

E TRADE FINANCIAL CORP
 Form 4
 July 21, 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)

3. Date of Earliest Transaction (Month/Day/Year)
 07/17/2008

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

C/O CITADEL INVESTMENT GROUP II, L.L.C., 131 S. DEARBORN ST., 32ND 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

CHICAGO, IL 60603

(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. Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D)		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 Ownership (Instr. 4)
				Code	V Amount or Price			
Common Stock	07/17/2008		X		2,500	D \$ 3	570,993	D ⁽¹⁾
Common Stock	07/19/2008		X		200	A \$ 7	571,193	D ⁽¹⁾
Common Stock	07/19/2008		X		2,000	A \$ 8	573,193	D ⁽¹⁾
Common Stock	07/19/2008		X		4,000	D \$ 5	569,193	D ⁽¹⁾
	07/19/2008		X		100	D \$ 10	569,093	D ⁽¹⁾

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Common Stock								
Common Stock	07/19/2008		X	3,000	D	\$ 4	566,093	D <u>(1)</u>
Common Stock	07/19/2008		X	10,600	D	\$ 3	555,493	D <u>(1)</u>
Common Stock							2,713	D <u>(2)</u>
Common Stock							79,867,087	D <u>(3)</u>
Common Stock							8,945,249	D <u>(4)</u>

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 Securities (Instr. 3 and 4)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	
CALL OPTION: EUSGG [OBLIGATION TO SELL]	\$ 3	07/17/2008		X	25	<u>(5)</u> 07/19/2008	Common Stock	2,500
PUT OPTION: EUSSJ [OBLIGATION TO PURCHASE]	\$ 7	07/19/2008		X	2	<u>(5)</u> 07/19/2008	Common Stock	200
PUT OPTION: EUSSK [OBLIGATION TO PURCHASE]	\$ 8	07/19/2008		X	20	<u>(5)</u> 07/19/2008	Common Stock	2,000

TO PURCHASE]									
PUT OPTION: EUSSA [RIGHT TO SELL]	\$ 5	07/19/2008	X	40	(5)	07/19/2008	Common Stock	4,00	
PUT OPTION: EUSSA [RIGHT TO SELL]	\$ 10	07/19/2008	X	1	(5)	07/19/2008	Common Stock	100	
PUT OPTION: EUSSH [RIGHT TO SELL]	\$ 4	07/19/2008	X	30	(5)	07/19/2008	Common Stock	3,00	
CALL OPTION: EUSGG [OBLIGATION TO SELL]	\$ 3	07/19/2008	X	106	(5)	07/19/2008	Common Stock	10,60	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CITADEL ADVISORS LLC C/O CITADEL INVESTMENT GROUP II, L.L.C. 131 S. DEARBORN ST., 32ND FLOOR CHICAGO, IL 60603		X		
CITADEL HOLDINGS I LP C/O CITADEL INVESTMENT GROUP II, L.L.C. 131 S. DEARBORN ST., 32ND FLOOR CHICAGO, IL 60603		X		
CITADEL HOLDINGS II LP C/O CITADEL INVESTMENT GROUP II, L.L.C. 131 S. DEARBORN ST., 32ND FLOOR CHICAGO, IL 60603		X		
Citadel Derivatives Group, LLC C/O CITADEL INVESTMENT GROUP II, L.L.C. 131 S. DEARBORN ST., 32ND FLOOR CHICAGO, IL 60603		X		
CITADEL DERIVATIVES TRADING LTD C/O CITADEL INVESTMENT GROUP II, L.L.C. 131 S. DEARBORN ST., 32ND FLOOR CHICAGO, IL 60603		X		
CITADEL INVESTMENT GROUP II, L.L.C. 131 S. DEARBORN ST., 32ND FLOOR CHICAGO, IL 60603		X		

Signatures

/s/ John C. Nagel, Authorized
Signatory

07/21/2008

__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 Ltd.
- (3) This security is owned by Citadel AC Investments Ltd.
- (4) This security is owned by Citadel Equity Fund Ltd.

Each of the securities listed is an exchange-traded option contract. Exchange-traded options are immediately exercisable and remain

- (5) exercisable until expiration. The transaction shown resulted from the exercise of in-the-money option contracts by Citadel Derivatives Group LLC or by third parties.

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.

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.

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