

Framke Greg
 Form 4
 February 16, 2010

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 *
 Framke Greg

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)
 02/11/2010

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 EVP/Chief Info. & Ops. Ofc.

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

(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

NEW YORK, NY 10022

(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 or Price		
Common Stock	02/11/2010		F		10,666 ⁽¹⁾	D	\$ 1.46 1,326,230 D
Common Stock	02/11/2010		A		550,684 ⁽²⁾	A	\$ 0 1,876,914 D
Common Stock	02/13/2010		F		118 ⁽³⁾	D	\$ 1.475 1,876,796 D
Common Stock	02/13/2010		F		1,054 ⁽⁴⁾	D	\$ 1.475 1,875,742 D
	02/13/2010		F		574 ⁽⁵⁾	D	1,875,168 D

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Common Stock					\$			
					1.475			
Common Stock	02/13/2010		F	1,149 ⁽⁶⁾	D	\$	1,874,019	D
						1.475		

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
Option Grant	\$ 1.46	02/11/2010		A	445,494	⁽⁷⁾ 02/11/2017	Common Stock 445,494

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Framke Greg C/O E*TRADE FINANCIAL CORPORATION 135 E. 57TH STREET NEW YORK, NY 10022			EVP/Chief Info. & Ops. Ofc.	

Signatures

/s/ Karl A. Roessner, Attorney-in-Fact for Greg Framke 02/16/2010

__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) Shares reported were withheld for payment of taxes associated with the vesting of the remainder of a grant of restricted stock originally made on February 11, 2008.
- (2) 1/3 of the restricted stock unit award will vest on February 11, 2011; 1/3 of the restricted stock unit award will vest on February 11, 2012; and 1/3 of the restricted stock unit award will vest on February 11, 2013.

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- (3) Shares reported were withheld for payment of taxes associated with the vesting of 25% of a grant of restricted stock originally made on February 13, 2007.
- (4) Shares reported were withheld for payment of taxes associated with the vesting of 25% of a grant of restricted stock originally made on February 13, 2007.
- (5) Shares reported were withheld for payment of taxes associated with the vesting of the remainder of a grant of restricted stock originally made on February 15, 2006.
- (6) Shares reported were withheld for payment of taxes associated with the vesting of the remainder of a grant of restricted stock originally made on February 15, 2006.
- (7) 1/3 of the option grant will vest on February 11, 2011; 1/3 of the option grant will vest on February 11, 2012; and 1/3 of the option grant will vest on February 11, 2013.

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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