

E TRADE FINANCIAL CORP  
Form 8-K  
May 09, 2006

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

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**FORM 8-K**

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**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the  
Securities and Exchange Act of 1934

Date of report (Date of earliest event reported): May 8, 2006

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**E\*TRADE Financial Corporation**

(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or other Jurisdiction  
of incorporation)

**1-11921**  
(Commission File Number)

**94-2844166**  
(IRS Employer  
Identification No.)

**135 East 57<sup>th</sup> Street**  
**New York, New York**  
(Address of Principal Executive Offices)

**(646) 521-4300**

**10022**  
(Zip Code)

(Registrant's Telephone Number, Including Area Code)

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

## Edgar Filing: E TRADE FINANCIAL CORP - Form 8-K

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01. Other Events.**

On May 8, 2006, Robert J. Simmons, Chief Financial Officer of E\*TRADE Financial Corporation (the Company), entered into a Rule 10b5-1 trading plan (the Plan) with a broker to sell Company common stock that will be acquired on exercise of Mr. Simmons' employee stock options. The Plan specifies the number of shares of the Company's common stock that may be sold at pre-determined times, subject to the terms and conditions of the Plan. Mr. Simmons entered into the Plan as part of his personal long-term investment strategy for asset diversification and liquidity. Mr. Simmons will have no further control over the timing of his stock sales under the Plan.

Pursuant to the Plan, a total of 241,730 shares may be sold on a periodic basis between May 2006 and April 2007, at which time the Plan will terminate. All shares sold in this Plan will come from the exercise of options that have various strike prices and will be executed as same day sales. The maximum number of shares that may be sold under the Plan constitute approximately 22% of Mr. Simmons' holdings of Company common stock, including vested and unvested stock options and restricted stock.

Any transactions under the Plan will be reported by Mr. Simmons through Rule 144 filings and individual Form 4 filings with the Securities and Exchange Commission, as appropriate.

The Plan is intended to comply with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, and the Company's insider trading policy. Rule 10b5-1 allows corporate insiders to establish prearranged written stock trading plans at a time when the insider is not aware of material, nonpublic information. Subsequent receipt by the insider of material, nonpublic information will not prevent prearranged transactions under the Rule 10b5-1 plan from being executed.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

E\*TRADE Financial Corporation

Date: May 9, 2006

By: /s/ Russell S. Elmer

Name: Russell S. Elmer

Title: General Counsel and Corporate Secretary