

E TRADE FINANCIAL CORP

Form 4

January 05, 2010

**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

OMB  
Number: 3235-0287  
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2005  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
LAYTON DONALD H

(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)  
12/31/2009

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 \_\_\_\_X\_\_\_\_ Other (specify  
below) below)  
Former Chairman & CEO, ETFC

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 Ownership Indirect Beneficial Ownership (Instr. 4)
Common Stock	12/31/2009		F <sup>(1)</sup>	112,590 D	\$ 1.765 1,652,092	D	
Common Stock	12/31/2009		F <sup>(2)</sup>	112,590 D	\$ 1.765 1,539,502	D	
Common Stock	12/31/2009		F <sup>(3)</sup>	112,590 D	\$ 1.765 1,426,912	D	
Common Stock	12/31/2009		F <sup>(4)</sup>	112,590 D	\$ 1.765 1,314,322	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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SEC 1474  
(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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Report Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director 10% Owner Officer Other

LAYTON DONALD H  
C/O E\*TRADE FINANCIAL CORPORATION  
135 E. 57TH STREET  
NEW YORK, NY 10022

Former Chairman & CEO, ETFC

## Signatures

/s/ Karl R. Roessner,  
Attorney-in-Fact

01/05/2010

\_\_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) Amount reported reflects shares withheld to pay tax obligation associated with the vesting of 225,044 shares of restricted stock originally awarded on January 1, 2009.
- (2) Amount reported reflects shares withheld to pay tax obligation associated with the vesting of 225,044 shares of restricted stock originally awarded on April 1, 2009.
- (3) Amount reported reflects shares withheld to pay tax obligation associated with the vesting of 225,044 shares of restricted stock originally awarded on July 1, 2009.
- (4)

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Amount reported reflects shares withheld to pay tax obligation associated with the vesting of 225,044 shares of restricted stock originally awarded on October 1, 2009.

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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