IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

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IN RE:	Chapter 11
BUILDING MATERIALS HOLDING	
CORPORATION, et al.,1	Case No. 09-12074 (KJC)
Debtors.	Jointly Administered
	Ref. Docket No. 1175

FEE AUDITOR'S FINAL REPORT REGARDING SECOND INTERIM QUARTERLY FEE REQUEST 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 Second Interim Quarterly Fee Request of Gibson, Dunn & Crutcher LLP for compensation for services rendered and reimbursement of expenses as co-counsel to the Debtors and Debtors-in-Possession for the period September 1, 2009 through November 30, 2009 ("Fee Request") seeking approval of fees in the amount of \$1,770,471.25 and reimbursement of expenses in the amount of \$40,260.69, submits its final report.

BACKGROUND

In performance of audit procedures and in preparation of this report designed to quantify and present factual data relevant to the requested fees, disbursements and expenses contained herein, DFR reviewed the monthly fee statements and the Fee Requests, including each of the billing and 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 September 1, 2009 through November 30, 2009 Gibson, Dunn &

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.

Crutcher LLP submitted monthly fee applications in the amount of \$1,770,471.25 as actual, reasonable and necessary and reimbursement of expenses in the amount of \$40,260.69. For the Fee Request period \$42,524.00 was charged for fee applications.

- 1. Our procedures applied to the monthly fee applications include the recomputation of fees and expenses. The recomputation of fees identified several entries listed in Exhibit A, with descriptions that did not correspond with the amount charged. The firm responded that with two exceptions the detailed entries were correct and that their fees should be reduced by \$2,433.50. We recommend such a reduction.
- 2. We noted charges where air fares appeared to be higher than normal. These entries are listed in Exhibit B. We requested the firm review the charges and explain the amounts. The firm responded that three fares included legs that were not coach and that their expenses should be reduced by \$3,178.69. We recommend such a reduction.
- 3. Our procedures applied to the monthly fee applications identified the charges listed in Exhibit C. These lodging charges appear to be combined with other charges. We requested that the firm provide additional information. The firm responded that three of these included amounts that should not be billed to the case and that their expenses should be reduced by \$605.42. We recommend such a reduction.
- **4.** Based upon a review for reasonableness DFR noted some entries which may be considered excessive. In general DFR deems charges in excess of \$15/\$25/\$50 for breakfast/lunch/dinner to be not reasonable. After discussions with the firm agreed that their expenses should be reduced by \$763.93. We recommend such a reduction.

CONCLUSION

Regarding the Second Interim Quarterly Fee Request and the fees and expenses discussed in the previous sections, DFR will submit its report for the Second Interim Quarterly Fee Request of Gibson, Dunn & Crutcher LLP as co-counsel to the Debtors and Debtors-in-Possession for compensation for services rendered and reimbursement of expenses for the Period from September 1, 2009 Through November 30, 2009 and we recommend the approval of fees in the amount of \$1,768,037.75 (\$1,770,471.25 minus \$2,433.50) and reimbursement of expenses in the amount of \$35,712.65 (\$40,260.69 minus \$4,548.04).

Respectfully submitted,

DIRECT FEE REVIEW LLC

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:

Diff	Calc	Time	\$	Date	Rate		Calls with Garden City Group regarding
0.2	1.6	1.4	142.00	20091023	710	Kelsey, Matthew K.	disclosure statement noticing and ballot issues (.5); correspond with A. York regarding same (.2); call with R. Poppiti regarding noticing disclosure statement and solicitation issues (.3); call with Garden City Group and Gibson Dunn team regarding solicitation issues (.6).
0.1	1.1	1	63.50	20091001	635	Montgomery, Cromwell R.	Review correspondence relative to WFB commitment papers (.3); telephone call with M. Vanderzanden relative to exit real property package (.1); review final WFB commitment papers (.7).
(4.00)	5.9	9.9	(2,540.00)	20091119	635	York, Aaron G.	Analyze California Franchise Tax Board issue (.4); call with K. Orr (California Tax Board) regarding same (.3); review balloting report (.4); call with P. Guerino regarding liquidation/feasibility analysis (.2); conference with J. Guild regarding confirmation declarations (.7); work on confirmation brief (2.1); prepare confirmation declaration forms (1.4); conference with M. Rosenthal (.4).
(0.2)	5.4	5.6	(99.00)	20091106	495	Greenwood, Nicholas D.	Review and provide comments on revised security agreement in connection with exit credit facility (2.1); review revised exhibits with respect to exit credit facility (1.6); discuss additional comments to revised exit credit agreement with company and its advisors (1.1); provide additional comments to exit credit facility to lenderÆs counsel (.3); conference with C. Montgomery (.3).
(0.2)	2.1	5.0	(22.00)	20051100	.,,	Tionong D.	man c. monegonior ().

