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ETFC.OQ^J20 - E*TRADE Financial Corp. at 2006 FBR Investor Conference

EVENT DATE/TIME: NOVEMBER 28, 2006 / 4:40PM GMT

CORPORATE PARTICIPANTS

Jarrett Lilien *E'Trade - President, COO*

PRESENTATION

Unidentified Speaker

Go ahead and get started early here. Pleased to introduce our next speaker, Jarrett Lilien. Jarrett is the President and COO of E'Trade and recently nominated or recently added to the board as well, so congratulations there. But prior to his election as President in March 2003, Jarrett served as the Chief Brokerage Officer and President of E'Trade Securities. Following the acquisitions of Brown & Company and Harris Direct late last year, E'Trade now has over 3.6 million brokerage accounts, over 800,000 bank accounts, and client assets topping $190 billion. In October, the Company reported its customer splice over 152,000 trades per day. And with that, I will now pass it over.

Jarrett Lilien - *E'Trade - President, COO*

Okay. Thanks very much. Let's see, I'm going to try to get through the presentation and hopefully I won't start liking the sound of my own voice and we can do some Q&A or get people out to hear Mr. Greenspan (sic- Bernanke), if that's the interest.

So the agenda here is to talk about what's happened with the model over the past number of years, so the transformation of the model; today's current strategic direction; the global opportunities that are in front of us; and then some of the proof points of the success that we've been having over the last number of years.

So starting out with transformation of the model. Not only has the model transformed, but really the opportunity has transformed. If you go back to the beginning here, even up to 1999, really the opportunity was around online trading. That's what the Internet was really mostly used for in financial services. That was really the first part of it. And that's what E'Trade did was financial services.

Then, online, and the opportunity got bigger. There was online banking and online mortgages and online insurance and all sorts of things online. And likewise, E'Trade diversified into these other areas, adding a banking business, lending businesses, institutional businesses, and market-making business, and some international businesses. Then there was a period of really consolidation in 2003 to 2004, which is about taking all of these different businesses and integrating the technologies, the back offices, the service platforms, and so on.

And that really led us to 2005 where when we had all of this integrated behind the scenes we were now able to integrate for our customer, and that was a real watershed moment for us. It was sort of a natural progression. But it was very important because before that the experience to the customer was one to where if you wanted to trade and you called Customer Service you would speak to one call center. If you wanted a loan, you would speak to a different call center. And if you went online, you even sometimes had to look at different Internet addresses. It was a very poor customer experience.

Once all this integration had taken place, we are now able to turn around with what we call the E'Trade Complete and offer a complete offering of financial services to our customers. And at the same time what we did is we reorganized our Company. Instead of running it as a broker and a bank and a lending company, we now ran it as a retail organization and an institutional organization. Again, simple, subtle sort of things but really set us off on the current path with E'Trade Complete and really full financial services as our opportunity. And now what we've been doing is expanding that offering here in the U.S. but also taking it globally.

Now, if you look at the strategy for the Company, there are really two things up here. The wheel is really our tactical strategy. And there you'll see at the center of the wheel is a global retail investing customer. And all of those words are kind of important. Global, we are interested in a global opportunity and a global customer. An investing customer, why do we say investing as opposed to any other kind of customer? The reason for that is that if you get an investing customer in, when they are not in the market, they are, generally speaking, in cash, and they are using your cash management product.

A lot of your customers, when they are heavily in the market, they will be borrowing from you and using margin. So an investing customer on day one comes to you being open to using your investing and trading product, but also borrowing from you or using your cash management. From there it's a pretty easy thing to get further engagement across other cash management or typically banking product or other lending products, such as mortgages or home equities. So that investing customer is who we're after.

I've already touched on it; we offer four general product groupings to our customers. Again, as the transformation of the model, it's not just about trading, it's about trading, it's about investing, it's about lending, it's about banking. Then, as I've also touched on earlier, we've got an institutional business, a capital markets business. Now, the franchise is retail. What is the purpose of the institutional business? It's there to fully leverage or fully monetize and optimize the flows that come from that retail customer.

So, for instance, when our customers have cash or when our customers borrow from us, we'll manage those assets and liabilities in the capital markets part of our Company on the balance sheet. Likewise, when a customer trades with us, we will internalize a portion of that order flow with our own market maker, again fully realizing the value or the opportunity of that stream of business. So institutional is really there to leverage what comes off of retail. And then the outer wrapper here on our sort of tactical vision is that integrated technology, that integrated back office, marketing, and customer experience, that's what gives us scale through all of our businesses.

