

Vranos Michael W
 Form 4
 May 05, 2011

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)
 05/03/2011

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 Ownership (Instr. 4)
Common shares	05/03/2011		J(1)	2,639 A \$ 0	2,608,381	I	See Footnote (2) (3) (4)

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)

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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
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Date Exercisable	Expiration Date	Title	Amount or Number of Shares
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Code	V	(A)	(D)
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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	
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/ Christopher C. Green,
attorney-in-fact

05/05/2011

**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 first quarter 2011 incentive fee payable to Ellington Financial Management LLC ("EFM"), our manager, pursuant to our management agreement.

(2) The shares are owned indirectly by each of Michael W. Vranos ("Mr. Vranos") and VC Investments LLC ("VC"). See footnote (3) below for additional information regarding the ownership of these shares.

(3) 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 22,436 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 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.

(4)

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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. 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.