

GRIFFIN KENNETH C

Form 4

January 21, 2009

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 *
CITADEL L P

(Last) (First) (Middle)

C/O CITADEL INVESTMENT
GROUP, L.L.C., 131 S.
DEARBORN STREET, 32ND
FLOOR

(Street)

CHICAGO, IL 60603

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
01/15/2009

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

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

____ Form filed by One Reporting Person
X 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)
Common Stock	01/15/2009		X	200	A \$ 5 3,813	D ⁽¹⁾	
Common Stock	01/16/2009		X	5,100	A \$ 5 8,913	D ⁽¹⁾	
Common Stock	01/16/2009		X	500	D \$ 10 8,413	D ⁽¹⁾	
Common Stock	01/16/2009		X	6,000	D \$ 7.5 2,413	D ⁽¹⁾	

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Common Stock	01/16/2009	X	1,000	D	\$ 40	1,413	D ⁽¹⁾
Common Stock	01/16/2009	X	10,000	D	\$ 20	0	D ⁽¹⁾ ⁽⁸⁾
Common Stock	01/16/2009	X	16,700	D	\$ 15	0	D ⁽¹⁾ ⁽⁸⁾
Common Stock	01/16/2009	X	600	A	\$ 20	556,445	D ⁽²⁾ ⁽⁴⁾
Common Stock	01/16/2009	X	125,500	D	\$ 5	430,945	D ⁽²⁾
Common Stock	01/16/2009	X	31,100	D	\$ 10	399,845	D ⁽²⁾
Common Stock	01/16/2009	X	36,600	D	\$ 15	363,245	D ⁽²⁾
Common Stock	01/16/2009	X	32,600	D	\$ 7.5	330,645	D ⁽²⁾
Common Stock	01/16/2009	X	13,000	D	\$ 12.5	317,645	D ⁽²⁾
Common Stock	01/16/2009	X	31,200	D	\$ 2.5	286,445	D ⁽²⁾
Common Stock						88,812,336	D ⁽³⁾

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.

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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number of Shares
PUT OPTION: EUSMA	\$ 5	01/15/2009		X	2	⁽⁵⁾ 01/17/2009	Common Stock 2

[OBLIGATION
TO BUY]PUT OPTION:
EUSMA
[OBLIGATION
TO BUY]

\$ 5

01/16/2009

X

51

(5)01/17/2009 Common
Stock

5,

PUT OPTION:
EUSMB
[RIGHT TO
SELL]

\$ 10

01/16/2009

X

5

(5)01/17/2009 Common
Stock

5

PUT OPTION:
EUSMU
[RIGHT TO
SELL]

\$ 7.5

01/16/2009

X

60

(5)01/17/2009 Common
Stock

6,

PUT OPTION:
EUSMY
[RIGHT TO
SELL]

\$ 40

01/16/2009

X

10

(5)01/17/2009 Common
Stock

1,

PUT OPTION:
EUSMD
[RIGHT TO
SELL]

\$ 20

01/16/2009

X

100

(5)01/17/2009 Common
Stock

10

PUT OPTION:
EUSMC
[RIGHT TO
SELL]

\$ 15

01/16/2009

X

167

(5)01/17/2009 Common
Stock

16

PUT OPTION:
EUSMD
[OBLIGATION
TO BUY]

\$ 20

01/16/2009

X

6

(5)01/17/2009 Common
Stock

6

PUT OPTION:
EUSMA
[RIGHT TO
SELL]

\$ 5

01/16/2009

X

1,255

(5)01/17/2009 Common
Stock

125

PUT OPTION:
EUSMB
[RIGHT TO
SELL]

\$ 10

01/16/2009

X

311

(5)01/17/2009 Common
Stock

31

PUT OPTION:
EUSMC
[RIGHT TO
SELL]

\$ 15

01/16/2009

X

366

(5)01/17/2009 Common
Stock

36

PUT OPTION:
EUSMU
[RIGHT TO

\$ 7.5

01/16/2009

X

326

(5)01/17/2009 Common
Stock

32

SELL]

