FOR IMMEDIATE RELEASE

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E*TRADE LAUNCHES UNIFIED MANAGED ACCOUNT OFFERING

Unified Managed Account provides customers seeking professional money management services a high-quality, value alternative to traditional brokers

New York, January 13, 2011 – E*TRADE Financial Corporation (NASDAQ: ETFC) today announced that E*TRADE Capital Management, LLC has expanded its advisory offerings to provide customers with a sophisticated investment solution that encompasses multiple investment strategies in one professionally managed account. The Unified Managed Account (UMA) is E*TRADE's new solution affording customers the opportunity to work with a dedicated investment professional to obtain a comprehensive, integrated approach to asset allocation, investments, portfolio rebalancing and tax management.

E*TRADE UMAs seek to maximize risk-adjusted returns by investing in a variety of investment vehicles, including individual stocks through more than 30 manager models, mutual funds, and/or exchange-traded funds (ETFs). Portfolios may be customized to a customer's specific investment needs, as well as managed with an eye toward tax sensitivity.

Working with an investment professional, customers begin with an in-depth assessment of goals, time horizon, risk tolerance and financial situation. Next, one of E*TRADE Capital Management's core portfolios is selected and may be customized to the customer's specific investment preferences, tax requirements and cash management needs. The result is an optimized, professionally managed portfolio that is systematically rebalanced on an ongoing basis and reported on a quarterly basis, with the ability for the customer to track the portfolio anytime from etrade.com.

"We've introduced a personalized, flexible investment solution to serve the diverse needs of our customers who want professional help to meet their long-term financial objectives," said Michael Curcio, President & CEO, E*TRADE Capital Management. "With nearly 30 percent of our brokerage accounts in retirement products such as traditional and ROTH IRAs, we believe our offering is especially well-suited for customers and prospects who want help investing to reach their retirement goals."

A fee-based investment solution for a portfolio of $250,000 or more and co-advised by Lockwood Advisors, Inc., the UMA is designed for goal-oriented investors with a long-term time horizon who wish to delegate management of their investment portfolio to an investment professional.

For more information, visit etrade.com/UMA.

About E*TRADE Financial
The E*TRADE Financial family of companies provides financial services including online brokerage and related banking products and services to retail investors. Specific business segments include Trading and Investing and Balance Sheet Management. Securities products and services are offered by E*TRADE Securities LLC (Member FINRA/SIPC). Bank products and services are offered by E*TRADE Bank, a Federal savings bank, Member FDIC, or its subsidiaries. ETFC-G

This communication does not constitute investment advice and is for informational purposes only.

The E*TRADE Unified Managed Account Program ("UMA") is a co-sponsored discretionary WRAP product offered by E*TRADE Capital Management, LLC ("ETCM") and Lockwood Advisors, Inc. ("Lockwood"). ETCM and Lockwood act as co-advisers and provide advisory services related to the investment and allocation of client assets in UMA.

ETCM is a registered investment adviser with the U.S. Securities and Exchange Commission (SEC). Lockwood is an SEC Registered Investment Adviser and an affiliate of Pershing LLC, each subsidiaries of The Bank of New York Mellon Corporation. Pershing LLC, member FINRA, NYSE, SIPC.

None of Lockwood, Pershing or The Bank of New York Mellon Corporation are affiliated with ETCM or the E*TRADE Financial family of companies.

For more information about ETCM as well as information about its products, fees, affiliations, and services offered, please refer to ETCM's Form ADV Part II, Schedule H, which may be obtained free of charge upon request. For more information about Lockwood, as well as its products, fees and services, please refer to Lockwood's Form ADV Part II, Schedule H for Co-Sponsored Programs information, which may be obtained by contacting Lockwood at (610) 382-7700, or by writing to the following address: 760 Moore Rd., King of Prussia, PA 19406. Investors should carefully consider the information contained in these documents prior to investing in UMA.

E*TRADE Securities and E*TRADE Capital Management are wholly owned separate subsidiaries of E*TRADE Financial Corporation under common ownership and control.

Brokerage and custodial services for E*TRADE Capital Management's Unified Managed Accounts are provided by E*TRADE Securities LLC, Member FINRA/SIPC.

E*TRADE Capital Management's investment adviser representatives may be dually registered representatives of E*TRADE Securities, a registered broker-dealer and E*TRADE Capital Management, an SEC registered investment adviser.

About Lockwood Advisors, Inc.

Lockwood Advisors, Inc. (Lockwood), an affiliate of Pershing, has a proud history of leadership and innovation that is firmly grounded in institutional investment principles and independent, unbiased investment research. The Lockwood team is dedicated to helping financial institutions and registered investment advisers implement thoughtful, deliberate investment solutions. From its roots in money manager research, Lockwood has evolved to offer multiple fee-based advisory solutions—all grounded in the same disciplined investment philosophy. Lockwood combines expertise in capital markets analysis, portfolio construction and money manager research to build what it believes are comprehensive advisory solutions. Lockwood's suite of advisory solutions includes separately managed accounts, flexible mutual fund and exchange-traded fund (ETF) wrap accounts, discretionary unified managed accounts and discretionary mutual fund and ETF wrap accounts. Lockwood Advisors, Inc. is an SEC Registered Investment Adviser and an affiliate of Pershing LLC, each subsidiaries of The Bank of New York Mellon Corporation. Pershing LLC, member FINRA, NYSE, SIPC.

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Important Notices