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

Schedule 13D/A

**Under the Securities Exchange Act of 1934
(Amendment No. 2)***

Ellington Financial LLC

(Name of Issuer)

Common Shares
(Title of Class of Securities)

288522303
(CUSIP Number)

Daniel Margolis, Esq.
Ellington Financial LLC
53 Forest Avenue
Old Greenwich, Connecticut 06870
+1 203 698 1200

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

August 20, 2012
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

(1)	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) Michael W. Vranos	
(2)	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC USE ONLY	
(4)	SOURCE OF FUNDS OO	
(5)	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
(6)	CITIZENSHIP OR PLACE OF ORGANIZATION United States	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(7)	SOLE VOTING POWER 14,294 Common Shares
	(8)	SHARED VOTING POWER 2,745,298 Common Shares
	(9)	SOLE DISPOSITIVE POWER 14,294 Common Shares
	(10)	SHARED DISPOSITIVE POWER 2,745,298 Common Shares
(11)	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,759,592 Common Shares	
(12)	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
(13)	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 13.6%	
(14)	TYPE OF REPORTING PERSON IN	

(1)	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) VC Investments LLC (13-3813408)	
(2)	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC USE ONLY	
(4)	SOURCE OF FUNDS OO	
(5)	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
(6)	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(7)	SOLE VOTING POWER 0 Common Shares
	(8)	SHARED VOTING POWER 2,745,298 Common Shares
	(9)	SOLE DISPOSITIVE POWER 0 Common Shares
	(10)	SHARED DISPOSITIVE POWER 2,745,298 Common Shares
(11)	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,745,298 Common Shares	
(12)	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
(13)	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 13.5%	
(14)	TYPE OF REPORTING PERSON OO	

(1)	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) EMG Holdings, L.P. (03-0612415)	
(2)	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC USE ONLY	
(4)	SOURCE OF FUNDS OO	
(5)	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
(6)	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(7)	SOLE VOTING POWER 0 Common Shares
	(8)	SHARED VOTING POWER 2,734,253 Common Shares
	(9)	SOLE DISPOSITIVE POWER 0 Common Shares
	(10)	SHARED DISPOSITIVE POWER 2,734,253 Common Shares
(11)	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,734,253 Common Shares	
(12)	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
(13)	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 13.4%	
(14)	TYPE OF REPORTING PERSON PN	

(1)	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) Ellington Financial Management LLC (26-0715075)	
(2)	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
(3)	SEC USE ONLY	
(4)	SOURCE OF FUNDS OO	
(5)	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
(6)	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(7)	SOLE VOTING POWER 0 Common Shares
	(8)	SHARED VOTING POWER 11,045 Common Shares
	(9)	SOLE DISPOSITIVE POWER 0 Common Shares
	(10)	SHARED DISPOSITIVE POWER 11,045 Common Shares
(11)	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 11,045 Common Shares	
(12)	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
(13)	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.1%	
(14)	TYPE OF REPORTING PERSON OO	

Amendment No. 2 to Schedule 13D

This Amendment No. 2 to Schedule 13D amends and supplements the statement on Schedule 13D filed with the Securities and Exchange Commission on February 14, 2011 (as amended on January 4, 2012, the "Schedule 13D") with respect to the common shares representing limited liability company interests, no par value (the "Common Shares"), of Ellington Financial LLC (the "Issuer"). This Amendment No. 2 is being filed to update the number of Common Shares of the Issuer, and the percent of class, beneficially owned by the Reporting Persons to give effect to an increase in the number of outstanding Common Shares of the Issuer resulting from the issuance and sale of 3,500,000 Common Shares by the Issuer in an underwritten public offering that closed on August 20, 2012, as well as certain transactions described below. The information set forth below in Item 3 supplements the information disclosed under the corresponding item of the Schedule 13D, while the information set forth below in Item 5 amends in its entirety the information disclosed in the corresponding item of the Schedule 13D. Unless otherwise indicated, terms used but not defined in the Amendment No. 2 shall have the same meanings herein as ascribed to such terms in the Schedule 13D.

