

E TRADE FINANCIAL CORP  
 Form 4  
 November 02, 2005

**FORM 4**

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

OMB APPROVAL

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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 \*  
**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)

**11/01/2005**

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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	11/01/2005	11/01/2005	M	16,000	A \$ 0.5825	658,100	I By Trust
Common Stock	11/01/2005	11/01/2005	S <sup>(1)</sup>	11,000	D \$ 18.8522	647,100	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)
Non-Statutory Stock Option (right to buy)	\$ 0.5825	11/01/2005		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

11/02/2005

\*\*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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