

E TRADE FINANCIAL CORP  
 Form 4  
 March 19, 2008

**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 \*  
 CITADEL ADVISORS LLC

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)  
 C/O CITADEL INVESTMENT GROUP II, LLC, 131 DEARBORN ST., 32ND FLOOR

3. Date of Earliest Transaction (Month/Day/Year)  
 03/17/2008

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

(Street)  
 CHICAGO, IL 60603

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

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

(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)
				(A) or (D)	Price		
Common Stock	03/17/2008		P	A	\$ 3,3632	112,213	D (2)
Common Stock	03/17/2008		S	D	\$ 3,2767	702,576	D (1)
Common Stock	03/17/2008		S	D	\$ 3,2644	701,676	D (1)
Common Stock	03/17/2008		S	D	\$ 3,3184	700,395	D (1)
	03/17/2008		P	A		701,295	D (1)

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Common Stock					\$ 3.2678		
Common Stock	03/17/2008	P	4,951	A	\$ 3.2747	706,246	D <u>(1)</u>
Common Stock	03/17/2008	P	21,716	A	\$ 3.2473	727,962	D <u>(1)</u>
Common Stock	03/17/2008	S	13,347	D	\$ 3.2469	714,615	D <u>(1)</u>
Common Stock	03/17/2008	S	3,600	D	\$ 3.2203	711,015	D <u>(1)</u>
Common Stock	03/17/2008	P	10,505	A	\$ 3.2042	721,520	D <u>(1)</u>
Common Stock	03/17/2008	P	2,200	A	\$ 3.2459	723,720	D <u>(1)</u>
Common Stock	03/17/2008	P	4,800	A	\$ 3.2742	728,520	D <u>(1)</u>
Common Stock	03/17/2008	S	6,783	D	\$ 3.1594	721,737	D <u>(1)</u>
Common Stock	03/17/2008	S	6,900	D	\$ 3.1636	714,837	D <u>(1)</u>
Common Stock	03/17/2008	S	2,500	D	\$ 3.144	712,337	D <u>(1)</u>
Common Stock	03/17/2008	S	2,500	D	\$ 3.1384	709,837	D <u>(1)</u>
Common Stock	03/17/2008	S	500	D	\$ 3.13	709,337	D <u>(1)</u>
Common Stock	03/17/2008	S	600	D	\$ 3.2717	708,737	D <u>(1)</u>
Common Stock	03/17/2008	S	3,700	D	\$ 3.1608	705,037	D <u>(1)</u>
Common Stock	03/17/2008	S	1,000	D	\$ 3.207	704,037	D <u>(1)</u>
Common Stock	03/17/2008	P	2,300	A	\$ 3.2791	706,337	D <u>(1)</u>
Common Stock	03/17/2008	P	4,850	A	\$ 3.2542	711,187	D <u>(1)</u>
Common Stock	03/17/2008	P	7,552	A	\$ 3.2649	718,739	D <u>(1)</u>
Common Stock	03/17/2008	P	1,500	A	\$ 3.248	720,239	D <u>(1)</u>
	03/17/2008	P	1,100	A		721,339	D <u>(1)</u>

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Common Stock						\$ 3.2591		
Common Stock	03/17/2008	S	1,200	D		\$ 3.1375	720,139	D <sup>(1)</sup>
Common Stock	03/17/2008	S	600	D		\$ 3.155	719,539	D <sup>(1)</sup>
Common Stock	03/17/2008	S	500	D		\$ 3.258	719,039	D <sup>(1)</sup>
Common Stock	03/17/2008	S	600	D		\$ 3.215	718,439	D <sup>(1)</sup>
Common Stock	03/17/2008	S	300	D		\$ 3.2467	718,139	D <sup>(1)</sup>

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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 Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CITADEL ADVISORS LLC C/O CITADEL INVESTMENT GROUP II, LLC 131 DEARBORN ST., 32ND FLOOR CHICAGO, IL 60603		X		
		X		

CITADEL HOLDINGS I LP  
 C/O CITADEL INVESTMENT GROUP II, LLC  
 131 DEARBORN ST., 32ND FLOOR  
 CHICAGO, IL 60603

CITADEL HOLDINGS II LP  
 C/O CITADEL INVESTMENT GROUP II, LLC  
 131 DEARBORN ST., 32ND FLOOR  
 CHICAGO, IL 60603

X

Citadel Derivatives Group, LLC  
 C/O CITADEL INVESTMENT GROUP II, LLC  
 131 S. DEARBORN STREET, 32ND FL  
 CHICAGO, IL 60603

X

CITADEL DERIVATIVES TRADING LTD  
 C/O CITADEL INVESTMENT GROUP II, LLC  
 131 S DEARBORN STREET 32ND FLOOR  
 CHICAGO, IL 60603

X

CITADEL INVESTMENT GROUP II, L.L.C.  
 131 DEARBORN STREET 32ND FLOOR  
 CHICAGO, IL 60603

X

## Signatures

/s/ John C. Nagel, Authorized  
 Signatory

03/18/2008

\_\_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) This security is owned by Citadel Derivatives Group LLC.
- (2) This security is owned by Citadel Derivatives Trading Group Ltd.

### Remarks:

Each of the Reporting Persons expressly disclaims beneficial ownership of the securities described herein except to the extent of such person's pecuniary interest therein. Each of the transactions reported on this Form 4 was executed by Citadel Derivatives Group LLC or Citadel Derivatives Trading Ltd. in open market transactions. The transactions reported on this Form 4 were executed due to a systems malfunction by certain of the Reporting Persons' internal automated trading systems.

A Form 4 is limited to a maximum of ten reporting persons. As a result, this Form 4 is one of two filed today reporting on the same securities by the following eleven joint filers: Citadel Investment Group, L.L.C., Citadel Limited Partnership, Citadel Equity Fund Ltd., Citadel AC Investments Ltd., Kenneth Griffin, Citadel Investment Group II, L.L.C., Citadel Holdings I LP, Citadel Holdings II LP, Citadel Advisors LLC, Citadel Derivatives Group LLC and Citadel Derivatives Trading Ltd.

See attached Exhibit 99.1.

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.