

E TRADE FINANCIAL CORP  
 Form 4  
 June 22, 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 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)  
 06/18/2009

Director  10% Owner  
 Officer (give title below)  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. 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)
Common Stock					289,145	D	(2)
Common Stock	06/18/2009		P		\$ 45,454,546	A	1.1 134,266,882
Common Stock	06/18/2009		P		\$ 45,454,545	A	1.1 45,454,545

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
CALL OPTION [short]	\$ 1.32	06/18/2009		S/K	1	06/18/2009 06/17/2010		Common Stock	45,454,545
PUT OPTION [long]	\$ 1.045	06/18/2009		P/K	1	06/18/2009 06/17/2010		Common Stock	45,454,545
CALL OPTION [long]	\$ 1.32	06/18/2009		P/K	1	06/18/2009 06/17/2010		Common Stock	45,454,545
PUT OPTION [short]	\$ 1.045	06/18/2009		S/K	1	06/18/2009 06/17/2010		Common Stock	45,454,545

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

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

Citadel Derivatives Group, LLC  
 C/O CITADEL INVESTMENT GROUP II, L.L.C. X X  
 131 S. DEARBORN ST., 32ND FLOOR  
 CHICAGO, IL 60603

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

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

## Signatures

/s/ John C. Nagel, Authorized Signatory 06/22/2009

\_\_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.
- (2) This security is owned by Citadel Derivatives Group LLC.
- (3) This security is owned by Citadel Equity Fund Ltd. ("CEF").
- (4) This security is owned by Wingate Capital Ltd. ("Wingate").

Wingate and CEF entered into a collar in which Wingate is short an OTC call option and is long an OTC put option. Only one of the options can be in the money on the expiration date, at which time the in-the-money option will be exercised (and settled for cash), and the other option will expire. If neither option is in the money on the expiration date, both options will expire.

Wingate and CEF entered into a collar in which CEF is long an OTC call option and is short an OTC put option. Only one of the options can be in the money on the expiration date, at which time the in-the-money option will be exercised (and settled for cash), and the other option will expire. If neither option is in the money on the expiration date, both options will expire.

(7) The put and call options comprise a collar entered into between Wingate and CEF. Wingate paid an initial premium of \$475,312 for the collar. The initial premium was calculated utilizing a fair market value with respect to the Common Stock of \$1.10.

### 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. Mr. Griffin serves as the deputized director of the Reporting Persons.

In filing this Form 4 the Reporting Persons are not conceding that the derivative transactions described above are matchable transactions for Section 16 purposes.

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 Limited Partnership, Citadel Investment Group, L.L.C., Citadel Equity Fund Ltd., Wingate Capital Ltd., Kenneth C. Griffin, Citadel Advisors LLC, Citadel Holdings I LP, Citadel

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Holdings II LP, Citadel Derivatives Group LLC, Citadel Derivatives Trading Ltd. and Citadel Investment Group II, L.L.C.

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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