

U.S. Bancorp
Distribution of Piper Sandler Companies (formerly Piper Jaffray Companies)
Shareholder Tax Basis

On December 31, 2003, U.S. Bancorp (NYSE: USB) completed the spin-off of Piper Sandler Companies (NYSE: PIPR) (formerly Piper Jaffray Companies (NYSE: PJC)). As part of the spin-off, U.S. Bancorp distributed one share of Piper Sandler Companies common stock for every 100 shares of U.S. Bancorp common stock held by shareholders of record as of 5:00 p.m., EST, on December 22, 2003, by means of a special dividend. U.S. Bancorp shareholders received cash in lieu of any fractional shares of Piper Sandler Companies common stock resulting from the distribution.

Shareholders who received the special dividend were required to allocate the aggregate tax basis in their U.S. Bancorp common stock among the shares of Piper Sandler Companies common stock (including cash in lieu of fractional shares of Piper Sandler Companies common stock) received in the distribution and the shares of U.S Bancorp common stock.

A shareholder's aggregate tax basis in U.S. Bancorp common stock prior to the spin-off should be allocated as 98.57288498 percent to shares of U.S. Bancorp common stock and 1.42711502 percent to shares of Piper Sandler Companies common stock (including any fractional share of Piper Sandler Companies common stock for which cash was received).

The following is an example of how the basis allocation would be applied:

Assumptions:

Shares of U.S. Bancorp common stock owned:	1,010
Shareholder's aggregate tax basis:	\$15,150

Shares of Piper Jaffray common stock received in the distribution	10
Fractional share of Piper Jaffray common stock for which cash was received:	.1

Allocation:

Piper Jaffray common stock shares (including any fractional shares for which cash was received) (1.43% of \$15,150):	\$217
U.S. Bancorp common stock (98.57% X \$15,150):	\$14,933
Total basis allocated:	\$15,150

The information in this document does not constitute tax advice. It does not purport to be complete or to describe the consequences that apply to particular categories of shareholders. Shareholders are encouraged to consult with their tax advisors for questions on their own specific tax position