

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

<b>IN RE:</b>	)	
	)	<b>Chapter 11</b>
<b>BUILDING MATERIALS HOLDING CORPORATION,</b>	)	
	)	<b>Case No. 09-12074 ( )</b>
<b>Debtor.</b>	)	
<b>Tax I.D. No. 91-1834269</b>	)	
<b>IN RE:</b>	)	
	)	<b>Chapter 11</b>
<b>BMC WEST CORPORATION,</b>	)	
	)	<b>Case No. 09-12075 ( )</b>
<b>Debtor.</b>	)	
<b>Tax I.D. No. 94-3050454</b>	)	
<b>IN RE:</b>	)	
	)	<b>Chapter 11</b>
<b>SELECTBUILD CONSTRUCTION, INC.,</b>	)	
	)	<b>Case No. 09-12076 ( )</b>
<b>Debtor.</b>	)	
<b>Tax I.D. No. 82-0511340</b>	)	
<b>IN RE:</b>	)	
	)	<b>Chapter 11</b>
<b>SELECTBUILD NORTHERN CALIFORNIA, INC.,</b>	)	
	)	<b>Case No. 09-12077 ( )</b>
<b>Debtor.</b>	)	
<b>Tax I.D. No. 20-8077579</b>	)	
<b>IN RE:</b>	)	
	)	<b>Chapter 11</b>
<b>ILLINOIS FRAMING, INC.,</b>	)	
	)	<b>Case No. 09-12078 ( )</b>
<b>Debtor.</b>	)	
<b>Tax I.D. No. 26-3294451</b>	)	

IN RE:	)	
C CONSTRUCTION, INC.,	)	Chapter 11
Debtor.	)	Case No. 09-12079 ( )
Tax I.D. No. 20-3168206	)	
IN RE:	)	
TWF CONSTRUCTION, INC.,	)	Chapter 11
Debtor.	)	Case No. 09-12080 ( )
Tax I.D. No. 20-3573334	)	
IN RE:	)	
H.N.R. FRAMING SYSTEMS, INC.,	)	Chapter 11
Debtor.	)	Case No. 09-12081 ( )
Tax I.D. No. 33-0464329	)	
IN RE:	)	
SELECTBUILD SOUTHERN CALIFORNIA, INC.,	)	Chapter 11
Debtor.	)	Case No. 09-12082 ( )
Tax I.D. No. 26-0559378	)	
IN RE:	)	
SELECTBUILD NEVADA, INC.,	)	Chapter 11
Debtor.	)	Case No. 09-12083 ( )
Tax I.D. No. 86-0948912	)	

IN RE:	)	
SELECTBUILD ARIZONA, LLC,	)	Chapter 11
Debtor.	)	Case No. 09-12084 ( )
Tax I.D. No. 20-5650036	)	
	)	
IN RE:	)	
SELECTBUILD ILLINOIS, LLC,	)	Chapter 11
Debtor.	)	Case No. 09-12085 ( )
Tax I.D. No. 20-2120792	)	
	)	

**MOTION OF BUILDING MATERIALS HOLDING CORPORATION, ET AL., FOR AN ORDER DIRECTING JOINT ADMINISTRATION OF THEIR CHAPTER 11 CASES**

Building Materials Holding Corporation ("**BMHC**") and its above-captioned affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), submit this motion (the "**Motion**") for entry of an order, substantially in the form annexed hereto as **Exhibit A**, directing joint administration of the Debtors' related chapter 11 cases. In support of the Motion, the Debtors respectfully represent:<sup>1</sup>

**JURISDICTION AND VENUE**

1. The Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. sections 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. section 157(b). Venue is proper pursuant to 28 U.S.C. sections 1408 and 1409.

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<sup>1</sup> The facts supporting the Motion are set forth in the Declaration of Paul S. Street in Support of Chapter 11 Petitions and Requests for First Day Relief (the "**Street Declaration**"), filed concurrently herewith.

**RELIEF REQUESTED**

2. By this Motion, the Debtors, pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1, seek entry of an order directing joint administration of the chapter 11 cases for procedural purposes only. Specifically, the Debtors request that the Court maintain one file and one docket for all of the chapter 11 cases under the case of Building Materials Holding Corporation and that the chapter 11 cases be administered under the following caption:

<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 ( )</b>
<b>Debtors.</b>	)	
	)	<b>Jointly Administered</b>
	)	

3. The Debtors also request the Court to direct that an entry be made on the docket of each of the Debtors' chapter 11 cases, other than Building Materials Holding Corporation, to reflect the joint administration of the chapter 11 cases, that is substantially similar to the following:

An order has been entered, in accordance with Bankruptcy Rule 1015(b) and Local Rule 1015-1, directing joint administration of the chapter 11 cases of Building Materials Holding Corporation, BMC West Corporation, SelectBuild Construction, Inc., SelectBuild Northern California, Inc., Illinois Framing, Inc., C Construction, Inc., TWF Construction, Inc., H.N.R. Framing Systems, Inc., SelectBuild Southern California, Inc., SelectBuild Nevada, Inc., SelectBuild Arizona, LLC, SelectBuild Illinois,

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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.