When you look at the vision, I'd say it's really the strategic tactic is the real strategic vision here. You can read it, but I'd say it maybe even a little differently. We're in global financial services, but said in a more simple way, we want to do it differently, we want to do it better, we want to do it in a way that provides superior value to our customers. And while we're doing all of this, our target is strategically to own the mass affluent marketplace, and I'll tell you more about that in a moment.

But first, as I've talked about how the model evolved, more than just trading, to banking, lending, and so on, the customers have evolved too. You could go back a number of years ago and when the model was more trading all customers were self directed. They didn't really want much in the way of service. But as the models have evolved, as the Internet has evolved, as customers have evolved, now they actually want different service levels at different times and for different things.

So for maybe for trading, they want to do it themselves, they never want to speak to anybody, but now there are conditional orders or the complex options. There are some things they want to learn about. Now maybe they want a little bit of assistance in show me how to use this. Or in banking products with Bill Pay, maybe help me get set up. Or a mortgage, I don't know which ones are A-1 for me. Tell me which one and then I can do it myself after that. And then there is even a portion of now we find with an average customer there's a portion, they'll say some I want to be self directed, some I need a little help, some I want total help, I want an advisor for a portion of this money. I don't want to see it again until I retire. I want you to look after it for me.

So, as customers have evolved, so has our service spectrum evolved. So we start with self directed. It's the Web site. You've got the call center for those people who are looking for light advice in sort of show me how. You've got relationship managers. And then you get to branches and advisors and that's where you're getting into more of your full help.

And why this is really important is the majority of our customers these days are coming from the traditional brokerage houses and the traditional banks. And what we don't want to do is take these customers, grow with them to a point where now they want advice for some of their finances, and then give them back to the traditional groups. So these branches and advisors are a way for us to keep growing with our customers and actually keep them at E'Trade.

So you look at now the growth opportunity for us and it starts with some of the stuff I've already touched on. Mass affluent, that starts to be right there the growth opportunity. We define that as customers with investable assets between $50 and $500,000. That's an area that's growing faster than the general population. And that's true here in the U.S. It's true overseas. And the most important thing is it's a segment of the marketplace that's being ignored by the traditional bulge bracket companies. They are being overcharged in those areas, under-serviced, and again, ignored. And again, that is where we're getting most of our growth.

And a lot of times people think of E'Trade and they'll say, well, what's happening E'Trade versus Schwab or E'Trade versus Ameritrade? That's important and we keep an eye on that as well, but what's more important is what's happening to E'Trade versus Merrill Lynch or UBS or so on. That is where we're winning the war and taking customers. And the reason for that, again, is this compelling value proposition where we're doing the full spectrum of financial services, doing it better, better value proposition, and that's winning the day.

Now, I talked about mass affluent, but here is some of the perspective on the size of the opportunity. In the U.S., that's 33 million households; overseas, another 46 million households; so nearly 80 million households. Over $11.4 trillion in investable assets. We've got somewhere under, but close to, a 1% market share in this area. We're growing the fastest in this area and this is the area that's got the most growth opportunity for us.

Now, that's not only a U.S. opportunity but it's an international opportunity. You'll see the job we've been doing on the trading side internationally. The 15% up there is a U.S. growth rate over the last three years. That's the growth rate of trades in the U.S. Internationally, 29%, so nearly double. And international has been all organic. There have been no acquisitions. So that's just been pure penetration of the market.

Our opportunity now for international is to follow some of the evolution curve, that first slide that I started with. The way we did it in the U.S., we started with trading and then we moved on to other products. International has just been trading, we're just now moving into cash management and into investing product, lending product. We'll be establishing a bank in Europe next year. And our target for international is for it to grow where today it's less than 10% of net income. By 2010, we're looking for it to continue to outpace U.S. growth and actually become 30% of net income.

Another growth opportunity for us that is also global is something that we don't always talk about, which is our corporate services business. And corporate services, that business, we are one of the largest stock plan administrators in the country. And so what we do is we sell software to corporations that allows them to manage their stock option plans and their restricted stock plans. What this gives us exposure to is while we're giving that product to a company like Dell or eBay or the other names up there, all of their employees end up with E'Trade accounts. In those accounts, they hold their options or their restricted shares.

