RANDALL LEWIS E

Form 4

November 02, 2006

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

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

OMB Number:	3235-0287
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(Print or Type Responses)

| 1. Name and Address of Reporting Person [*]
 RANDALL LEWIS E

 (Last) (First) (Middle)

 C/O E*TRADE FINANCIAL CORPORATION, 135 EAST. 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)
 11/01/2006

 4. If Amendment, Date Original Filed(Month/Day/Year) | 5. Relationship of Reporting Person(s) to Issuer

 (Check all applicable)

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

 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 (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	11/01/2006	11/01/2006	M		10,000	A	$ 6.7657	647,100	I	By Trust
Common Stock	11/01/2006	11/01/2006	S[(1)]		10,000	D	$ 23.81	637,100	I	By Trust
Common Stock								472,649	D	
Common Stock								220,000	I	By Spouse

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

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 Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Statutory Stock Option (right to buy)	$ 6.7657	11/01/2006		M			10,000	02/10/1999	02/10/2008	Common Stock	10

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RANDALL LEWIS E C/O E*TRADE FINANCIAL CORPORATION 135 EAST. 57TH STREET NEW YORK, NY 10022	X			

Signatures

/s/ Russell S. Elmer	11/01/2006
**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) The transactions reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on May 25, 2006. This plan was implemented to effectuate the orderly exercise of 20,000 stock options that expire in February 2007 and 20,000 stock options that expire in February 2008. Pursuant to the plan, 10,000 stock options are to be exercised and sold on the first trading day of each month for a four month period, beginning September 1, 2006.

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.