

Vranos Michael W
Form 4
December 23, 2011

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
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(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)
12/21/2011

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 Indirect Beneficial Ownership (Instr. 4)
Common Shares rep. limited liability company interests	12/21/2011		P	1,500	A \$ 17.17 (1)	10,884	D
Common Shares rep. limited liability company interests	12/22/2011		P	1,290	A \$ 17.1 (2)	12,174	D

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Common
Shares rep.
limited
liability
company
interests

2,499,381 I See
footnotes.
(3)

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

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SEC 1474
(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)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
LTIP Units	(4)					(4)	(4)	Common Shares	375,000 (4)

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	

Signatures

/s/ Sara Walden Brown, as attorney-in-fact for Michael
Vranos

12/23/2011

**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) This transaction was executed in multiple trades at prices ranging from \$17.11 to \$17.31. The price reported above reflects the weighted average purchase price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected. All purchases pursuant to this transaction were made pursuant to a 10b5-1 trading plan adopted by the reporting person.

(2) This transaction was executed in multiple trades at prices ranging from \$17.05 to \$17.20. The price reported above reflects the weighted average purchase price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected. All purchases pursuant to this transaction were made pursuant to a 10b5-1 trading plan adopted by the reporting person.

(3) Three affiliated hedge funds ("Hedge Funds") own 1,250,000 common shares. EMG Holdings, L.P ("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 Investments L.L.C. ("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.

(4) Represents a separate non-voting class of limited liability company interests ("LTIP Units") of the Issuer, which are structured as profits interests. The 375,000 LTIP Units are held by EMGH and have vested. The LTIP Units may be converted, at the election of the holder, into common shares representing limited liability company interests of the Issuer on a one-for-one basis. Each of VC, EMGH and Mr. Vranos disclaims beneficial ownership of these LTIP Units except to the extent of it or his pecuniary interest therein.

Remarks:

In addition, Mr. Vranos is the settlor of two trusts holding 500,000 and 109,000 common shares respectively. Mr. Vranos disclaims beneficial ownership of these shares.

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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