

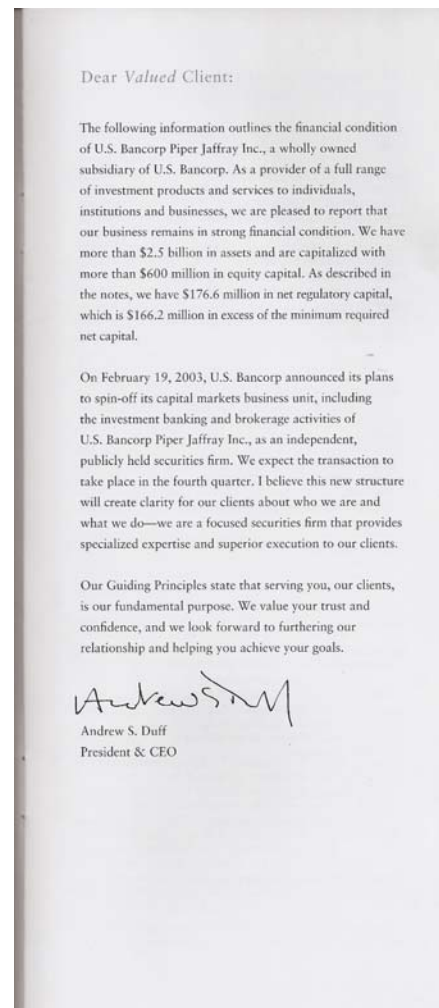


U. S. Bancorp Piper Jaffray Statement of Financial Condition

Working in a regulated industry offers unique challenges that require a diligence and a steady hand – especially when it comes to messaging. Financial firms offering advice and investment vehicles must declare that their financial positions are solid, and do so in writing twice a year. I worked with the CFO and her staff on the content of this financial statement, and wrote the CEO message, securing his approval and that of the legal department.

I am comfortable working within regulatory guidelines to ensure all requirements are met and to gain approval and buy-in from key stakeholders regarding all messages. Now more than ever, audiences demand straightforward messaging and full compliance. I thoroughly enjoy delivering that type of authentic communication to my clients, and I believe it helps them stand out from the crowd.

Role: Project manager, writer, editor, and distribution coordinator.



U.S. Bancorp Piper Jaffray Inc.
Statement of Financial Condition (Unaudited)

<i>(Dollars in Thousands)</i>	<i>June 30, 2003</i>
Assets	
Cash and due from affiliated banks	\$ 17,200
Receivables:	
Customers, net of allowance of \$9,142	477,598
Brokers, dealers and clearing organizations	571,508
Good faith and clearing deposits	115,663
Securities purchased under agreements to resell	161,590
Trading securities owned, at fair value	714,510
Fixed assets, at cost, net of accumulated depreciation and amortization of \$96,881	65,914
Goodwill	305,635
Other receivables	51,030
Other assets	93,062
Total assets	\$ 2,573,710
Liabilities and Stockholder's Equity	
Short-term financing from affiliates	\$ 171,000
Payables:	
Customers	233,817
Checks and drafts	52,804
Brokers, dealers and clearing organizations	561,023
Other, net	4,728
Securities sold under agreements to repurchase	105,422
Trading securities sold, but not yet purchased, at fair value	379,177
Accrued compensation	97,709
Other liabilities and accrued expenses	152,699
	1,758,379
Subordinated debt - affiliate	215,000
Stockholder's equity:	
Preferred stock, \$1,000 par value; 3,000 shares authorized, none issued and outstanding	—
Class A common stock, \$2,500 par value; 850 shares authorized, 459 shares issued and outstanding	1,147
Class B common stock, \$2,500 par value; 150 shares authorized, 22 shares issued and outstanding	55
Additional paid-in capital	613,406
Retained deficit	(14,277)
Total stockholder's equity	600,331
Total liabilities and stockholder's equity	\$ 2,573,710

See Notes to Statement of Financial Condition

Notes to Statement of Financial Condition
as of June 30, 2003 (Unaudited)

NOTE 1. ORGANIZATION

Organization

U.S. Bancorp Piper Jaffray Inc. (the "Company") is a wholly owned subsidiary of U.S. Bancorp ("USB"). The Company is a self-clearing securities broker dealer and investment banking firm. As such, the Company trades and effects transactions in listed and unlisted equity and fixed-income securities, underwrites and conducts secondary trading in corporate and municipal securities, sells mutual fund shares, acts as a broker of option contracts and provides various other financial services.

On February 19, 2003, USB announced that its Board of Directors had approved a plan to effect the spin-off of its capital markets business unit, including investment banking and brokerage activities primarily conducted by U.S. Bancorp Piper Jaffray Inc. The spin-off would be effected through a dividend of 100 percent of USB's ownership interests in the capital markets business while retaining \$180.0 million of subordinated debt of the new company. The distribution is subject to certain conditions, including Securities and Exchange Commission ("SEC") registration, regulatory review and approval, and a determination that the distribution will be tax-free to USB and its stockholders. While expected to be completed by the end of 2003, USB has no obligation to consummate the distribution, whether or not these conditions are satisfied.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with maturities of 90 days or less at the date of acquisition.

Collateralized Securities Transactions

Securities purchased under agreements to resell and securities sold under agreements to repurchase are carried at the contractual amounts at which the securities will be subsequently resold/repurchased, including accrued interest. It is the Company's policy to take possession or control of securities purchased under agreements to resell. Counterparties are principally primary dealers of U.S. government securities and financial institutions. Collateral is valued daily and additional collateral is obtained from counterparties, when appropriate.

Securities borrowed and loaned result from transactions with other brokers and dealers or financial institutions and