

Framke Greg
Form 4
September 23, 2009

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 *
Framke Greg

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)
09/21/2009

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
EVP/Chief Info. & Ops. Ofc.

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

(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

NEW YORK, NY 10022

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount (A) or Price (D) | | |
| Common Stock | 09/21/2009 | | S | | 10,000 (1) | D | |
| Common Stock | 09/21/2009 | | S | | 45,000 (1) | D | |
| Common Stock | 09/21/2009 | | S | | 30,000 (1) | D | |
| Common Stock | 09/21/2009 | | S | | 10,000 (1) | D | |
| | 09/21/2009 | | S | | | D | |

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| | | | | | | | | |
|--------------|------------|--|---|---------------|----|----|-----------|--------|
| Common Stock | | | | 5,000 (1) | \$ | | | 1.81 |
| Common Stock | 09/21/2009 | | S | 5,000 (1) | D | \$ | 1,363,255 | 2.01 D |
| Common Stock | 09/21/2009 | | S | 5,000 (1) | D | \$ | 1,358,255 | 1.98 D |
| Common Stock | 09/21/2009 | | S | 10,000 (1) | D | \$ | 1,348,255 | 1.85 D |
| Common Stock | 09/21/2009 | | S | 5,000 (1) | D | \$ | 1,343,255 | 1.97 D |
| Common Stock | 09/21/2009 | | S | 5,000 (1) | D | \$ | 1,338,255 | 1.95 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 Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Framke Greg C/O E*TRADE FINANCIAL CORPORATION 135 E. 57TH STREET NEW YORK, NY 10022 | | | EVP/Chief Info. & Ops. Ofc. | |

Signatures

/s/ Karl A. Roessner, Attorney-in-Fact for Greg
Framke

09/23/2009

__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) Sale of common stock acquired through ESPP and restricted stock awards pursuant to a Section 10b5-1 plan entered into on 09/14/2009.

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.