

E TRADE FINANCIAL CORP
 Form 4
 October 07, 2009

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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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)
 10/05/2009

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock					47,848	D	(1)
Common Stock					289,145	D	(2)
Common Stock					45,454,545	D	(3)
Common Stock	10/05/2009		S		8,060,172	D	\$ 1.73 112,310,535 D (4)
	10/06/2009		M		8,059,961	A	120,370,496 D (4)

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Common Stock					\$			
					1.034			
Common Stock	10/06/2009		S	4,999,996	D	\$ 1.73	115,370,500	D ⁽⁴⁾
Common Stock	10/07/2009		M	50,000,000	A	\$ 1.034	165,370,500	D ⁽⁴⁾
Common Stock	10/07/2009		S	45,000,011	D	\$ 1.71	120,370,489	D ⁽⁴⁾

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)

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 Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Class A Convertible Debentures due 2019	\$ 1.034	10/06/2009		M	8,334,000	08/25/2009 08/25/2019	Common Stock	
Class A Convertible Debentures due 2019	\$ 1.034	10/07/2009		M	51,700,000	08/25/2009 08/25/2019	Common Stock	

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.	X			

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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 Holdings II LP, Citadel Securities 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. 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.