

SIMMONS ROBERT J  
Form 4  
February 15, 2007

**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 \*  
SIMMONS ROBERT J

2. Issuer Name and Ticker or Trading Symbol  
E TRADE FINANCIAL CORP  
[ETFC]

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)  
  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chief Financial Officer

(Last) (First) (Middle)

C/O E\*TRADE FINANCIAL CORPORATION, 135 E. 57TH STREET

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

(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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	02/13/2007	02/13/2007	A		7,754 (1) \$ 23.325	A	173,258 D
Common Stock	02/13/2007	02/13/2007	A		18,221 (1) \$ 23.325	A	191,479 D
Common Stock	02/13/2007	02/13/2007	A		8,574 (2) \$ 23.325	D	200,053 D
Common Stock	02/15/2007	02/15/2007	F		1,868 (3) \$ 24.1	D	198,185 D
	02/15/2007	02/15/2007	F		662 (3) \$ 24.1	D	197,523 D

Common  
Stock

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	Amount or Number of
Nonstatutory stock option (right to buy)	\$ 23.325	02/13/2007	02/13/2007	A	45,244	02/13/2008 <sup>(4)</sup>	02/13/2014	Common Stock	4		
Nonstatutory stock option (right to buy)	\$ 23.325	02/13/2007	02/13/2007	A	53,156	02/13/2008 <sup>(4)</sup>	02/13/2014	Common Stock	5		
Nonstatutory stock option (right to buy)	\$ 23.325	02/13/2007	02/13/2007	A	2,501	02/13/2008 <sup>(5)</sup>	02/13/2014	Common Stock	2		

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director    10% Owner    Officer    Other

SIMMONS ROBERT J  
C/O E\*TRADE FINANCIAL CORPORATION  
135 E. 57TH STREET  
NEW YORK, NY 10022

Chief Financial Officer

## 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 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 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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