

Ellington Financial LLC
 Form 4
 September 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)
 08/30/2013

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price

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

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 (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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)		Disposed of (D)		Date Exercisable	Expiration Date	Title	Amount
			Code	V	(A)	(D)				
Common Units	(1)	08/30/2013	J(2)		129,516	(1)	(1)	Common Shares representing ltd liability company interests	129,516	
Common Units	(1)	08/30/2013	J(2)		90,757	(1)	(1)	Common Shares representing ltd liability company interests	90,757	
Common Units	(1)	08/30/2013	S(4)		90,757	(1)	(1)	Common Shares representing ltd liability company interests	90,757	
Common Units	(1)	08/30/2013	P(4)		90,757	(1)	(1)	Common Shares representing ltd liability company interests	90,757	
Common Units	(1)	08/30/2013	J(6)		38,759	(1)	(1)	Common Shares	38,759	
LTIP Units	(8)					(8)	(8)	Common Shares	37,500	

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, attorney-in-fact for Michael W. Vranos

09/03/2013

__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) Represents a class of limited liability company interests ("Common Units") of Ellington Financial Operating Partnership LLC, the operating partnership of Ellington Financial LLC (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.

These Common Units were previously held by EMG Holdings, L.P. ("EMGH") and were distributed to Mr. Michael W. Vranos (90,757 Common Units) and Mr. Laurence E. Penn (38,759 Common Units) as part of a pro rata distribution to its partners by EMGH (the "Distribution"). No one received or paid any consideration for any Common Units transferred in connection with this Distribution. None of the pecuniary interests, to the extent any such interests exist, of the ultimate beneficial owners of the Common Units increased or decreased as a result of the Distribution.
 - (2) After the Distribution, 82,484 Common Units were held by EMGH. VC Investments LLC, of which Mr. Vranos is the managing member, is the general partner of EMGH. Mr. Vranos disclaims beneficial ownership of any common shares owned beneficially or of record by EMGH except to the extent of his pecuniary interest therein.
 - (3) This transaction was a sale by Mr. Vranos to a family trust of which Mr. Vranos is the settlor (the "Vranos Family Trust"). Mr. Vranos continued to have certain consent rights with respect to transfers of all Common Units including those held by the Vranos Family Trust.

After the sale by Mr. Vranos, 82,484 Common Units were held by EMGH and 90,757 Common Units were held the Vranos Family Trust. Mr. Vranos continued to have certain consent rights with respect to transfers of all Common Units including those held by the Vranos Family Trust. Mr. Vranos disclaims any pecuniary interest in the Common Units held by the Vranos Family Trust.
 - (4) These Common Units were sold by Mr. Penn to an entity owned by a family trust of which Mr. Penn is a settlor and for which Mr. Vranos serves as a trustee (the "Penn Family Trust"). Mr. Vranos continued to have certain consent rights with respect to transfers of all Common Units including those held by the Penn Family Trust. Mr. Vranos disclaims any pecuniary interest in the Common Units held by the Penn Family Trust.
 - (5) After the sale by Mr. Penn, 82,484 Common Units were held by EMGH, 90,757 Common Units were held by the Vranos Family Trust and 38,759 Common Units were held by the Penn Family Trust. Mr. Vranos continued to have certain consent rights with respect to transfers of all Common Units including those held by the Vranos Family Trust and the Penn Family Trust. Mr. Vranos disclaims any pecuniary interest in the Common Units held by the Vranos Family Trust and the Penn Family Trust.
 - (6) Represent a separate non-voting class of limited liability company interests ("LTIP Units") of the Issuer, which are structured as profits interests. 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. The 372,162 LTIP Units are held by EMGH and have vested. Mr. Vranos disclaims beneficial ownership of these LTIP Units except to the extent of his pecuniary interest therein.
 - (7)
 - (8)

Remarks:

In addition, Mr. Vranos is the settlor of two trusts holding 500,000 common shares and 109,000 common shares. Mr. Vranos c

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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