

Vranos Michael W  
Form 5  
February 14, 2011

**FORM 5**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN 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

1. Name and Address of Reporting Person \*  
Vranos Michael W  
  
(Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol  
Ellington Financial LLC [EFC]  
  
3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
12/31/2010

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Co-Chief Investment Officer

53 FOREST AVENUE  
  
(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting  
  
(check applicable line)

OLD GREENWICH, CT 06870

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

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)	Amount (A) or (D)	Price	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common shares	12/01/2010	^	J	32,530	A	\$ 0	1,326,534	D (1) (6)	^
Common shares	12/01/2010	^	J	329	A	\$ (2)	1,326,863	D (2) (6)	^
Common shares	^	^	^	^	^	^	2,599,342	I	See Footnotes (3) (4) (6)
Common shares	^	^	^	^	^	^	2,599,342	I	See Footnotes

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**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 Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. of D
					(A) (D)	Date Exercisable Expiration Date	Title	Amount or Number of Shares	

## Reporting Owners

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

## Signatures

/s/ Christopher C. Green, as attorney-in-fact for Michael W. Vranos 02/14/2011  
 \*\*Signature of Reporting Person Date

/s/ Christopher C. Green, as attorney-in-fact for VC Investments LLC 02/14/2011  
 \*\*Signature of Reporting Person Date

/s/ Christopher C. Green, as attorney-in-fact for EMG Holdings, L.P. 02/14/2011

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* 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).
- (1) The shares are owned directly by EMG Holdings, L.P. ("EMGH"). The 32,530 shares acquired reflect the December 2010 distribution by Ellington Financial Management LLC ("EFM") to EMGH.
- The shares are owned directly by EMGH. The 329 shares acquired reflect the contribution by VC Investments LLC ("VC") of 329
- (2) Common Shares to EMGH pursuant to a Contribution and Assignment Agreement in exchange for a corresponding increase in VC's capital account with EMGH. VC is the general partner of EMGH.
- (3) The shares are owned indirectly by Michael W. Vranos. See footnote (4) below for additional information regarding the ownership of these shares.
- Three affiliated hedge funds ("Hedge Funds") own 1,250,000 Common Shares. EMGH owns 1,326,863 Common Shares. EFM owns 22,479 Common Shares. Ellington Capital Management, LLC ("ECM") is the general partner of the Hedge Funds. VC is the general partner of EMGH and the managing member of EFM and ECM. Michael W. Vranos ("Mr. Vranos") is the managing member of, and holds a controlling interest in, VC. Mr. Vranos, together with VC and, with respect to 1,326,863 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.
- (4) The shares are owned indirectly by VC. See footnote (4) above for additional information regarding the ownership of these shares.
- (5) 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 it or his pecuniary interest therein.
- (6)

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.