Vranos Michael W
Form 4
January 03, 2013

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

(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)
12/27/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director __X__ 10% Owner
__X__ 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
_X_ 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)
			Code	V	Amount	(A) or (D)	Price			
Common shares	12/27/2012		J(1)(2)		257,472	D	$ 0	1,945,826	I	See Footnote (3)
Common shares	12/27/2012		J(1)(2)		190,298	A	$ 0	2,136,124	I	See Footnote (4)
Common shares								14,294 (5)	D	

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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Units	(6)	01/01/2013	(6)	J		212,000		(6)	(6)	Common Shares reprsenting ltd liability company interests	212,000

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 01/03/2013

**Signature of Reporting Person Date

/s/ Sara Walden Brown, attorney-in-fact for VC Investments LLC 01/03/2013

**Signature of Reporting Person Date

/s/ Sara Walden Brown, attorney-in-fact for EMG Holdings, L.P. 01/03/2013

**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)	These shares were previously held by EMGH and were distributed to certain partners of EMGH and contributed to family trusts by such partners. Michael W. Vranos acts as trustee with respect to trusts holding 190,298 of these common shares. No one received or paid any consideration for the distributed common shares.
(2)	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 distribution. Michael W. Vranos, VC Investments LLC ("VC") and EMG Holdings, L.P. ("EMGH") disclaim any pecuniary interest in these shares.
(3)	Of these 1,945,826 shares, 1,892,619 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 indirect beneficial owners of these common shares. Each of Michael W. Vranos, VC and EMGH disclaims beneficial ownership of any common shares owned beneficially or of record by the other except to the extent of its or his pecuniary interest therein.
(4)	Of these 2,136,124 shares, 1,892,619 common shares are owned directly by EMGH, 53,207 common shares are directly owned by EFM and 190,298 common shares are held in family trusts for the benefit of EMGH partners (other than Mr. Vranos) for which Mr. Vranos acts as trustee. 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 therefore Michael W. Vranos may be regarded as the indirect beneficial owner of these common shares. Michael W. Vranos disclaims beneficial ownership of any of these common shares except to the extent of his pecuniary interest therein.
(5)	Represents common shares owned directly by Michael W. Vranos.
(6)	Represents a class of limited liability company interests ("Common Units") of Ellington Financial Operating Partnership LLC, a subsidiary operating partnership of the Issuer. The Common Units may be converted into common shares representing limited liability company interests of the Issuer on a one-for-one basis after a two-year holding period and other applicable conditions have been satisfied. The two-year holding period may be waived upon the occurrence of certain events. The Common Units were purchased in connection with a transaction described in further detail on a Form 8-K dated December 18, 2012 filed by the Issuer. The transaction changed only the form of beneficial ownership by Michael W. Vranos, VC Investments LLC ("VC") and EMGH from non-derivative security to derivative security.
(7)	Includes 372,162 LTIP Units. The LTIP Units represent a separate non-voting class of limited liability company interets of the issuer, which are structured as profits interests.

Remarks:

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

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