

Framke Greg  
 Form 4  
 February 14, 2011

**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 \*  
 Framke Greg

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

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/10/2011

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 EVP & Chief Info. & Ops. Ofc.

C/O E\*TRADE FINANCIAL CORPORATION, 1271 AVENUE OF THE AMERICAS, 14TH FLOOR

(Street)

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

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

NEW YORK, NY 10020

(City) (State) (Zip)

**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)
			Code	V Amount (D) Price			
Common Stock	02/10/2011		A	45,733 (1) \$ 0	211,705	D	
Common Stock	02/11/2011		F	6,780 (2) \$ 17.77	204,925	D	
Common Stock	02/13/2011		F	10 (3) \$ 17.77	204,915	D	
Common Stock	02/13/2011		F	88 (4) \$ 17.77	204,827	D	

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

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

Table with 7 main columns: 1. Title of Derivative Security, 2. Conversion or Exercise Price, 3. Transaction Date, 3A. Deemed Execution Date, 4. Transaction Code, 5. Number of Derivative Securities, 6. Date Exercisable and Expiration Date, 7. Title and Amount of Underlying Securities. Row 1: Common Stock, \$17.58, 02/10/2011, Code A, 46,442, Date 02/10/2011, Title Common Stock, Amount 46,442.

Reporting Owners

Table with 2 main columns: Reporting Owner Name / Address, Relationships. Row 1: Framke Greg, C/O E\*TRADE FINANCIAL CORPORATION, 1271 AVENUE OF THE AMERICAS, 14TH FLOOR, NEW YORK, NY 10020. Relationships: Director, 10% Owner, Officer, Other.

Signatures

/s/ Karl A. Roessner, Attorney-in-Fact for Greg Framke, Date 02/14/2011. \*\*Signature of Reporting Person

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) Restricted stock unit award will vest over four years, with 25% vesting on February 10, 2012, 25% vesting on February 10, 2013, 25% vesting on February 10, 2014 and the remaining 25% vesting on February 10, 2015.
(2) Shares reported were withheld for payment of taxes associated with the vesting of 1/3 of a grant of restricted stock originally made on February 11, 2007.
(3) Shares reported were withheld for payment of taxes associated with the remainder vesting of a grant of restricted stock originally made on February 13, 2007.
(4)

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Shares reported were withheld for payment of taxes associated with the remainder vesting of a grant of restricted stock originally made on February 13, 2007.

- (5) Option grant will vest over four years, with 25% vesting on February 10, 2012, 25% vesting on February 10, 2013, 25% vesting on February 10, 2014 and the remaining 25% vesting on February 10, 2015.
- (6) Number of derivative Securities Beneficially Owned Following Reported Transaction reflects 17,527 options that expired between February 28 and December 21, 2010.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.