

E TRADE FINANCIAL CORP
Form 4
May 05, 2005

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Webb Dennis

(Last) (First) (Middle)

C/O E*TRADE FINANCIAL CORPORATION, 135 E.57TH STREET

(Street)

NEW YORK, NY 10005

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
E TRADE FINANCIAL CORP [ET]

3. Date of Earliest Transaction (Month/Day/Year)
05/05/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
President, Capital Markets Div

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired or Disposed of (A) or (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	05/03/2005	05/03/2005	A	(A) Code V Amount (D) Price 33,701 (1) \$ 10.88	0	D	
Common Stock	05/03/2005	05/03/2005	A	(A) Code V Amount (D) Price 23,744 (2) \$ 10.88	84,233	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)
Nonstatutory Stock Option (right to buy)	\$ 10.88	05/03/2005	05/03/2005	A	149,782	05/03/2006 ⁽³⁾ 05/03/2012	Common Stock
Nonstatutory Stock Option (right to buy)	\$ 10.88	05/03/2005	05/03/2005	A	105,528	05/03/2006 ⁽⁴⁾ 05/03/2012	Common Stock

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Webb Dennis
C/O E*TRADE FINANCIAL CORPORATION
135 E.57TH STREET
NEW YORK, NY 10005

President, Capital Markets Div

Signatures

/s/ Russell S. Elmer, his attorney
in fact

05/05/2005

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Grant of restricted stock issued pursuant to the E*TRADE Financial Corporation 1996 Stock Incentive Plan. The individual's right to retain these shares vests in four (4) equal annual installments beginning on the first anniversary date of the grant.

(2) Grant of restricted stock issued pursuant to the E*TRADE Financial Corporation 1996 Stock Incentive Plan. The individual's right to retain these shares vests in four (4) equal annual installments beginning on the first anniversary date of the grant; provided, however, that the individual's right to vest in some or all of the shares terminates immediately upon a determination by the Compensation Committee (ratified by the Board of Directors) that performance metrics for 2005 have not been met.

(3) Option granted pursuant to the E*TRADE Financial Corporation 1996 Stock Incentive Plan. This option becomes vested and exercisable in four (4) equal annual installments beginning on the first anniversary of the date of grant.

(4) Option granted pursuant to the E*TRADE Financial Corporation 1996 Stock Incentive Plan. This option becomes vested and exercisable in four (4) equal annual installments beginning on the first anniversary of the date of grant; provided, however, that the individual's right to vest in some or all of the options terminates immediately upon a determination by the Compensation Committee (ratified by the Board of Directors) that performance metrics for 2005 have not been met.

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Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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