

LILIEN R JARRETT
 Form 4
 February 15, 2007

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 *
 LILIEN R JARRETT

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 E*TRADE FINANCIAL CORPORATION, 135 E. 57TH STREET

3. Date of Earliest Transaction (Month/Day/Year)
 02/13/2007

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

(Street)
 NEW YORK, NY 10022

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

(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	02/13/2007	02/13/2007	A		20,877 (1) \$ 23.325	815,909	D
Common Stock	02/13/2007	02/13/2007	A		56,806 (1) \$ 23.325	872,715	D
Common Stock	02/13/2007	02/13/2007	A		43,408 (2) \$ 23.325	916,123	D
Common Stock	02/15/2007	02/15/2007	F		5,603 (3) \$ 24.1	910,520	D
	02/15/2007	02/15/2007	F		\$ 24.1	907,799	D

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Common Stock	2,721 <u>(3)</u>			
Common Stock		17,102	I	By Trust
Common Stock		1,056	I	As custodian for child

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 Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Nonstatutory stock option (right to buy)	\$ 23.325	02/13/2007	02/13/2007	A	121,813	02/13/2008 ⁽⁴⁾	02/13/2014	Common Stock		
Nonstatutory stock option (right to buy)	\$ 23.325	02/13/2007	02/13/2007	A	165,722	02/13/2008 ⁽⁴⁾	02/13/2014	Common Stock		
Nonstatutory stock option (right to buy)	\$ 23.325	02/13/2007	02/13/2007	A	126,637	02/13/2008 ⁽⁵⁾	02/13/2014	Common Stock		

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

LILIEN R JARRETT
C/O E*TRADE FINANCIAL CORPORATION
135 E. 57TH STREET
NEW YORK, NY 10022

President & COO

Signatures

/s/ Russell S.
Elmer

02/15/2007

**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) Grant of restricted stock issued pursuant to the E*TRADE Financial Corporation 2005 Equity Incentive Plan. The individual's right to retain these shares vests in four (4) equal annual installments beginning on the first anniversary date of the grant.

(2) Grant of restricted stock issued pursuant to the E*TRADE Financial Corporation 2005 Equity Incentive Plan. The individual's right to retain these shares vests in four (4) equal annual installments beginning on the first anniversary date of the grant; provided, however, that the individual's right to vest in some or all of the shares terminates immediately upon a determination by the Compensation Committee (ratified by the independent members of the Board of Directors) that performance metrics for 2007 have not been met.

(3) Shares reported were withheld for the payment of taxes associated with the vesting of 25% of a grant of restricted stock originally made on February 15, 2006.

(4) Option granted pursuant to the E*TRADE Financial Corporation 2005 Equity Incentive Plan. This option becomes vested and exercisable in four (4) equal annual installments beginning on the first anniversary of the date of grant.

(5) Option granted pursuant to the E*TRADE Financial Corporation 2005 Equity Incentive Plan. This option becomes vested and exercisable in four (4) equal annual installments beginning on the first anniversary of the date of grant; provided, however, that the individual's right to vest in some or all of the options terminates immediately upon a determination by the Compensation Committee (ratified by the independent members of the Board of Directors) that performance metrics for 2007 have not been met.

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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