For us, it's a fantastic feeder channel, because we get a crack at the customer, we know a lot about them, we know how many options or restricted shares they have, what are in the money, what's vested, when's the window open for trading. So we can actually be talking to people 6 months, 12 months before an event where they might have a lot of cash. So an unbelievable feeder channel, not only for new accounts but for all of our other products as well and a really secret weapon that differentiates us from a lot of our competition.

Now, if you look at I think some of the things in our organization that make us different, one is that whole integration that again I've already spoken about, the back office, the technologies. It gives us great scale across all of our products. For instance, on the trading side, the next trade has an 85% incremental margin. We're moving most of our products up to that kind of margin, and it's because of the scale and the integration in the business.

The balance sheet integration, if you think of a brokerage balance sheet or a bank balance sheet, in their own way they are both efficient, in their own way they are both inefficient. Brokerage balance sheet, you get great access to cheap cash. You get a lot of cash from customers that it's on the sidelines waiting to invest. They are not looking for a great rate. But as a balance sheet manager, what do you do with that cash? The best asset you can invest it in is margin. Outside of that, it's an overnight security. So your opportunity for spread isn't really very big.

On the bank side, you sort of have the flipside. You have a great choice of assets, mortgages, home equity lines, credit cards that have higher yields, but your access to cheap cash is not as great because generally if you're going to raise cash from customers, checking is a product, but otherwise you are out there with CDs or money market and you're restricted a little bit on your spread opportunity there. You put the two balance sheets together and you get the best of both. You get the great cheap cash for funding, you get the choice of assets on the banking, and actually you get the better capital treatment on the banking side.

So another one of the unique things that we've done, and other people are slowly following in our footsteps, are finding ways to integrate and put together your balance sheets, bank and broker, and run a financial services enterprise balance sheet. And another one is again E'Trade Complete. What we've done to integrate the product and have a customer experience that is really one across a bunch of products. That is something that sets us apart at this point.

So, now you look at some proof points. I talked about a lot of things, but are we being successful? And if you looked at our annual account growth, 5%, that wouldn't be the only thing on the slide because that wouldn't be much to brag about. But what we've been focused on are these targeted segment accounts. And targeted segment we define as mass affluent, which is somebody with $50,000 or more in their account, or somebody who is trading nine times or more a month who are an active trader, or somebody is a combination of both. They are an active trader and they've got more than $50,000 in their account. Those are what we call the targeted segments.

Our targeted segment growth is growing at 30% annualized right now. So that's where we're focused, that's where we're seeing growth. It's very important when you start to look at the revenue opportunity. So the non-targeted segments would be Main Street. The average revenue for a Main Street account is $165 a year. For the mass affluent, it's $1,400. For the combined mass affluent/inactive trader, it's $2,200. You can see if we focus on the revenue opportunities and we get that part right, we get that 30% growth keep happening, it doesn't really matter as much what happens with the rest of the accounts. So we are having some very good success with accounts, but you've got to dig a layer deeper and look at where we're having the success.

The other place you can look when you are looking at our numbers to measure that success is what's happening with the average account metrics. And you can see over the last three years our assets per customer are up 85%; cash and deposits per customer are up 52%; revenue per customer, up 44%, and so on. So, again, having success in the targeted segment is driving greater quality of accounts.

We're also driving greater quality earnings. It would be nice to have a 2001 chart here because we had margins that were in the teens, and that's been steadily growing over the last number of years. Now, I think a very respectable 44% margin in the third quarter. Our target and what we think is possible for our Company as a whole is 50% margin. And that's what we are marching towards and shooting for as a multi-year target.

While margins are expanding, also the quality of earnings is improving. And if you look at our mix in 2001, net interest income was 30% of revenue. It's now 55% of revenue. That's a nice, stable, recurring revenue stream. Our ideal mix is 50 to 60% of revenue being net interest income; 20, 25% being in commissions and 20 to 25% being fees. We're pretty close to the optimal mix. We're right there with net interest income, commissions, if you added up retail and institutional, are probably still a little high, fees a little low. As we build out that channel with the advisors and the branches, you'll start to see the fee income moving up. But you can see we're making great progress on this over the years and pretty close to an ideal mix of revenue now.

Now, I mentioned net interest income, 55% of revenue in the last quarter. Here's a look at what's happened with net interest income over the last few years. You'll see in the box in the right corner we've had the balance sheet growing, we've had spread growing, and net interest income growing. I think as a Company, when we've talked about our balance sheet, we've focused too much on spread. Spread is only one factor. It's really all three - spread, balance sheet size, net interest income. The real place you should focus in net interest income, with an eye towards the return on capital. You can't forget that.

