

Vranos Michael W  
Form 4  
August 15, 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

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

OLD GREENWICH, CT 06870

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
08/11/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

Co-Chief Investment Officer

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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)
Common shares	08/11/2011		J <sup>(1)</sup>	V 109,000 D \$ 0	1,228,920	D	<u>(2)</u>
Common shares	08/11/2011		J <sup>(3)</sup>	V 109,000 D \$ 0	2,499,381	I	See footnotes. <u>(4)</u> <u>(7)</u>
Common shares	08/11/2011		G <sup>(5)</sup>	V 109,000 D \$ 0	2,499,381	I	See footnotes. <u>(6)</u> <u>(7)</u>

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

**Persons who respond to the collection of information contained in this form are not**

SEC 1474 (9-02)

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**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 Owned Following Transaction (Instr. 5)
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## 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	
EMG Holdings, L.P. 53 FOREST AVE OLD GREENWICH, CT 06870		X		
VC INVESTMENTS LLC 53 FOREST AVE OLD GREENWICH, CT 06870		X		

## Signatures

Christopher C. Green, as attorney-in-fact for Michael W. Vranos	08/15/2011
__Signature of Reporting Person	Date
Christopher C. Green, as attorney-in-fact for EMG Holdings, L.P.	08/15/2011
__Signature of Reporting Person	Date
Christopher C. Green, as attorney-in-fact for VC Investments LLC	08/15/2011
__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) Shares distributed by EMG Holdings, LP ("EMGH") to Michael W. Vranos.
- (2) These shares are owned directly by EMGH. After the distribution described herein, EMGH is no longer a reporting person pursuant to Section 16.
- (3) Shares distributed by EMGH to Michael W. Vranos. VC Investments LLC is the general partner of EMGH, and as such has previously reported indirect ownership of these securities.
- (4) The shares are owned indirectly by VC. See footnote (7) below for additional information regarding the ownership of these shares.
- (5) Shares gifted to a family trust formed by Michael W. Vranos.
- (6) The shares are owned indirectly by Michael W. Vranos. See footnote (7) below for additional information regarding the ownership of these shares.

Three affiliated hedge funds ("Hedge Funds") own 1,250,000 common shares. EMGH owns 1,228,920 common shares. Ellington Financial Management LLC ("EFM") owns 20,461 common shares. Ellington Capital Management, LLC ("ECM") is the general partner of the Hedge Funds. VC is the general partner of EMGH and the managing member of EFM and ECM. Michael W. Vranos is the managing member of, and holds a controlling interest in VC. Mr. Vranos, together with VC and, with respect to 1,228,920 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. 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 its 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.