LLC. All further pleadings and other papers shall be filed in, and all further docket entries shall be made in, Case No. 09-12074 (\_\_\_\_).

### **BACKGROUND**

4. On the date hereof (the "*Petition Date*"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the "*Chapter 11 Cases*"). The Debtors continue to operate their businesses and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases, and no committees have been appointed or designated.

5. The Debtors are one of the largest providers of residential building products and construction services in the United States. The Debtors distribute building materials, manufacture building components (e.g., millwork, floor and roof trusses, and wall panels), and provide construction services to professional builders and contractors through a network of 31 distribution facilities, 43 manufacturing facilities, and five regional construction services facilities.

6. The Debtors operate under two brand names: BMC West® and SelectBuild®.

- ***BMC West.*** Under the BMC West brand, the Debtors market and sell building products, manufacture building components, and provide construction services to professional builders and contractors. Products include structural lumber and building materials purchased from manufacturers, as well as manufactured building components such as millwork, trusses, and wall panels. Construction services include installation of various building products and framing. The Debtors currently offer these products and services in major metropolitan markets in Texas, Washington, Colorado, Idaho, Utah, Montana, North Carolina, California, and Oregon.
- ***SelectBuild.*** Under the SelectBuild brand, the Debtors offer integrated construction services to production homebuilders, as well as commercial and multi-family builders. Services include

wood framing, concrete services, managing labor and construction schedules, and sourcing materials. The Debtors currently offer these services in major metropolitan markets in California, Arizona, Nevada and Illinois.

7. The Debtors operate in metropolitan areas that have historically outpaced U.S. averages for residential building permit activity (largely in the Southern and Western portions of the United States). Based on National Association of Home Builders building permit activity, the Debtors provide building products and construction services in 9 of the top 25 single-family construction markets.

8. Prior to the Petition Date, the Debtors, with the assistance of their professionals and advisors, pursued several avenues to try to maximize the value of the Debtors' business, including conducting a process to sell the Debtors' business. The Debtors' prepetition sale process did not, however, yield offers that reflected, in the Debtors' business judgment, the true value of the Debtors' business operations.

9. Contemporaneously with this prepetition marketing and sale effort, the Debtors engaged in good faith, arm's-length negotiations with significant holders of the Debtors' prepetition secured indebtedness to develop a way to de-lever the Debtors' business, while at the same time providing the Debtors' unsecured creditor constituency with a substantial recovery. These negotiations culminated in the proposed chapter 11 plan (the "**Plan**") and accompanying disclosure statement (the "**Disclosure Statement**"), filed contemporaneously with this Motion.

10. As set forth in greater detail in the Plan and Disclosure Statement, the Plan contemplates a restructure of the Debtors' balance sheet and ownership structure, as well as an immediate cash distribution to unsecured creditors and an opportunity for such creditors to receive full payment from the Reorganized Debtors, depending on business performance. The Debtors believe that the restructuring proposal embodied in the Plan provides the Debtors'

creditors with the best means of maximizing value of the Debtors and their businesses. To implement this restructuring, the Debtors have obtained a commitment to provide \$80 million in the form of debtor-in-possession financing, which the Debtors seek to have approved by the Court contemporaneously herewith.

11. As of the Petition Date, the Debtors employ approximately 5,500 people. Approximately 300 of the Debtors' employees are represented by seven unions with whom the Debtors have collective bargaining agreements. For the 12 months ended March 31, 2009, the Debtors' total revenue totaled approximately \$1.1 billion. As of March 31, 2009 the book value of the Debtors' assets totaled approximately \$480 million and its liabilities totaled approximately \$481 million.

#### **BASIS FOR RELIEF REQUESTED**

12. Bankruptcy Rule 1015(b) provides that, if two or more petitions are pending in the same court by or against a debtor and an affiliate, "the court may order a joint administration of the estates." Local Rule 1015-1 clarifies the standard for determining when joint administration is appropriate, providing that joint administration may be ordered "upon the filing of a motion for joint administration pursuant to Fed. R. Bankr. P. 1015, supported by an affidavit, declaration or verification, which establishes that the joint administration of two or more cases pending in this Court under title 11 is warranted and will ease the administrative burden for the Court and the parties."