Exhibit B:

2064.8	20090925	VENDOR: S.R. FINLEY; INVOICE#: 09/23-09/25/09; DATE: 9/25/2009 - NY-LA-NY/AIRFARE TK#AA706133075-PARTIAL COST; TRAVEL FOR MEETINGS CONCERNING BMHC AND PLAN BIDDER
2352.79	20090925	VENDOR: S.R. FINLEY; INVOICE#: 09/23-09/25/09; DATE: 9/25/2009 - LA-NY/AIRFARE TK#AA7706133124; TRAVEL FOR MEETINGS CONCERNING BMHC AND PLAN BIDDER
1761.1	20090927	VENDOR: MICHAEL A. ROSENTHAL; INVOICE#: 09/23-09/27/09; DATE: 9/27/2009 - 09/23/09 NY-LA/AIRFARE (TKT # AA 7706133046); ATTEND MEETING WITH K. FISHER, P. STREET, P. HASTINGS, G. THORNTON, A&M, PLAN BIDDER, ET. AL RE: PLAN

Exhibit C:

VENDOR: MICHAEL A. ROSENTHAL; INVOICE#: 09/23-09/27/09; DATE: 9/27/2009 - 09/23-09/24/09 LA, OMNI HOTEL/ROOM, PHONE; ATTEND MEETING WITH K. FISHER, P. STREET, P. HASTINGS, G. THORNTON, A&M, PLAN BIDDER, ET. AL RE: PLAN 20090927 736.26 VENDOR: MICHAEL A. ROSENTHAL; INVOICE#: 10/28-10/30/09; DATE: 10/30/2009 - 10/28-10/29/09 W SAN FRANCISCO HOTEL/ROOM, PHONE, INTERNET; TRAVEL TO SAN FRANCISCO, CA TO ATTEND MEETING RE PLAN EFFECTIVE DATE DOCUMENTS AND EXIT FINANCING 445.87 20091030 ADDEMDUM ISSUES VENDOR: MICHAEL A. ROSENTHAL; INVOICE#: 10/28-10/30/09; DATE: 10/30/2009 - 10/29-10/30/09 ST. REGIS HOTEL/ROOM, PHONE, INTERNET; TRAVEL TO SAN FRANCISCO, CA TO ATTEND MEETING RE PLAN EFFECTIVE DATE DOCUMENTS AND EXIT FINANCING 424.59 20091030 ADDEMDUM ISSUES

Exhibit D:

VENDOR: WAN LEE DBA LABITE.COM; INVOICE#: 789461; DATE: 9/24/2009 - LOUISE'S PICO ORDER#789461 LUNCH FOR 375.58 20090924 C.MONTGOMERY IN CC OFFICE/J.DENTON VENDOR: MICHAEL A. ROSENTHAL; INVOICE#; 09/23-09/27/09; DATE: 9/27/2009 - 09/23-09/27/09 MEALS; ATTEND MEETING WITH K. FISHER. P. STREET, P. HASTINGS, G. THORNTON, A&M, 702.87 20090927 PLAN BIDDER, ET. AL RE: PLAN VENDOR: MICHAEL A. ROSENTHAL; INVOICE#: 10/06/09; DATE: 10/6/2009 - QUALITY MEATS/DINNER MEETING WITH KEVIN FISHER 281.16 20091006 VENDOR: MICHAEL A. ROSENTHAL; INVOICE#: 10/06/09-1; DATE: 10/6/2009 - QUALITY MEATS/PRE DINNER DRINKS; MEETING WITH 33.9 KEVIN FISHER 20091006

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 31th day of December, 2009.

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