

GRIFFIN KENNETH C
 Form 4
 March 06, 2009

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 LP

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)
 03/04/2009

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

C/O CITADEL INVESTMENT GROUP LLC, 131 S. DEARBORN STREET, 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
 X 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. 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 Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock					47,848	D ⁽¹⁾ ⁽²⁾	
Common Stock	03/04/2009		X	600 A \$ 7.5	287,045	D ⁽³⁾	
Common Stock					88,812,336	D ⁽⁴⁾	

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

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SEC 1474 (9-02)

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
PUT OPTION: YZKMU [OBLIGATION TO BUY]	\$ 7.5	03/04/2009		X	6	<u>(5)</u>	01/16/2010	Common Stock	600

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CITADEL L P C/O CITADEL INVESTMENT GROUP LLC 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603		X		
CITADEL INVESTMENT GROUP LLC 131 S DEARBORN STREET 32ND FL CHICAGO, IL 60603		X		
CITADEL EQUITY FUND LTD C/O CITADEL INVESTMENT GROUP LLC 131 S DEARBORN STREET 32ND FL CHICAGO, IL 60603		X		
GRIFFIN KENNETH C C/O CITADEL INVESTMENT GROUP LLC 131 S DEARBORN STREET 32ND FL CHICAGO, IL 60603		X		
CITADEL ADVISORS LLC C/O CITADEL INVESTMENT GROUP II, L.L.C.		X		

131 S DEARBORN ST., 32ND FLOOR
CHICAGO, IL 60603

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

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

Citadel Derivatives Group, LLC
131 SOUTH DEARBORN STREET X
CHICAGO, IL 60603

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

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

Signatures

/s/ John C. Nagel, Authorized Signatory 03/06/2009

__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 Trading Ltd. ("CDRT").

Certain of the Form 4's previously filed by the Reporting Persons erroneously netted CDRT's short positions in the Issuer's common stock against its long positions in such stock. These short positions resulted from the exercise of exchange-traded option contracts. Each of these option exercises was reported on the Form 4's previously filed by the Reporting Persons; however, the resulting changes to CDRT's ownership of the Issuer's common stock may not have been correctly reported as a result of such netting. As of the date of this Form 4, CDRT had beneficial ownership of 47,848 shares of common stock of the Issuer and simultaneously held a short position in the amount of 73,135 shares.

(3) This security is owned by Citadel Derivatives Group LLC.

(4) This security is owned by Citadel Equity Fund Ltd.

(5) The securities listed are exchange-traded option contracts. Exchange-traded options are immediately exercisable and remain exercisable until expiration. The transactions shown resulted from the exercise of in-the-money option contracts by a third party.

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.

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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