

**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
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1. Name and Address of Reporting Person* <u>Vranos Michael W</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 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) Other (specify below) <u>Co-Chief Investment Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) 10/12/2011	
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	10/12/2011		P		510	A	\$17.74 <sup>(1)</sup>	510	D	
Common Shares rep. limited liability company interests	10/13/2011		P		600	A	\$17.38 <sup>(2)</sup>	1,110	D	
Common Shares rep. limited liability company interests								2,499,381	I	See footnotes. <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					
LTIP Units	(4)							(4)	(4)	Common Shares	375,000 <sup>(4)</sup>	375,000 <sup>(4)</sup>	I	See footnotes <sup>(4)</sup>

**Explanation of Responses:**

- This transaction was executed in multiple trades at prices ranging from \$17.64 to \$17.78. The price reported above reflects the weighted average purchase price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected. All purchases pursuant to this transaction were made pursuant to a 10b5-1 trading plan adopted by the reporting person.
- This transaction was executed in multiple trades at prices ranging from \$17.32 to \$17.40. The price reported above reflects the weighted average purchase price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected. All purchases pursuant to this transaction were made pursuant to a 10b5-1 trading plan adopted by the reporting person.
- Three affiliated hedge funds ("Hedge Funds") own 1,250,000 common shares. EMG Holdings, L.P ("EMGH") owns 1,228,920 common shares. Ellington Financial Management LLC ("EFM") owns 20,461 common shares. Ellington Capital Management, LLC ("ECM") is the general partner of the Hedge Funds. VC Investments L.L.C. ("VC") is the general partner of EMGH and the managing member of EFM and ECM. Michael W. Vranos is the managing member of, and holds a controlling interest in VC. Mr. Vranos, together with VC and, with respect to 1,228,920 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. 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 its or his pecuniary interest therein.
- 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 EMGH 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. Each of VC, EMGH and Mr. Vranos disclaims beneficial ownership of these LTIP Units except to the extent of it or his pecuniary interest therein.

/s/ Sara Walden Brown, as attorney-in-fact for Michael Vranos 10/14/2011

\*\* 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.

POWER OF ATTORNEY

The undersigned (the "Reporting Person") hereby constitutes and appoints Daniel Margolis, Lisa Mumford, Mark Tecotzky, Sara Walden Brown, Neha Mathur, Daniel M. LeBey and Christopher C. Green, and each of them, as the Reporting Person's true and lawful attorney-in-fact to:

(1) prepare, execute in the Reporting Person's name and on the Reporting Person's behalf, and submit to the U.S. Securities and Exchange Commission (the "SEC") a Form ID, including amendments thereto, and any other documents necessary or appropriate to obtain codes and passwords enabling the Reporting Person to make electronic filings with the SEC of reports required by Section 16(a) of the Securities Exchange Act of 1934 or any rule or regulation of the SEC;

(2) execute for and on behalf of the Reporting Person, in the Reporting Person's capacity as a beneficial owner of 10% or more of Ellington Financial LLC (the "Company"), Forms 3, 4 and 5 in accordance with Section 16(a) of the Securities Exchange Act of 1934 and the rules thereunder;

(3) do and perform any and all acts for and on behalf of the Reporting Person which may be necessary or desirable to complete and execute any such Form 3, 4 or 5, complete and execute any amendment or amendments thereto, and timely file such form with the SEC and any stock exchange or similar authority; and

(4) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the Reporting Person, it being understood that the documents executed by such attorney-in-fact on behalf of the Reporting Person pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

The Reporting Person grants to such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the Reporting Person might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted. The Reporting Person acknowledges that the foregoing attorney-in-fact, in serving in such capacity at the request of the Reporting Person, is not assuming, nor is the Company assuming, any of the Reporting Person's responsibilities to comply with Section 16 of the Securities Exchange Act of 1934.

This Power of Attorney shall remain in effect until the Reporting Person is no longer required to file Forms 3, 4 and 5 with respect to the Reporting Person's holdings of, and transactions in securities issued by, the Company, unless earlier revoked by the Reporting Person in a signed writing delivered to the attorney-in-fact.

IN WITNESS WHEREOF, the Reporting Person has caused this Power of Attorney to be executed as of this 14th day of October, 2011.

Sign here: /s/ Michael W. Vranos  
Print Name: Michael W. Vranos