PUT OPTION:

EUSMV [RIGHT TO SELL]	\$ 12.5	01/16/2009	X	130	<u>(5)</u>	01/17/2009	Common Stock	13
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PUT OPTION:

EUSMZ [RIGHT TO SELL]	\$ 2.5	01/16/2009	X	312	<u>(5)</u>	01/17/2009	Common Stock	31
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CITADEL L P C/O CITADEL INVESTMENT GROUP, L.L.C. 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603		X		
CITADEL INVESTMENT GROUP LLC 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603		X		
CITADEL EQUITY FUND LTD C/O CITADEL INVESTMENT GROUP, L.L.C. 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603		X		
GRIFFIN KENNETH C C/O CITADEL INVESTMENT GROUP, L.L.C. 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603		X		
CITADEL ADVISORS LLC C/O CITADEL INVESTMENT GROUP II, L.L.C. 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603		X		
CITADEL HOLDINGS I LP C/O CITADEL INVESTMENT GROUP II, L.L.C. 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603		X		
CITADEL HOLDINGS II LP C/O CITADEL INVESTMENT GROUP II, L.L.C. 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603		X		
Citadel Derivatives Group, LLC C/O CITADEL INVESTMENT GROUP II, L.L.C. 131 S. DEARBORN STREET, 32ND FLOOR		X		

CHICAGO, IL 60603

CITADEL DERIVATIVES TRADING LTD
C/O CITADEL INVESTMENT GROUP II, L.L.C.
131 S. DEARBORN ST., 32ND FLOOR
CHICAGO, IL 60603

X

CITADEL INVESTMENT GROUP II, L.L.C.
131 S. DEARBORN STREET, 32ND FLOOR
CHICAGO, IL 60603

X

Signatures

/s/ John C. Nagel, Authorized
Signatory

01/21/2009

__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) This security is owned by Citadel Derivatives Trading Ltd.

(2) This security is owned by Citadel Derivatives Group LLC.

(3) This security is owned by Citadel Equity Fund Ltd.

(4) The holdings of Citadel Derivatives Group LLC prior to execution of the buy transaction described in this Form 4 reflects a transfer of 248 shares of Common Stock that occurred on November 18, 2008 and was inadvertently omitted from the Reporting Persons' prior Form 4 filings. These 248 shares of Common Stock were transferred on November 18, 2008, for no consideration, to satisfy the Reporting Persons' delivery obligation resulting from an open short position with respect to 179 units of the Issuer's Corporate Units (as defined in the prospectus supplement filed by the Issuer on November 18, 2005), which short position had been established before the Reporting Persons became beneficial owners of more than 10% of the Issuer's common stock.

(5) The securities listed are exchange-traded option contracts. Exchange-traded options are immediately exercisable and remain exercisable until expiration. The transactions shown resulted from the exercise of in-the-money option contract by a third party or by the Reporting Persons

(6) The Form 4 filed by the Reporting Persons regarding option exercises on January 5, 2009 erroneously reported in column 9 of Table II that, following the exercise reported on such Form 4, the Reporting Persons beneficially owned no EUSMA Put Options contracts [Obligation to Buy]. It should have reported that, following the exercise reported on that Form 4, the Reporting Persons beneficially owned 53 EUSMA Put Options contracts [Obligation to Buy].

(7) The Form 4 filed by the Reporting Persons regarding option exercises on October 9, 2008 erroneously reported in column 9 of Table II that, following the exercise reported on such Form 4, the Reporting Persons beneficially owned no EUSMD Put Options contracts [Obligation to Buy]. It should have reported that, following the exercise reported on that Form 4, the Reporting Persons beneficially owned 6 EUSMD Put Options contracts [Obligation to Buy].

(8) The Reporting Persons borrowed shares to cover the sales resulting from the exercise of this option.

Remarks:

Each of the Reporting Persons expressly disclaims beneficial ownership of the securities described herein except to the extent of such person's pecuniary interest therein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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