

Ellington Financial LLC  
 Form 3  
 January 04, 2012

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0104  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

**INITIAL STATEMENT OF 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

(Print or Type Responses)

1. Name and Address of Reporting Person *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â EMG Holdings, L.P.		(Month/Day/Year)	Ellington Financial LLC [EFC]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
53 FOREST AVE		12/31/2011		
(Street)			(Check all applicable)	
OLD		_____ Director	_____ 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
GREENWICH,Â CTÂ 06870		_____ Officer	_____ Other	__X__ Form filed by One Reporting Person
(City)	(State)	(Zip)	(give title below)	(specify below)
				___ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Shares rep limited liability company interests	2,351,749 <u>(1)</u> <u>(2)</u>	D	Â

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

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
		Title			

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	Date Exercisable	Expiration Date	Amount or Number of Shares	or Indirect (I) (Instr. 5)
LTIP Units <sup>(3)</sup>	Â <sup>(3)</sup>	Â <sup>(3)</sup>	Common Shares 375,000 \$ <sup>(3)</sup>	D Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
EMG Holdings, L.P. 53 FOREST AVE OLD GREENWICH, CT 06870	Â	Â X	Â	Â

## Signatures

/s/ Sara Walden Brown, as attorney-in-fact for EMG Holdings, L.P. 01/04/2012

\_\_Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 5(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) On December 31, 2011, EMGH acquired 1,122,829 shares previously held by Ellington Mortgage Partners, LLC ("EMP"), New Ellington Partners, L.P. ("NEP") and New Ellington Credit Partners, L.P. ("NECP") as a result of an internal restructuring (the "Restructuring"). In connection with the Restructuring, common shares previously held by EMP, NEP and NECP were transferred to EMGH and other entities and persons via a series of pro rata distributions and contributions. No one received or paid any consideration for any common shares transferred in connection with the Restructuring. 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 Restructuring.
- (2) VC Investments LLC ("VC") is the general partner of EMGH. Michael W. Vranos is the managing member of, and holds a controlling interest in VC. Mr. Vranos, together with VC and, with respect to 2,351,749 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.
- (3) 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 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.

Note: File three copies of this Form, one of which must be manually signed. If space 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.