

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>Vranos Michael W</u>  (Last) (First) (Middle) <u>53 FOREST AVENUE</u>  (Street) <u>OLD GREENWICH CT 06870</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Ellington Financial LLC [ EFC ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner  <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) <u>Co-Chief Investment Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>02/17/2011</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line)  <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> 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	02/17/2011		J <sup>(1)</sup>		6,400	A	\$0	2,605,742	I	See Footnotes <sup>(2)(3)(7)</sup>
Common shares	02/17/2011		J <sup>(1)</sup>		6,400	A	\$0	2,605,742	I	See Footnotes <sup>(3)(4)(7)</sup>
Common shares	03/04/2011		J <sup>(5)</sup>		8,991	A	\$0	1,335,854	D <sup>(7)</sup>	
Common shares	03/04/2011		J <sup>(6)</sup>		91	A	<sup>(6)</sup>	1,335,945	D <sup>(7)</sup>	

**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)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)					

1. Name and Address of Reporting Person\*  
Vranos Michael W  
 (Last) (First) (Middle)  
53 FOREST AVENUE  
 (Street)  
OLD GREENWICH CT 06870  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
VC INVESTMENTS LLC  
 (Last) (First) (Middle)  
53 FOREST AVENUE  
 (Street)  
OLD GREENWICH CT 06870  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*

[EMG Holdings, L.P.](#)

(Last) (First) (Middle)

53 FOREST AVENUE

(Street)

OLD GREENWICH CT 06870

(City) (State) (Zip)

**Explanation of Responses:**

1. The shares were issued in connection with the fourth quarter 2010 incentive fee payable to Ellington Financial Management LLC ("EFM") pursuant to a management agreement between the registrant and EFM.
2. The shares are owned indirectly by Michael W. Vranos ("Mr. Vranos"). 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 19,797 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 Investments LLC ("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. The shares are owned indirectly by VC. See footnote (3) above for additional information regarding the ownership of these shares.
5. The shares are owned directly by EMGH. The 8,991 shares acquired reflect the March 2011 distribution by EFM to EMGH. EMGH owns 99% of the Class A limited liability company interests of EFM.
6. The shares are owned directly by EMGH. The 91 shares acquired reflect the contribution by VC of 91 Common Shares to EMGH pursuant to a Contribution and Assignment Agreement in exchange for a corresponding increase in VC's capital account with EMGH. VC is the general partner of EMGH.
7. 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.

[/s/ Christopher C. Green, as  
attorney-in-fact for Michael W. Vranos](#) 03/24/2011

[/s/ Christopher C. Green, as  
attorney-in-fact for VC  
Investments LLC](#) 03/24/2011

[/s/ Christopher C. Green, as  
attorney-in-fact for EMG  
Holdings, L.P.](#) 03/24/2011

\*\* Signature of Reporting Person Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**