

Webb Dennis  
Form 3  
January 10, 2005

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *             |         | 2. Date of Event Requiring Statement | 3. Issuer Name <b>and</b> Ticker or Trading Symbol                         |  |
| Â Webb Dennis   |         | (Month/Day/Year)                     | E TRADE FINANCIAL CORP [(ET)]  |  |
| (Last)  | (First) | (Middle)                             | 01/03/2005   |  |
| C/O E*TRADE FINANCIAL CORPORATION,Â 135 E.57TH STREET |         |                                      | 4. Relationship of Reporting Person(s) to Issuer                           | 5. If Amendment, Date Original Filed(Month/Day/Year)                   |
| (Street)  |         |                                      | (Check all applicable)   |  |
| NEW YORK,Â NYÂ 10005                                  |         |                                      | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner       | 6. Individual or Joint/Group Filing(Check Applicable Line)             |
| (City)  | (State) | (Zip)                                | <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
|   |         |                                      | (give title below) (specify below)   | <input type="checkbox"/> Form filed by More than One Reporting Person  |
|   |         |                                      | President, Capital Markets Div   |  |

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
| Common Stock                    | 1,788   | D  | Â   |
| Common Stock                    | 25,000 <sup>(1)</sup>                                 | D  | Â   |

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

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security | 4. Conversion or Exercise | 5. Ownership Form of | 6. Nature of Indirect Beneficial Ownership |
|--|--|--|---------------------------|----------------------|--|
|--|--|--|---------------------------|----------------------|--|

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|                            | Date Exercisable | Expiration Date | (Instr. 4)<br>Title          | Amount or Number of Shares | Price of Derivative Security | Derivative Security: Direct (D) or Indirect (I)<br>(Instr. 5) | (Instr. 5) |
|----------------------------|------------------|-----------------|------------------------------|----------------------------|------------------------------|---|------------|
| Non-Statutory Stock Option | 05/30/2001       | 08/04/2010      | Common Stock <sup>(2)</sup>  | 10,000                     | \$ 14.875                    | D   | Â          |
| Non-Statutory Stock Option | 12/21/2000       | 12/21/2010      | Common Stock <sup>(3)</sup>  | 40,000                     | \$ 7.0938                    | D   | Â          |
| Non-Statutory Stock Option | 10/01/2005       | 09/24/2011      | Common Stock <sup>(4)</sup>  | 5,000                      | \$ 5.1                       | D   | Â          |
| Non-Statutory Stock Option | 01/02/2003       | 01/02/2012      | Common Stock <sup>(5)</sup>  | 4,000                      | \$ 10.325                    | D   | Â          |
| Non-Statutory Stock Option | 02/14/2008       | 02/14/2013      | Common Stock <sup>(6)</sup>  | 560,000                    | \$ 3.805                     | D   | Â          |
| Non-Statutory Stock Option | 11/24/2004       | 11/24/2013      | Common Stock <sup>(7)</sup>  | 25,000                     | \$ 10.395                    | D   | Â          |
| Non-Statutory Stock Option | 02/02/2005       | 02/06/2014      | Common Stock <sup>(8)</sup>  | 75,000                     | \$ 13.89                     | D   | Â          |
| Non-Statutory Stock Option | 02/20/2005       | 02/20/2014      | Common Stock <sup>(9)</sup>  | 150,000                    | \$ 14.435                    | D   | Â          |
| Non-Statutory Stock Option | 12/31/2005       | 12/31/2014      | Common Stock <sup>(10)</sup> | 144,733                    | \$ 14.97                     | D   | Â          |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                                  |       |
|---|---------------|-----------|----------------------------------|-------|
|   | Director      | 10% Owner | Officer                          | Other |
| Webb Dennis<br>C/O E*TRADE FINANCIAL CORPORATION<br>135 E.57TH STREET<br>NEW YORK, NY 10005 | Â             | Â         | Â President, Capital Markets Div | Â     |

## Signatures

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

01/10/2005

\*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 5(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 grant of restricted stock issued on 02/06/2004 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 of the date of grant.
- (2) Granted 08/04/2000 from 1996 Stock Incentive Plan, exercisable in four (4) equal installments on the anniversary date of grant.

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- (3) Granted 12/21/2000 from 1996 Stock Incentive Plan, exercisable as follows: 8,000 shares immediately exercisable on 12/21/2000 and the remaining 32,000 shares are exercisable in four equal annual installments on the anniversary date of the grant.
- (4) Granted 09/24/2001 from 1996 Stock Incentive Plan, exercisable in sixteen quarterly installments.
- (5) Granted 01/02/2002 from 1996 Stock Incentive Plan, exercisable in four (4) equal installments on the anniversary date of the grant.
- (6) Granted 02/14/2003 from 1996 Stock Incentive Plan, exercisable as follows: 168,000 shares immediately exercisable; 168,000 shares exercisable on 06/30/2003 and the remaining 224,000 shares exercisable on 12/31/2003.
- (7) Granted 11/24/2003 from 1996 Stock Incentive Plan, exercisable in four (4) equal installments on the anniversary date of the grant.
- (8) Granted 02/06/2004 from 1996 Stock Incentive Plan, exercisable in four (4) equal installments on the anniversary date of the grant.
- (9) Granted 02/20/2004 from 1996 Incentive Stock Plan , exercisable in four (4) equal installments on the anniversary date of the grant.
- (10) Granted 12/31/2004 from 1996 Incentive Stock Plan , exercisable in four (4) equal installments on the anniversary date of the grant.

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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