

Vranos Michael W  
 Form 3  
 October 07, 2010

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â Vranos Michael W		(Month/Day/Year)	Ellington Financial LLC [EFC]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
53 FOREST AVENUE			(Check all applicable)	
(Street)			<input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below)    (specify below) Co-Chief Investment Officer	
OLD GREENWICH,Â CTÂ 06870			6. Individual or Joint/Group Filing(Check Applicable Line)	
(City)	(State)	(Zip)	<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 Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common shares representing limited liability cmpny interests	2,587,920 <sup>(1)</sup>	I	See note <sup>(1)</sup>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)  Title	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Amount or Number of Shares	or Indirect (I) (Instr. 5)
LTIP units <sup>(2)</sup>	Â <sup>(2)</sup>	Â <sup>(2)</sup>	Common shares 375,000 <sup>(2)</sup>	\$ <sup>(2)</sup> I See note <sup>(2)</sup>

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Vranos Michael W 53 FOREST AVENUE OLD GREENWICH, CT 06870	Â X	Â X	Â Co-Chief Investment Officer	Â
VC INVESTMENTS LLC 53 FOREST AVENUE OLD GREENWICH, CT 06870	Â	Â X	Â	Â
EMG Holdings, L.P. 53 FOREST AVENUE OLD GREENWICH, CT 06870	Â	Â X	Â	Â

## Signatures

/s/ Ashton J. Harris for Michael W. Vranos 10/07/2010  
 \*\*Signature of Reporting Person Date

/s/ Ashton J. Harris for VC Investments L.L.C. 10/07/2010  
 \*\*Signature of Reporting Person Date

/s/ Ashton J. Harris for EMG Holdings, L.P. 10/07/2010  
 \*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 5(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).
- 1,294,004 common shares are held by EMG Holdings, L.P. ("EMG Holdings"), 43,916 common shares are held by Ellington Financial Management LLC ("Ellington Financial Management") and 1,250,000 shares are held by three affiliated hedge funds for which Ellington Capital Management, LLC ("Ellington Capital Management") is the general partner. VC Investments L.L.C. ("VC Investments") is the general partner of EMG Holdings and the managing member of Ellington Financial Management and Ellington Capital Management. Michael W. Vranos ("Mr. Vranos") is the managing member of, and holds a controlling interest in, VC Investments. Each of VC Investments, EMG Holdings and Mr. Vranos disclaims beneficial ownership of these shares except to the extent of it or his pecuniary interest therein.
- (1) Represents a separate non-voting class of limited liability company interests ("LTIP Units") of the Issuer, which are structured as profits interests. The 375,000 LTIP Units are held by EMG Holdings and have vested. 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 LTIP Units were issued pursuant to, and are subject to the terms and conditions of, the Issuer's 2007 Incentive Plan for Entities. Each of VC Investments, EMG Holdings and Mr. Vranos disclaims beneficial ownership of these LTIP Units except to the extent of it or his pecuniary interest therein.

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**Remarks:**

This statement is filed as a joint report pursuant to Rule 16a-3(j) promulgated under the Securities

Exhibit 24.1 - Power of Attorney

Exhibit 24.2 - Power of Attorney

Exhibit 24.3 - Power of Attorney

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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