

<b>OMB APPROVAL</b>	
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**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

1. Name and Address of Reporting Person* <u>Penn Laurence</u>  (Last) (First) (Middle) 53 FOREST AVENUE  (Street) OLD GREENWICH CT 06870  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Ellington Financial Inc. [ EFC ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  <input checked="" type="checkbox"/> Director 10% Owner  <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) CEO and President
	3. Date of Earliest Transaction (Month/Day/Year) 03/02/2020	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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 Stock	03/02/2020		M		38,759	A	(1)	38,759	I	In Trust <sup>(2)</sup>
Common Stock								105,563	D	
Common Stock								469,372	I	See footnote <sup>(3)</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)		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 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)	Date Exercisable	Expiration Date						Title
Common Units	(4)	03/02/2020		M			38,759	(4)	(4)	Common Stock	38,759	\$0 <sup>(4)</sup>	0	I	See footnote <sup>(5)</sup>

**Explanation of Responses:**

- Converted from a class of limited liability company interests ("Common Units") of Ellington Financial Operating Partnership LLC, the operating partnership of Ellington Financial Inc. (the "Issuer"). Subject to certain conditions, the Common Units were redeemable by the holder for an equivalent number of shares of common stock of the Issuer ("Common Stock") or for the cash value of such shares of Common Stock, at the Issuer's election
- 38,759 shares of Common Stock are held by a family trust of which Mr. Penn is a settlor and for which Michael Vranos serves as a trustee (the "Penn Family Trust"). Mr. Vranos has certain consent rights with respect to transfers of shares of Common Stock held by the Penn Family Trust. Mr. Vranos disclaims any pecuniary interest in the shares of Common Stock held by the Penn Family Trust. As a current manager of the Penn Family Trust, Mr. Penn currently has the power to direct the voting and disposition of these shares of Common Stock, and as such may be regarded as the indirect beneficial owner of such shares of Common Stock. Mr. Penn disclaims any pecuniary interest in these shares of Common Stock.
- Mr. Penn is a limited partner in EMG Holdings L.P. ("EMGH"), which holds certain shares of Common Stock with respect to which Mr. Penn receives the economic benefit but does not have voting or dispositive power while held by EMGH. Historically, Mr. Penn has had the right to withdraw from EMGH some of those shares of Common Stock, but not others. Mr. Penn currently has the right to withdraw 469,372 of these shares of Common Stock from EMGH.
- Subject to certain conditions, the Common Units are redeemable by the holder for an equivalent number of shares of Common Stock of the Issuer or for the cash value of such shares of Common Stock, at the Issuer's election.
- 38,759 Common Units were held by the Penn Family Trust. Mr. Vranos has 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.

**Remarks:**

/s/ Jason Frank, attorney-in-fact 03/02/2020  
for Laurence Penn

\*\* 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.