

Vranos Michael W  
Form 4  
March 24, 2011

**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 \*  
Vranos Michael W

2. Issuer Name and Ticker or Trading Symbol  
Ellington Financial LLC [EFC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
53 FOREST AVENUE  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
02/17/2011

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Co-Chief Investment Officer

OLD GREENWICH, CT 06870

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

(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 Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common shares	02/17/2011		J <sup>(1)</sup>		6,400	A	\$ 0	2,605,742	I	See Footnotes (2) (3) (7)
Common shares	02/17/2011		J <sup>(1)</sup>		6,400	A	\$ 0	2,605,742	I	See Footnotes (3) (4) (7)
Common shares	03/04/2011		J <sup>(5)</sup>		8,991	A	\$ 0	1,335,854	D <sup>(7)</sup>	
Common shares	03/04/2011		J <sup>(6)</sup>		91	A	<u>0</u>	1,335,945	D <sup>(7)</sup>	

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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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 3)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Vranos Michael W 53 FOREST AVENUE OLD GREENWICH, CT 06870	X	X	Co-Chief Investment Officer	
VC INVESTMENTS LLC 53 FOREST AVENUE OLD GREENWICH, CT 06870		X		
EMG Holdings, L.P. 53 FOREST AVENUE OLD GREENWICH, CT 06870		X		

## Signatures

/s/ Christopher C. Green, as attorney-in-fact for Michael W. Vranos  
 \*\*Signature of Reporting Person  
 Date 03/24/2011

/s/ Christopher C. Green, as attorney-in-fact for VC Investments LLC  
 \*\*Signature of Reporting Person  
 Date 03/24/2011

/s/ Christopher C. Green, as attorney-in-fact for EMG Holdings, L.P.  
 Date 03/24/2011

\_\_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).
- (1) The shares were issued in connection with the fourth quarter 2010 incentive fee payable to Ellington Financial Management LLC ("EFM") pursuant to a management agreement between the registrant and EFM.
- (2) The shares are owned indirectly by Michael W. Vranos ("Mr. Vranos"). See footnote (3) below for additional information regarding the ownership of these shares.
- Three affiliated hedge funds ("Hedge Funds") own 1,250,000 Common Shares. Each of EMG Holdings, L.P. ("EMGH") and EFM owns 1,335,945 Common Shares and 19,797 Common Shares, respectively, as of the date of this Form 4. Ellington Capital Management, LLC ("ECM") is the general partner of the Hedge Funds. VC Investments LLC ("VC") is the general partner of EMGH and the managing member of EFM and ECM. Mr. Vranos is the managing member of, and holds a controlling interest in, VC. Mr. Vranos, together with VC and, with respect to 1,335,945 Common Shares, EMGH, share the power to direct the voting and disposition of the Common Shares, and may be regarded as the beneficial owners of the Common Shares owned beneficially or of record by each other.
- (3) The shares are owned indirectly by VC. See footnote (3) above for additional information regarding the ownership of these shares.
- (4) The shares are owned directly by EMGH. The 8,991 shares acquired reflect the March 2011 distribution by EFM to EMGH. EMGH owns 99% of the Class A limited liability company interests of EFM.
- The shares are owned directly by EMGH. The 91 shares acquired reflect the contribution by VC of 91 Common Shares to EMGH pursuant to a Contribution and Assignment Agreement in exchange for a corresponding increase in VC's capital account with EMGH. VC is the general partner of EMGH.
- (5) Each of Mr. Vranos, VC and EMGH disclaims beneficial ownership of any Common Shares owned beneficially or of record by each other except to the extent of it or his pecuniary interest therein.

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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