

E TRADE FINANCIAL CORP
 Form 4
 May 24, 2005

FORM 4

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

OMB APPROVAL

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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 *
PORTER WILLIAM A

(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 [ET]

3. Date of Earliest Transaction (Month/Day/Year)
05/23/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

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 or Price		
Common Stock	05/23/2005		M		20,000 A \$ 7.0938	0	D
Common Stock	05/23/2005		M		2,021 A \$ 2.4737	0	D
Common Stock	05/23/2005		M		3,632 A \$ 3.4413	0	D
Common Stock	05/23/2005		M		20,000 A \$ 6.635	0	D
Common Stock	05/23/2005		M		20,000 A \$ 6.53	65,653	D

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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
Stock Option (right to buy)	\$ 7.0938	05/23/2005		M	20,000	12/21/2002	12/21/2010	Common Stock	20,000
Stock Option (right to buy)	\$ 2.4737	05/23/2005		M	2,021	01/01/2002	01/02/2011	Common Stock	2,021
Stock Option (right to buy)	\$ 3.4413	05/23/2005		M	3,632	01/02/2003	01/02/2012	Common Stock	3,632
Stock Option (right to buy)	\$ 6.635	05/23/2005		M	20,000	05/24/2004	05/24/2012	Common Stock	20,000
Stock Option (right to buy)	\$ 6.53	05/23/2005		M	20,000	05/22/2005	05/22/2013	Common Stock	20,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PORTER WILLIAM A C/O E*TRADE FINANCIAL CORPORATION	X			

135 E. 57TH STREET
NEW YORK, NY 10022

Signatures

/s/ Russell S.
Elmer

05/24/2005

 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).

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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