

Audette Matthew J
 Form 3
 January 05, 2011

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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)

| | | | | | |
|---|---|---|--|---|--|
| <p>1. Name and Address of Reporting Person *</p> <p>Â Audette Matthew J</p> <p>(Last) (First) (Middle)</p> <p>C/O E*TRADE FINANCIAL CORPORATION,Â 1271 AVENUE OF THE AMERICAS, 14TH FLOOR</p> <p>(Street)</p> <p>NEW YORK,Â NYÂ 10020</p> <p>(City) (State) (Zip)</p> | <p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>01/03/2011</p> | <p>3. Issuer Name and Ticker or Trading Symbol</p> <p>E TRADE FINANCIAL CORP [ETFC]</p> | <p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input type="checkbox"/> 10% Owner</p> <p><input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other</p> <p>(give title below) (specify below)</p> <p>CHIEF FINANCIAL OFFICER</p> | <p>5. If Amendment, Date Original Filed(Month/Day/Year)</p> | <p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person</p> <p><input type="checkbox"/> Form filed by More than One Reporting Person</p> |
|---|---|---|--|---|--|

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|
| Common Stock | 81,541 ⁽¹⁾ | D | Â |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security | 4. Conversion or Exercise | 5. Ownership Form of | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|--|---------------------------|----------------------|--|
|---|---|--|---------------------------|----------------------|--|

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| | Date Exercisable | Expiration Date | (Instr. 4) Title | Amount or Number of Shares | Price of Derivative Security | Derivative Security: Direct (D) or Indirect (I) (Instr. 5) | |
|--------------|------------------|-----------------|---------------------|----------------------------|------------------------------|---|---|
| Stock Option | Â (2) | 03/14/2013 | Common Stock | 500 | \$ 38 | D | Â |
| Stock Option | Â (2) | 02/20/2014 | Common Stock | 175 | \$ 144.35 | D | Â |
| Stock Option | Â (2) | 03/05/2014 | Common Stock | 7,500 | \$ 143.5 | D | Â |
| Stock Option | Â (2) | 02/16/2015 | Common Stock | 5,294 | \$ 132.25 | D | Â |
| Stock Option | Â (2) | 02/10/2013 | Common Stock | 2,445 | \$ 231.05 | D | Â |
| Stock Option | Â (2) | 04/21/2013 | Common Stock | 1,624 | \$ 274.8 | D | Â |
| Stock Option | Â (3) | 02/21/2014 | Common Stock | 1,831 | \$ 242.8 | D | Â |
| Stock Option | Â (2) | 02/11/2015 | Common Stock | 9,177 | \$ 51.9 | D | Â |
| Stock Option | Â (4) | 02/20/2016 | Common Stock | 16,250 | \$ 9.248 | D | Â |
| Stock Option | Â (5) | 02/11/2017 | Common Stock | 17,437 | \$ 14.6 | D | Â |
| Stock Option | Â (3) | 01/03/2018 | Common Stock | 23,259 | \$ 16.3 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Audette Matthew J C/O E*TRADE FINANCIAL CORPORATION 1271 AVENUE OF THE AMERICAS, 14TH FLOOR NEW YORK, NY 10020 | Â | Â | Â CHIEF FINANCIAL OFFICER | Â |

Signatures

/s/ Karl A. Roessner, Attorney-in-Fact for Matthew J. Audette

01/05/2011

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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) 46751 represents previous grants of restricted stock awards that remain unvested.
- (2) Options are fully exercisable.
- (3) Options vest and become exercisable in equal annual installments over four years from the grant date, which was seven years before the listed expiration date.
- (4) Options vest and become exercisable over two years from the grant date, which was seven years before the listed expiration date, with one-third (1/3) vesting after the first year and the remainder after the second year.
- (5) Options vest and become exercisable in equal annual installments over three years from the grant date, which was seven years before the listed expiration date.

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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