Framke Greg Form 4 February 24, 2009

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB 3235-0287

OMB APPROVAL

Number:

Expires:

January 31, 2005

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if no longer subject to Section 16. Form 4 or

Check this box

Form 5 obligations may continue. See Instruction

(Middle)

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Framke Greg

(First)

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

(Check all applicable)

Managing Director,CIO

Issuer

below)

E TRADE FINANCIAL CORP

[ETFC]

3. Date of Earliest Transaction

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

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

STREET

(Last)

4. If Amendment, Date Original

Filed(Month/Day/Year)

(Month/Day/Year)

02/20/2009

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

NEW YORK, NY 10022

(City) (State) (Zip)

(Street)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Beneficial Indirect (I) Ownership (Instr. 4) (Instr. 4)

(A) Code V Amount (D)

Transaction(s) (Instr. 3 and 4) Price

Reported

Common 02/20/2009 Stock

579,584 Α (1)

\$0 789,428 D

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)

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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. Transactic Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and A Underlying S (Instr. 3 and	Securities
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option Grant	\$ 0.9248	02/20/2009		A	433,355		(2)	02/20/2016	Common Stock	433,355

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

Framke Greg

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

NEW YORK, NY 10022

Signatures

/s/ Russell S. Elmer,
Attorney-in-Fact
02/24/2009

**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) 1/3 of the restricted stock unit award will vest on 02/20/2010 and 2/3 of the restricted stock unit award will vest on 02/20/2011.
- (2) 1/3 of the option grant will vest on 02/20/2010 and 2/3 of the option grant will vest on 02/20/2011.

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.

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