But who cares where spread goes, as long as your net interest income is going up, which is an indicator that your customer engagement is increasing. And that's what we've been seeing again over the last couple of years. And especially this year, we've started to focus a lot more on rate volume type analysis. And in the last quarter what you would have seen in our earnings is actually spread went backwards by five basis points. Net interest income went up again to a new record high for us. That rate volume kind of trade off is what we're looking at.

What we saw in the last quarter, as customers maybe went from a lower rate product to a higher rate product, so cannibalized a little bit on the spread, they also brought over more cash, they did more trading, they were bigger users of margin. So we're finding that doing this kind of rate volume analysis, we're seeing a great cost benefit there. So going forward, we would expect to be seeing net interest income continue to growth, spread, might go up, might go down, but less important to us, and you'll hear a slight change when we talk about our numbers. We'll be focusing much more here than on spreads.

Now, you look at the quality of our balance sheet. That's also improved quite a lot over the past couple of years. But even if you go back one year ago, one of the criticisms of our balance sheet has been that it hasn't all been funded from a retail customer. And the ideal balance sheet, the way we see it, would be 70 to 75% funded from a retail customer. So if you go back to that original wheel that I was showing, retail customer at the center, if they are coming in with cash and that customer is coming in to borrow from us and we're funding our balance sheet that way, we want 70 to 75% of all of the cash on our balance sheet to come from that customer, 70 to 75% of all the credit to come from that customer.

A year ago, we were 53% of deposits as a percentage of liabilities. Got that up to 61% this year. 59% was loans to assets. We want to get that again up to 70, 75%, but we're making progress up to 64%. So, basically, balance sheet improving and there is our really 2 to 3-year target looking out.

Now, another thing people ask a lot about is the credit quality of the balance sheet, especially in the economic environment that we're in today. Traditionally, we have never been interested in credit risk. And I think that goes triple for now because even if you were interested in credit risk, you just don't get paid for taking credit risks today. But historically, and we continue today, we really are risk adverse. Our average FICO scores are very high, equating to prime and super prime basically on balance sheet. Low LTVs, or loan-to-values. And then we make sure that we don't have a geographic mix that puts too much of our loans in any one part of the country. So we want to be spread out and we continue to manage risk that way. So we feel we're running a very low risk balance sheet.

And I guess wrapping it all up, we've talked about how the models transform, the opportunities transformed, the opportunity is global, but when we look at it, true measure of success for us is being a growth company, not just for one or two years, but for the long term. And we measured being a successful growth company as one that grows revenue year in/year out 10 to 15%, grows segment income 20%-plus, and has those operating margins 50%-plus. We've been running or march -- well, we've been running at the revenue target for the last number of years and look to continue that. Same with the segment income growth. Margins, as we showed on an earlier slide, marching towards it. So, basically, great opportunity, mass affluent, we haven't even begun to really cap it, but we've got great proof points of success already.

And I guess with that, we're way ahead of schedule so we can do a little Q&A. Yes?

QUESTIONS AND ANSWERS

Unidentified Audience Member

Take a shot first. (Inaudible) E'Trade global and you talked a little bit about more a bank charter (inaudible) and offer cash management (inaudible) banking charters (inaudible). I was just wondering can you achieve that organically with what you have or would that require some (inaudible) acquisition?

Jarrett Lilien - *E'Trade - President, COO*

So the question again is just looking internationally with our expansion plans to follow in those U.S. footsteps of getting into cash management and lending. Can we do that on our own or do we need acquisitions?

We can do it on our own and we are doing it on our own. So what we'll be launching next year in Europe will be a bank that will be based in the U.K. With the rules and regulations there, we can do what they call passporting into other European markets. So from that one infrastructure, we'll be able to offer and get some of the benefits of banking in Europe. I'd say on the cash side is an area where I do think we've shown, even in the U.S., we can do it ourselves. The lending side is an area where it takes longer to get to scale. We can do it. We've done some of that here in the U.S. as well. But acquisition is something that you could see us do internationally. And if you look at places like India, we took a stake in a broker in India last year. It started about 10%. We're now close to 30-odd percent, looking to make that stake bigger. So acquisition will, and can, play a part in our international strategy.

Another thing that we're going to do internationally next year is be a first as a mainstream player to offer international execution to U.S. customers. So, hopefully, first quarter we will be offering the ability for U.S. customers to trade live time direct access to Japan, Hong Kong, U.K., Germany, France, and Canada. Hold multi-currency. And I think that's going to be another exciting part of our global approach and our global opportunity.

