

Ellington Financial LLC  
 Form 4  
 July 02, 2012

**FORM 4**

**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).

**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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 EMG Holdings, L.P.

2. Issuer Name and Ticker or Trading Symbol  
 Ellington Financial LLC [EFC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 53 FOREST AVE  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 07/02/2012

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 10% Owner  
 \_\_\_\_ Other (specify below)

OLD GREENWICH, CT 06870

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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 Ownership (Instr. 4)		
			Code	V	Amount	(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

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

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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. Amount or Number of Shares
LTIP Units	(4)	07/02/2012		J	2,838	(4) (4)	Common shares representing ltd liability company interests	2,838

## Reporting Owners

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

## Signatures

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

07/02/2012

\_\_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 20,257 shares acquired reflect the distribution by Ellington Financial Management LLC ("EFM") to EMGH.

(2) 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.

(3) 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.

(4) 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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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