

E TRADE FINANCIAL CORP

Form 4

January 31, 2007

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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

## OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**SIMMONS ROBERT J**

(Last) (First) (Middle)

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

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
**01/29/2007**

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_X\_ Officer (give title \_\_\_\_ Other (specify  
below) below)  
Chief Financial Officer

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_X\_ Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting  
Person

**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	01/29/2007	01/29/2007	M <sup>(1)</sup>		25,000	A	\$ 3.8	190,504	D	
Common Stock	01/29/2007	01/29/2007	S <sup>(1)</sup>		2,000	D	\$ 23.82	188,504	D	
Common Stock	01/29/2007	01/29/2007	S <sup>(1)</sup>		1,337	D	\$ 23.84	187,167	D	
Common Stock	01/29/2007	01/29/2007	S <sup>(1)</sup>		5,000	D	\$ 23.85	182,167	D	
	01/29/2007	01/29/2007	S <sup>(1)</sup>		1,000	D		181,167	D	

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Common Stock						\$ 23.86		
Common Stock	01/29/2007	01/29/2007	S <sup>(1)</sup>	2,000	D	\$ 23.87	179,167	D
Common Stock	01/29/2007	01/29/2007	S <sup>(1)</sup>	2,663	D	\$ 23.88	176,504	D
Common Stock	01/29/2007	01/29/2007	S <sup>(1)</sup>	3,000	D	\$ 23.89	173,504	D
Common Stock	01/29/2007	01/29/2007	S <sup>(1)</sup>	3,070	D	\$ 23.9	170,434	D
Common Stock	01/29/2007	01/29/2007	S <sup>(1)</sup>	1,000	D	\$ 23.92	169,434	D
Common Stock	01/29/2007	01/29/2007	S <sup>(1)</sup>	2,000	D	\$ 23.93	167,434	D
Common Stock	01/29/2007	01/29/2007	S <sup>(1)</sup>	1,930	D	\$ 23.94	165,504	D

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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 Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Statutory Stock Option (right to buy)	\$ 3.8	01/29/2007	01/29/2007	M	25,000	03/14/2004	03/14/2013	Common Stock	25,000

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Reporting Owners

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

01/31/2007

\_\_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) The transactions reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on May 8, 2006. This plan was implemented as part of Mr. Simmons' personal long-term investment strategy for asset diversification and liquidity. Pursuant to the plan, a total of 241,730 shares may be sold on a periodic basis between May 2006 and April 2007, at which time the plan will terminate.

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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