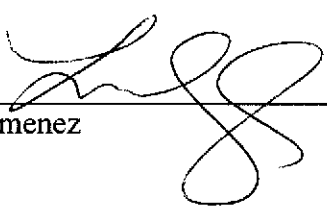
☐ **BY FEDERAL EXPRESS** I am familiar with the firm's practice of collecting and processing correspondence for delivery via Federal Express. Under that practice, it would be picked up by Federal Express on that same day at Los Angeles, California and delivered to the parties as listed on this Proof of Service the following business morning.

☐ **BY FACSIMILE** I caused the above-referenced document to be transmitted via facsimile to the parties as listed on this Proof of Service.

☒ **STATE** I declare under penalty of perjury under the laws of the state of California, that the above is true and correct.

☐ **FEDERAL** I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made

Executed on August 11, 2009 at Los Angeles, California.



Lisa Jimenez