

E TRADE FINANCIAL CORP

Form 4

May 05, 2005

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 *
GELBARD ARLEN W

(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 [ET]

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

05/03/2005

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

Chief Administrative Officer

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 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	05/03/2005	05/03/2005	A	(A) or (D) Amount (1) 26,042 Price \$ 10.88	0	D	
Common Stock	05/03/2005	05/03/2005	A	(A) or (D) Amount (2) 15,319 Price \$ 10.88	323,265	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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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 Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Underlying Security
Nonstatutory Stock Option (right to buy)	\$ 10.88	05/03/2005	05/03/2005	A		115,741		05/03/2006 ⁽³⁾	05/03/2012	Common Stock	
Nonstatutory Stock Option (right to buy)	\$ 10.88	05/03/2005	05/03/2005	A		68,083		05/03/2006 ⁽⁴⁾	05/03/2012	Common Stock	

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
GELBARD ARLEN W C/O E*TRADE FINANCIAL CORPORATION 135 E. 57TH STREET NEW YORK, NY 10022	Chief Administrative Officer

Signatures

/s/ Russell S. Elmer, his attorney
in fact

05/05/2005

__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) Grant of restricted stock issued pursuant to the E*TRADE Financial Corporation 1996 Stock Incentive Plan. The individual's right to retain these shares vests in four (4) equal annual installments beginning on the first anniversary date of the grant.
- (2) Grant of restricted stock issued pursuant to the E*TRADE Financial Corporation 1996 Stock Incentive Plan. The individual's right to retain these shares vests in four (4) equal annual installments beginning on the first anniversary date of the grant; provided, however, that the individual's right to vest in some or all of the shares terminates immediately upon a determination by the Compensation Committee (ratified by the Board of Directors) that performance metrics for 2005 have not been met.
- (3) Option granted pursuant to the E*TRADE Financial Corporation 1996 Stock Incentive Plan. This option becomes vested and exercisable in four (4) equal annual installments beginning on the first anniversary of the date of grant.
- (4) Option granted pursuant to the E*TRADE Financial Corporation 1996 Stock Incentive Plan. This option becomes vested and exercisable in four (4) equal annual installments beginning on the first anniversary of the date of grant; provided, however, that the individual's right to vest in some or all of the options terminates immediately upon a determination by the Compensation Committee (ratified by the Board of Directors) that performance metrics for 2005 have not been met.

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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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