Yes.

Unidentified Audience Member

I've got three questions. Does the founder have anything to do with the E'Trade?

Jarrett Lilien - *E'Trade - President, COO*

Does the who?

Unidentified Audience Member

The founder of E'Trade?

Jarrett Lilien - *E'Trade - President, COO*

Oh, yes, okay.

Unidentified Audience Member

And I think I was in China Town a couple of weeks ago and I saw your office was open on Sunday? I was wondering what the strategy (inaudible) Barron's or the Wall Street Journal, they list the (inaudible).

Jarrett Lilien - *E'Trade - President, COO*

Yes. All right. So the founder currently doesn't have much to do with the Company. That would be Bill Porter was the founder.

Unidentified Audience Member

[Inaudible - off mic.]

Jarrett Lilien - *E'Trade - President, COO*

No. Chris [Dose] was the CEO, but the founder was a guy named Bill Porter, who actually also founded the ISE. And he's been spending more of his time with the ISE. But he was on our board and he is no longer on the board. The ex-CEO doesn't have anything to do with the Company. I don't know really where he is these days.

China Town, we have a branch in China Town and we find sometimes on Sundays that there are people that do want to come in and that's a good time for people to come in and talk about their investments but actually maybe talk about other things. Our branches, you think of a typical branch and you think of a brokerage kind of house, but a lot of times people are using our branches to, can you show me how to get set up on Bill Pay. I did that in one of our branches, which is, the guy was going to do it for me anyway, but I walked in and said, "Hey, can you help me set this up?" Because Bill Pay is great, but it's a bear -- I thought it was a bear to set up. Now I love it. But people will come in and use branch for something like that. Or we have mortgage specialists in the branch. And so Sunday sometimes we're open in certain locations and that's a good time for people to come in to have those kinds of discussions.

High-rate products. From time to time, you'll see us at the top of the tables, but I would say on CDs, for instance, sometimes we're there in conjunction with other things that we're doing with rates. Generally speaking, we'd like to be of good value and among the top, but we typically don't need or really want to be the top, especially when it comes to CDs, because the people that come to you just for a high-rate CD generally don't do anything else with you and leave as soon as you're not the highest-rate CD. So sometimes that might help to have a CD offering because our balance sheet has got some cash needs, but it's not a real franchise-building customer move. So you always see us with good value, but hopefully not too often at the top of the table.

Unidentified Audience Member

[Inaudible - off mic.]

Jarrett Lilien - *E'Trade - President, COO*

So, again, just in case nobody heard, we offer different products in the U.K. and elsewhere internationally and how come we don't offer the same ones in the U.S.?

Part of the reason is internationally the focus, let me even step back further, if you go back a few years ago, our international operations were losing $60 million a year. And they were doing everything. They were trying to do advice and trying to do cash management and trying to do a million trading products. And a lot of our competition was in the same boat and they closed down on international. We viewed international as an incredible opportunity that we needed to keep but we couldn't keep it with a $60 million price tag every year. So we scaled everything back and we said let's just get in there and just be there for traders, because we can scale back the infrastructure. It's where we've got some of the most useable product in the U.S., of our functionality that we can push out. So let's cut our costs, focus on one product, and get profitable. That's what we've done.

In focusing just on an active trader, which is really what's going on in the U.K. and other places, we've gotten pretty far into active trader product. Foreign exchange trading, as an active trader product, there are things that are called CFDs that are really a derivative, a contract for difference. People don't actually buy the security because there is a big stamp tax that makes trading actually hard to make a profit, but if you buy this derivative it's a way to actually get around the stamp duty and you're buying the difference of the buy and the sell. So products like that, the short reason, it's because they're trading oriented. Would we offer some of those in the U.S., contract for difference. There are other markets where it does make sense. It makes less sense here because we don't have that same problem. Foreign exchange trading, one of the things we find in the U.K. is that a lot of people blow themselves up trading currencies. We don't really want to promote it, but when we go with our cross border offering in the first quarter of next year, people in the U.S. will have the ability to play currencies, if that's what they want to do.

Yes? Yes, sorry.

Unidentified Audience Member

[Inaudible - off mic.]