13. The Bankruptcy Code defines "affiliate" to mean, among other things:

[an] entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor . . . [or]

[a] corporation 20 percent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the debtor, or by an entity that directly or indirectly owns, controls, or

holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor . . . .

11 U.S.C. section 101(2).

14. Joint administration is warranted because the Debtors are "affiliates" of one another, as that term is defined in section 101(2) of the Bankruptcy Code, because each of the Debtors, other than BMHC, is either directly or indirectly wholly owned by BMHC. A chart of the Debtors' prepetition organizational structure is annexed hereto as *Exhibit B*. Specifically, Building Materials Holding Corporation owns 100% of each of Debtor BMC West Corporation and Debtor SelectBuild Construction, Inc. In turn, Debtor SelectBuild Construction, Inc. owns 100% each of Debtor SelectBuild Northern California, Inc., Debtor C Construction, Inc., Debtor TWF Construction, Inc., Debtor H.N.R. Framing Systems, Inc., Debtor SelectBuild Southern California, Inc., Debtor SelectBuild Nevada, Inc., Debtor SelectBuild Arizona, LLC, and Debtor SelectBuild Illinois, LLC. Debtor BMC West Corporation owns 100% of Debtor Illinois Framing, Inc.

15. The Debtors anticipate that each of the Chapter 11 Cases will proceed on the same timetable and that most of the notices, applications, motions, other pleadings, and orders filed in these cases will affect many or all of the Debtors. The joint administration of the Chapter 11 Cases will allow the Clerk of the Court to use a single general docket for these Cases rather than maintaining and updating 12 different dockets. Similarly, joint administration will eliminate the need for duplicative notices, applications, and orders, allowing the Debtors, their creditors and other parties in interest to file one pleading in a consolidated case rather than several pleadings in the Debtors' several individual cases, to combine and streamline service of those pleadings and other notices on creditors and other parties in interest, and to monitor the Chapter 11 Cases by reviewing one docket rather than 12 separate dockets.



16. In summary, joint administration will reduce the number of documents that must be prepared and filed in connection with the Chapter 11 Cases, reduce the administrative burden of coordinating these cases, and reduce the monitoring burden that these cases will impose on the Court, the Clerk of the Court, the United States Trustee, and all other parties in interest.

17. The rights of the respective creditors of the Debtors will not be adversely affected by the proposed joint administration of these cases because the rights of each creditor against the respective estates will be preserved. The Motion neither seeks substantive consolidation of the Debtors' estates, nor seeks to change the relative rights and remedies of creditors against any of the individual Debtors. Thus, the substantive rights of parties in interest will not be prejudiced or otherwise negatively affected by the entry of an order directing the procedural joint administration of the Chapter 11 Cases.

18. Accordingly, the Debtors have met the requirements of Bankruptcy Rule 1015(b) and Local Rule 1015-1, and request the immediate entry of an order providing for the joint administration of the Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1.

### **NOTICE**

19. No trustee, examiner, or creditors' committee has been appointed in these chapter 11 cases. The Debtors have provided notice of filing of the Motion either by electronic mail or facsimile and/or by overnight mail to: (a) the Office of the United States Trustee for the District of Delaware; (b) the 50 largest unsecured creditors of the Debtors on a consolidated basis as identified in the Debtors' chapter 11 petitions; and (c) counsel to Wells Fargo Bank, as agent for both of the Debtors' prepetition lenders and proposed postpetition lenders. As this Motion is seeking first-day relief, notice of this Motion and any order entered hereon will be

served on all parties required by Local Rule 9013-1(m). Due to the nature of the relief requested, the Debtors respectfully submit that no further notice of this Motion is required.

**NO PRIOR REQUEST**

20. No prior request for the relief sought in this Motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: Wilmington, Delaware  
June 16, 2009

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PROPOSED ATTORNEYS FOR DEBTORS AND  
DEBTORS IN POSSESSION

# **EXHIBIT A**

**Proposed Order**

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

IN RE:	)	
	)	Chapter 11
BUILDING MATERIALS HOLDING	)	
CORPORATION,	)	Case No. 09-12074 ( )
	)	
Debtor.	)	
	)	
Tax I.D. No. 91-1834269	)	
	)	
IN RE:	)	
	)	Chapter 11
BMC WEST CORPORATION,	)	
	)	Case No. 09-12075 ( )
	)	
Debtor.	)	
	)	
Tax I.D. No. 94-3050454	)	
	)	
IN RE:	)	
	)	Chapter 11
SELECTBUILD CONSTRUCTION,	)	
INC.,	)	Case No. 09-12076 ( )
	)	
	)	
Debtor.	)	
	)	
Tax I.D. No. 82-0511340	)	
	)	
IN RE:	)	
	)	Chapter 11
SELECTBUILD NORTHERN	)	
CALIFORNIA, INC.,	)	Case No. 09-12077 ( )
	)	
	)	
Debtor.	)	
	)	
Tax I.D. No. 20-8077579	)	
	)	
IN RE:	)	
	)	Chapter 11
ILLINOIS FRAMING, INC.,	)	
	)	Case No. 09-12078 ( )
	)	
	)	
Debtor.	)	
	)	
Tax I.D. No. 26-3294451	)	
	)	

