

E TRADE FINANCIAL CORP
 Form 4
 April 22, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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)
 C/O CITADEL INVESTMENT GROUP II, L.L.C., 131 S. DEARBORN STREET,
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 04/19/2008

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

CHICAGO, IL 60603
 (City) (State) (Zip)

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

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. 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 (D)
Common Stock	04/19/2008		X			38,400	A	\$ 5	747,993	D ⁽¹⁾
Common Stock	04/19/2008		X			1,100	A	\$ 6	749,093	D ⁽¹⁾
Common Stock	04/19/2008		X			1,500	A	\$ 10	750,593	D ⁽¹⁾
Common Stock	04/19/2008		X			5,900	D	\$ 3	744,693	D ⁽¹⁾
	04/19/2008		X			3,500	D	\$ 7	741,193	D ⁽¹⁾

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Common Stock							
Common Stock	04/19/2008	X	16,600	D	\$ 8	724,593	D <u>(1)</u>
Common Stock	04/19/2008	X	26,900	D	\$ 9	697,693	D <u>(1)</u>
Common Stock	04/19/2008	X	20,700	D	\$ 11	676,993	D <u>(1)</u>
Common Stock	04/19/2008	X	15,100	D	\$ 12	661,893	D <u>(1)</u>
Common Stock	04/19/2008	X	31,200	D	\$ 13	630,693	D <u>(1)</u>
Common Stock	04/19/2008	X	24,000	D	\$ 14	606,693	D <u>(1)</u>
Common Stock	04/19/2008	X	29,200	D	\$ 15	577,493	D <u>(1)</u>
Common Stock	04/19/2008	X	4,000	D	\$ 16	573,493	D <u>(1)</u>
Common Stock	04/19/2008	X	4,600	A	\$ 11	129,413	D <u>(2)</u>
Common Stock	04/19/2008	X	300	A	\$ 16	129,713	D <u>(2)</u>
Common Stock	04/19/2008	X	27,900	D	\$ 6	101,813	D <u>(2)</u>
Common Stock	04/19/2008	X	17,900	D	\$ 8	83,913	D <u>(2)</u>
Common Stock	04/19/2008	X	33,400	D	\$ 9	50,513	D <u>(2)</u>
Common Stock	04/19/2008	X	12,100	D	\$ 10	38,413	D <u>(2)</u>
Common Stock	04/19/2008	X	35,500	D	\$ 12	2,913	D <u>(2)</u>
Common Stock	04/19/2008	X	900	D	\$ 15	2,013	D <u>(2)</u>
Common Stock						79,867,087	D <u>(3)</u>
Common Stock						8,945,249	D <u>(4)</u>

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

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(9-02)

required to respond unless the form displays a currently valid OMB control number.

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
PUT OPTION: EUSPA [OBLIGATION TO BUY]	\$ 5	04/19/2008		X	384	(5) 04/19/2008	04/19/2008	Common Stock	38,400
PUT OPTION: EUSPI [OBLIGATION TO BUY]	\$ 6	04/19/2008		X	11	(5) 04/19/2008	04/19/2008	Common Stock	1,100
PUT OPTION: EUSPB [OBLIGATION TO BUY]	\$ 10	04/19/2008		X	15	(5) 04/19/2008	04/19/2008	Common Stock	1,500
CALL OPTION: EUSDG [OBLIGATION TO SELL]	\$ 3	04/19/2008		X	59	(5) 04/19/2008	04/19/2008	Common Stock	5,900
PUT OPTION: EUSPJ [RIGHT TO SELL]	\$ 7	04/19/2008		X	35	(5) 04/19/2008	04/19/2008	Common Stock	3,500
PUT OPTION: EUSPK [RIGHT TO SELL]	\$ 8	04/19/2008		X	166	(5) 04/19/2008	04/19/2008	Common Stock	16,600

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

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

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

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

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

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

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

Signatures

/s/ John C. Nagel, Authorized Signatory 04/22/2008

__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 Group LLC.
- (2) This security is owned by Citadel Derivatives Trading Ltd.
- (3) This security is owned by Citadel AC Investments Ltd.
- (4) This security is owned by Citadel Equity Fund Ltd.
- (5) Each of the securities listed is an exchange-traded option contract. Exchange-traded options are immediately exercisable and remain exercisable until expiration. The transaction shown resulted from the exercise of in-the-money option contracts by Citadel Derivatives Group LLC, by Citadel Derivatives Trading Ltd. or by third parties.

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.

A Form 4 is limited to a maximum of ten reporting persons. As a result, this Form 4 is one of two filed today reporting on the same securities by the following eleven joint filers: Citadel Investment Group, L.L.C., Citadel Limited Partnership,

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Citadel Equity Fund Ltd., Citadel AC Investments Ltd., Kenneth Griffin, Citadel Investment Group II, L.L.C., Citadel Holdings I LP, Citadel Holdings II LP, Citadel Advisors LLC, Citadel Derivatives Group LLC and Citadel Derivatives Trading Ltd.

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.