Jarrett Lilien - *E'Trade - President, COO*

No. And so the question there is Bank of America, our favorite topic. I've got a lot of my net worth tied in E'Trade stock and that cost me 10, 15% of my net worth in a day. So, yes, we pay attention to that topic with great interest. But we have no reason to respond to that. It's not really a compelling offering, for our customers, so we're going to watch it because, hey, anything that has that kind of impact on your market cap you better be responsible about. But we don't think that that offering was really aimed at us. We think it was more aimed at a Citi or a Wells or -- and keeping and retaining customers in that battleground.

But for our customers and if you think about it, if you're an active trader, our pricing is already as low as $6.99. And so if you're one of those traders, you are going to go there to get that $7, that $6.99. So for $7 times a million trades, that might be worth it, but what -- just as institutions worry about when fund managers in the market, it's not just about the commission. The commission is actually the easy part in the marketplace. It's the quality of the execution that you beat your brokers up about. And it's the same thing with our active trader customers. On average, they are executing about 1,000 share blocks. A penny costs them $10. So if the quality of the execution is off by a penny, they save $7 to lose $10. So we're not seeing a lot of pressure from our active trader group.

If you're not an active trader, then you're really not that interested, because what do you want a free trade for? Especially if you've got to go from one of our table leading rate products to a product that does not have a competitive rate. Same kind of thing. You might be doing 10 trades a year, so maybe you're getting charged $12, you saved $120 to give up $300 in interest rate. So not really compelling, given the value proposition we have today is much more competitive than that offering. So there absolutely will not be any response from our side to Bank of America.

I saw another question from somebody.

Unidentified Audience Member

[Inaudible - off mic.]

Jarrett Lilien - *E'Trade - President, COO*

Yes. And I'll start with the acquisition question. So on our options platform, a number of years ago, we saw options as an area of the business where we had been better but now our percentage, as of the total, had gone down and it was a more profitable product for the Company. So we thought we need to get better here again. Then we had two choices - we could build it or buy it. And when we looked in the marketplace, there was some good players out there with good platforms but really expensive to buy. And given our expertise in technology and in trading and so on, building it was a lot cheaper. So we built it. And I would say if we went out and put the best option platforms out there, I'm sure our product guys would say they are 110% of what's out there, and I'm sure the guys they are comparing with say we're 90%. I'm happy to be in that range of 90 to 110%.

And what we've seen for that investment is our percentage of option -- or our option trade growth has actually outpaced our equity trade growth. And that has been a trend that has been going on now for a couple of years. So I think we're very competitive in options and expect to continue to be. It's also another area, sort of one that -- we're looking at our budgeting right now. We're not going to budget for any benefit from this, but some of the regulatory changes that are coming into '07 around options going to pennies, some of the margin rules, there are some out there that are saying that that's going to stimulate more options flow. That would be a good thing and we're well positioned if that happens to take place.

Yes?

Unidentified Audience Member

[Inaudible - off mic.]

Jarrett Lilien - *E'Trade - President, COO*

Yes, we have appraisers and we have the whole thing. And so do we just do mortgages as an accommodation?

Our customers would probably think that was the case, and that's not what we want them to think is the case. And the reason for that is we did a branding study, which we've done now three in the last four years to see is E'Trade limiting, given that we don't want to be just trading and we're about much more than that. Does the fact that our name is E'Trade, does that limit us? And three branding studies have come back and said no, E'Trade doesn't stand for trading for people, it stands for much more. The last branding study, which was just completed maybe three or four months ago, was a really good one. It did a lot more analysis of what customers think of us. And one of the things that it showed in one section was awareness and willingness to engage with us around a product.

The willingness scores around mortgage were really, really high for our current customers being willing to engage with us around mortgage. Their awareness was really, really low. So we've got this opportunity as we get customers to be aware of the breadth of our products to get them to engage with us and do more. So today it feels more like an accommodation, but we would like our customers to know more that we have this product and when they are aware the -- our track record is showing, our results are showing, that actually we're being able to grow that business.

Unidentified Audience Member

[Inaudible - off mic.]

Jarrett Lilien - *E'Trade - President, COO*

It's another one of those complicated questions. In our budget, I'll tell you we're going to budget no impact if there is an impact. [Reagan MS] should make the execution speed better for New York Stock Exchange listed securities. Again, there are a lot of people that argue that that regulatory change is going to increase the turnover in New York Stock Exchange listed stocks. And if they're right, that would be a good thing. That would mean more volume and it would be better for us. Again, we'll wait and see. It's possible. It can't hurt. It can only help. But we're not going to budget for that. Hopefully, that will be a nice surprise.

All right, well, I guess we got Greenspan (sic- Bernanke) at lunch. Thanks very much.
