

E TRADE FINANCIAL CORP
 Form 4
 October 04, 2005

FORM 4

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

OMB APPROVAL

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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 *
 RANDALL LEWIS E

(Last) (First) (Middle)

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

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
 10/03/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

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 (A) or Disposed of (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)
				(A) or (D)	Price		
Common Stock	10/03/2005	10/03/2005	M	V	16,000	A \$ 0.5825	653,100 I By Trust
Common Stock	10/03/2005	10/03/2005	S ⁽¹⁾		11,000	D \$ 17.6	642,100 I By Trust
Common Stock							470,004 D
Common Stock							270,000 I By Spouse

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

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(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 Amount of Underlying Security (Instr. 3 and 4)	8. Amount or Number of Shares
Non-Statutory Stock Option (right to buy)	\$ 0.5825	10/03/2005		M	16,000	03/29/1997 03/29/2006	Common Stock	16

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

RANDALL LEWIS E
C/O E*TRADE FINANCIAL CORPORATION
135 E.57TH STREET
NEW YORK, NY 10022

X

Signatures

/s/ Russell S.
Elmer

10/04/2005

**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) The transactions reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on July 29, 2005. This plan was implemented to effectuate the orderly exercise of stock options that expire in March 2006. Pursuant to the plan, 16,000 stock options will be exercised on the first day of each month for a six month period; of the 16,000 shares purchased by the exercise of these options, 11,000 shares will be immediately sold and 5,000 shares will be held.

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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