

**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>EMG Holdings, L.P.</u>			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)  Director <input checked="" type="checkbox"/> 10% Owner  Officer (give title below) <input type="checkbox"/> Other (specify below) <input type="checkbox"/>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>07/02/2012</u>					
53 FOREST AVE  (Street) <u>OLD GREENWICH CT 06870</u>  (City) (State) (Zip)			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 Shares rep limited liability company interests	07/02/2012		J <sup>(1)</sup>		20,257	A	\$0	2,372,006	D	
Common Shares rep limited liability company interests	07/02/2012		J <sup>(2)</sup>		204	A	\$0	2,372,210	D	
Common Shares rep limited liability company interests	07/02/2012		J <sup>(3)</sup>		10,119	D	\$0	2,362,091	D	

**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		Date Exercisable	Expiration Date					
LTIP Units	(4)	07/02/2012		J		2,838	(4)	(4)	Common shares representing ltd liability company interests	2,838	(4)	372,162	D

**Explanation of Responses:**

- The shares are owned directly by EMG Holdings, L.P. ("EMGH"). The 20,257 shares acquired reflect the distribution by Ellington Financial Management LLC ("EFM") to EMGH.
- The shares are owned directly by EMGH. The 204 shares acquired reflect the contribution by VC Investments LLC ("VC") of 204 common shares to EMGH pursuant to a Contribution and Assignment Agreement in exchange for a corresponding increase in VC's capital account in EMGH. VC is the general partner of EMGH.
- These shares were distributed to a former partner of EMGH. No one received or paid any consideration for the distributed common shares. 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. EMGH disclaims any pecuniary interest in these shares.
- Represents a separate non-voting class of limited liability company interests ("LTIP Units") of the issuer, which are structured as profits interests. These 2,838 LTIP Units were distributed to a former partner. The 2,838 LTIP Units are fully vested and may be converted at the election of the holder into common shares representing limited liability interests of the Issuer on a one-for-one basis.

/s/ Christopher C. Green, as attorney-in-fact for EMG Holdings, L.P. 07/02/2012

\*\* 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.