

Vranos Michael W  
 Form 4  
 December 20, 2012

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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**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)  
 12/18/2012

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

OLD GREENWICH, CT 06870  
 (City) (State) (Zip)

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

**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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common shares	12/18/2012		S <sup>(1)(2)</sup>		212,000	D	\$ 22
Common shares					14,294 <sup>(4)</sup>	D	

See Footnote (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)

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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 Beneficially (Instr. 5)
				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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