

Vranos Michael W
Form 4
December 20, 2012

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
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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)
12/18/2012

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	12/18/2012		S(1)(2)	212,000	D \$ 22 2,203,298	I	See Footnote (3)
Common shares					14,294 (4)	D	

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

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information contained in this form are not
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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. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				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 AVE OLD GREENWICH, CT 06870		X		
EMG Holdings, L.P. 53 FOREST AVE OLD GREENWICH, CT 06870		X		

Signatures

/s/ Sara Walden Brown, attorney-in-fact for Michael W. Vranos	12/20/2012
__Signature of Reporting Person	Date
/s/ Sara Walden Brown, attorney-in-fact for VC Investments LLC	12/20/2012
__Signature of Reporting Person	Date
/s/ Sara Walden Brown, attorney-in-fact for EMG Holdings, L.P.	12/20/2012
__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).

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The shares were beneficially owned directly by EMG Holdings, L.P. ("EMGH") and sold in a block trade in connection with a transaction described in further detail on a Form 8-K dated December 18, 2012 filed by Ellington Financial LLC (the "Company"). In connection with this transaction, EMGH intends to purchase an equal amount of operating units (at the same price at which the block sale was consummated) in a new subsidiary operating partnership of the Company (which operating units will be convertible on a one-for-one basis into Company common shares), thus changing only the form of beneficial ownership by Michael W. Vranos, VC Investments LLC ("VC") and EMGH from non-derivative security to derivative security. All proceeds from the sale are being contributed to the Company's operating partnership in connection with the transaction described above.

- (1) None of the pecuniary interests, to the extent any such interests exist, of the ultimate beneficial owners of common shares increased or decreased as a result of the transaction.

The shares are beneficially owned indirectly by each of Michael W. Vranos and VC. Of the 2,203,298 shares indirectly beneficially owned by each of Michael W. Vranos and VC, 2,150,091 common shares are owned directly by EMGH and 53,207 common shares are directly owned by Ellington Financial Management LLC ("EFM"), the Company's manager. VC is the general partner of EMGH and the managing member of EFM. Michael W. Vranos is the managing member of, and holds a controlling interest in, VC. Michael W. Vranos and VC together share the power to direct the voting and disposition of these common shares, and may be regarded as the beneficial owners of these common shares. Each of Michael W. Vranos and VC 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.

- (3) Represents common shares owned directly by Michael W. Vranos.

Remarks:

In addition, Michael W. Vranos is the settlor of two trusts holding 500,000 and 109,000 common shares, respectively. Michael

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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