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 is hereby amended to add the following to the end of this section:

On July 2, 2012, EFM distributed 20,257 Common Shares to EMGH and 204 Common Shares to VC. On the same date, VC subsequently contributed 204 Common Shares to EMGH pursuant to a Contribution and Assignment Agreement in exchange for a corresponding increase in VC's capital account with EMGH.

On July 2, 2012, 10,119 Common Shares and 2,838 LTIP Units beneficially owned by each of Mr. Vranos, VC, and EMGH were distributed to a former partner of EMGH. No one received or paid any consideration for the distributed Common Shares and LTIP Units.

On August 1, 2012, pursuant to the Management Agreement, the Issuer issued 11,045 Common Shares to EFM as payment for 10% of the incentive fee earned by EFM during the second quarter of 2012, resulting in EFM beneficially owning an aggregate of 11,045 Common Shares as of the date hereof.

Item 5. Interest in Securities of the Issuer.

Item 5 is hereby amended in its entirety as follows:

(a), (b) The aggregate number and percentage of Common Shares to which this Schedule 13D relates is 2,759,592 shares, which represents beneficial ownership of 13.6% of the total number of Common Shares outstanding as of August 20, 2012. The beneficial ownership set forth in the immediately preceding sentence is held as follows:

<u>Beneficial Owner</u>	<u>Sole Voting Power</u>	<u>Shared Voting Power</u>	<u>Sole Dispositive Power</u>	<u>Shared Dispositive Power</u>	<u>Total</u>	<u>Percent of Outstanding Common Shares ⁽¹⁾</u>	<u>Managing Member or General Partner</u>
Mr. Vranos ⁽²⁾	14,294	2,745,298	14,294	2,745,298	2,759,592	13.6%	N/A
VC ⁽³⁾	0	2,745,298	0	2,745,298	2,745,298	13.5%	Mr. Vranos
EMGH ⁽⁴⁾	0	2,734,253	0	2,734,253	2,734,253	13.4%	VC
EFM	0	11,045	0	11,045	11,045	0.1%	VC

(1) Beneficial ownership is calculated based on 19,958,696 Common Shares outstanding as of August 20, 2012, which includes 3,500,000 Common Shares issued by the Issuer in an underwritten public offering that closed on August 20, 2012. For purposes of this table, a reporting person is deemed to be the beneficial owner of Common Shares if that reporting person has the right to acquire such Common Shares within 60 days of August 20, 2012 by the conversion of any LTIP Units. LTIP Units held by a reporting person are deemed to have been converted into Common Shares for the purpose of computing the percentage of outstanding Common Shares beneficially owned by such reporting person, but shall not be deemed to have been converted for the purpose of computing the percentage of outstanding Common Shares beneficially owned by any other reporting person.

(2) Beneficial ownership includes 14,294 Common Shares held directly by Mr. Vranos, 2,734,253 Common Shares beneficially owned by EMGH (including 372,162 LTIP Units — see footnote 4 below) and 11,045 Common Shares held directly by EFM.

- (3) Beneficial ownership includes 2,734,253 Common Shares beneficially owned by EMGH (including 372,162 LTIP Units — see footnote 4 below) and 11,045 Common Shares held directly by EFM.
 - (4) Beneficial ownership includes 2,362,091 Common Shares and 372,162 LTIP Units held directly by EMGH. The LTIP Units are fully vested and are convertible into Common Shares on a one-for-one basis, subject to certain conditions.
- (c) Except for the transactions described in Item 3 above, there have been no transactions effected during the past 60 days by the Reporting Persons with respect to the Common Shares. The information related to the transactions dated July 2, 2012 and August 1, 2012 contained in Item 3 above is incorporated herein by reference.
- (d) Not applicable.
- (e) Not applicable

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated this 22nd day of August, 2012.

MICHAEL W. VRANOS

/s/ Michael W. Vranos

VC INVESTMENTS L.L.C.

By: /s/ Michael W. Vranos

Name: Michael W. Vranos

Title: Managing Member

EMG HOLDINGS, L.P.

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Designated Person

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Vice Chairman

ELLINGTON FINANCIAL MANAGEMENT LLC

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Executive Vice President