IN RE:	)	
C CONSTRUCTION, INC.,	)	Chapter 11
Debtor.	)	Case No. 09-12079 ( )
Tax I.D. No. 20-3168206	)	
IN RE:	)	
TWF CONSTRUCTION, INC.,	)	Chapter 11
Debtor.	)	Case No. 09-12080 ( )
Tax I.D. No. 20-3573334	)	
IN RE:	)	
H.N.R. FRAMING SYSTEMS, INC.,	)	Chapter 11
Debtor.	)	Case No. 09-12081 ( )
Tax I.D. No. 33-0464329	)	
IN RE:	)	
SELECTBUILD SOUTHERN CALIFORNIA, INC.,	)	Chapter 11
Debtor.	)	Case No. 09-12082 ( )
Tax I.D. No. 26-0559378	)	
IN RE:	)	
SELECTBUILD NEVADA, INC.,	)	Chapter 11
Debtor.	)	Case No. 09-12083 ( )
Tax I.D. No. 86-0948912	)	

IN RE:	)	
SELECTBUILD ARIZONA, LLC,	)	Chapter 11
Debtor.	)	Case No. 09-12084 ( )
Tax I.D. No. 20-5650036	)	
	)	
IN RE:	)	
SELECTBUILD ILLINOIS, LLC,	)	Chapter 11
Debtor.	)	Case No. 09-12085 ( )
Tax I.D. No. 20-2120792	)	
	)	

**ORDER DIRECTING JOINT ADMINISTRATION OF THE CHAPTER  
11 CASES OF BUILDING MATERIALS HOLDING CORPORATION ET AL.**

Upon consideration of motion (the "***Motion***") of Building Materials Holding Corporation and its above-captioned affiliates, as debtors and debtors in possession (collectively, the "***Debtors***") for entry of an order pursuant to Bankruptcy Rule 1015(b) directing the joint administration of the above-captioned chapter 11 cases; and upon the Street Declaration<sup>1</sup> in support thereof; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. sections 1408 and 1409; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and notice of the Motion and the opportunity for a hearing on the Motion was appropriate under the particular circumstances; and the Court having reviewed the Motion and having considered the statements in support of the relief requested therein at a

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<sup>1</sup> Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

hearing before the Court (the "**Hearing**"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED:**

1. The Motion is granted as set forth below.
2. The Chapter 11 Cases are consolidated for procedural purposes only, and they shall be jointly administered by the Court in accordance with Bankruptcy Rule 1015(b) and Local Rule 1015-1.
3. Nothing contained in this Order shall be deemed or construed as directing or otherwise affecting the substantive consolidation of the Chapter 11 Cases.
4. The caption of any pleading, motion, or other document served or filed in the Debtors' jointly administered cases shall be captioned in a form substantially similar to the following:

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

**IN RE:**

**BUILDING MATERIALS HOLDING  
CORPORATION, *et al.*,<sup>1</sup>**

**Debtors.**

**Chapter 11**

**Case No. 09-12074 ( )**

**Jointly Administered**

<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.



5. A docket entry shall be made in each of the Chapter 11 Cases substantially as follows:

An order has been entered in accordance with Bankruptcy Rule 1015(b) and Local Rule 1015-1 directing joint administration of the chapter 11 cases of Building Materials Holding Corporation, BMC West Corporation, SelectBuild Construction, Inc., SelectBuild Northern California, Inc., Illinois Framing, Inc., C Construction, Inc., TWF Construction, Inc., H.N.R. Framing Systems, Inc., SelectBuild Southern California, Inc., SelectBuild Nevada, Inc., SelectBuild Arizona, LLC, SelectBuild Illinois, LLC. All further pleadings and other papers shall be filed in, and all further docket entries shall be made in, Case No. 09-12074 (\_\_\_\_).

6. A combined service list shall be used for the jointly administered cases, and combined notices shall be sent to creditors of the Debtors' estates.

7. Separate claims registers for each of the Debtors shall be maintained.

8. Any deviation from the procedures and requirements of this Order shall be only by order of the Court.

9. This Court shall retain jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Order.

Dated: Wilmington, Delaware  
June \_\_\_\_, 2009

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UNITED STATES BANKRUPTCY JUDGE

# **EXHIBIT B**

## **Debtors' Organizational Structure**

