

EXHIBIT 1
Fair Value Hierarchy

“Valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs.” (SFAS 157, para. 21)

**Inputs are observable
(highest in the hierarchy)**

**Inputs are nonobservable
(lowest in the hierarchy)**



Level 1: Inputs are quoted prices for identical items in active markets.	Level 2: Inputs are based on independent market data.	Level 3: Inputs are unobservable and reflect company assumptions.
1. The entity uses quoted active market prices for identical items that are accessible at the balance sheet date.	1. The entity adjusts quoted active market prices for similar items.	1. No market price of an identical or similar item exists, but an exit or market price is still necessary.
2. Fair value is the quoted price times the quantity held with no adjustment for block size.	2. The entity may adjust quoted prices of identical or similar items in markets that are not active.	2. The entity develops its own risk-adjusted model, which must include the risk of the model itself. The pricing model reflects assumptions that market participants would make.
3. If items are not accessible, the entity uses an alternative pricing model. However, the measure would be at a lower level, depending upon the inputs.	3. If no identical or similar items exist, the entity may use pricing models having independent inputs, such as yield curves, interest rates, and volatilities.	3. The entity develops its own input data, such as cash flow forecasts, but only as long as there is no other independent information available at a reasonable cost.
4. If the quoted price does not reflect fair value, the entity is required to make adjustments. However, the measure would be at a lower level, depending upon the inputs.	4. The entity may use inputs from correlations with the market.	4. If the entity uses an input from Level 1 or 2, the item still falls to Level 3 if the model includes significant data inputs that are not corroborated or observable.