

THUROW LESTER C  
Form 4  
July 28, 2005

**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 \*  
THUROW LESTER C

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
07/26/2005

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

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 Indirect Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)	Price	
Common Stock	07/26/2005		M		20,000	A	\$ 6.7657 0	D
Common Stock	07/26/2005		M		20,000	A	\$ 7.0938 0	D
Common Stock	07/26/2005		M		2,021	A	\$ 2.4737 0	D
Common Stock	07/26/2005		M		3,632	A	\$ 3.4413 0	D
Common Stock	07/26/2005		M		20,000	A	\$ 6.635 0	D

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Common Stock	07/26/2005	M	20,000	A	\$ 6.53	0	D
Common Stock	07/26/2005	S	85,653	D	\$ 15.3194	33,696	D

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 Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	\$ 6.7657	07/26/2005		M	20,000	02/10/2000	02/10/2008	Common Stock	20,000
Stock Option (right to buy)	\$ 7.0938	07/26/2005		M	20,000	12/21/2002	12/21/2010	Common Stock	20,000
Stock Option (right to buy)	\$ 2.4737	07/26/2005		M	2,021	01/01/2002	01/02/2011	Common Stock	2,021
Stock Option (right to buy)	\$ 3.4413	07/26/2005		M	3,632	01/02/2003	01/02/2012	Common Stock	3,632
Stock Option (right to buy)	\$ 6.635	07/26/2005		M	20,000	05/24/2004	05/24/2012	Common Stock	20,000
Stock Option	\$ 6.53	07/26/2005		M	20,000	05/22/2005	05/22/2013	Common Stock	20,000

(right to  
buy)

## Reporting Owners

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

## Signatures

/s/ Russell S.  
Elmer

07/28/2005

\_\_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).

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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