

GRIFFIN KENNETH C
 Form 4
 February 25, 2011

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

OMB APPROVAL
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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 CITADEL ADVISORS LLC

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

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 02/23/2011

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

C/O CITADEL LLC, 131 S. DEARBORN STREET, 32ND FLOOR

(Street)

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

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

CHICAGO, IL 60603

(City) (State) (Zip)

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					4,784	D	(1)
Common Stock					24,754	D	(2)
Common Stock	02/23/2011		M		5,810,058	A	\$ 10.34 27,542,520 D (3)
Common Stock	02/23/2011		S		23,950,000	D	\$ 15.91 3,592,520 D (3)

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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 Security (Instr. 3 and 4)
Class A Convertible Debentures due 2019	\$ 10.34	02/23/2011		M	\$ 60,076,000	08/25/2009 08/25/2019	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CITADEL ADVISORS LLC C/O CITADEL LLC 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603	X			
CITADEL HOLDINGS I LP C/O CITADEL LLC 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603	X			
CITADEL HOLDINGS II LP C/O CITADEL LLC 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603	X			
CITADEL SECURITIES LLC C/O CITADEL LLC 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603	X			
CITADEL DERIVATIVES TRADING LTD C/O CITADEL LLC 131 S. DEARBORN STREET, 32ND FLOOR CHICAGO, IL 60603	X			

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

CITADEL EQUITY FUND LTD
C/O CITADEL LLC
131 S. DEARBON STREET, 32ND FLOOR X
CHICAGO, IL 60603

GRIFFIN KENNETH C
C/O CITADEL LLC
131 S. DEARBON STREET, 32ND FLOOR X
CHICAGO, IL 60603

Signatures

/s/ John C. Nagel, Authorized
Signatory 02/25/2011

__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 Securities LLC.
- (3) This security is owned by Citadel Equity Fund Ltd. ("CEF").
- (4) The Class A Debentures were converted into Common Stock of the Issuer in accordance with the terms of the indenture governing such Debentures.

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. Mr. Griffin serves as the deputized director of the Reporting Persons.

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.