

Penn Laurence
Form 4
January 04, 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 *
Penn Laurence

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 AVENUE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/30/2011

Director 10% Owner
 Officer (give title below) Other (specify below)
CEO and President

OLD GREENWICH, CT 06870
(City) (State) (Zip)

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

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)
Common Shares rep limited liability company interests	12/30/2011		P	635	A \$ 17.16 (1)	16,675	D
Common Shares rep limited liability company interests	12/31/2011		J(2)	154,552	A \$ 0	154,552	I See footnote (2)

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

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SEC 1474
(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. Number of Derivative Securities Beneficially Owned (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Penn Laurence 53 FOREST AVENUE OLD GREENWICH, CT 06870	X		CEO and President	

Signatures

/s/ Sara Walden Brown, attorney-in-fact for Laurence Penn
01/04/2012

__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) This transaction was executed in multiple trades at prices ranging from \$17.10 to \$17.18. 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.
- (2) On December 31, 2011, as a result of an internal restructuring (the "Restructuring"), Mr. Penn may be deemed to be the beneficial owner of 153,022 common shares held by EMG Holdings, L.P. ("EMGH"). In connection with the Restructuring, common shares previously held by New Ellington Partners, L.P. ("NEP"), Ellington Mortgage Partners, LLC ("EMP") and New Ellington Credit Partners, L.P. ("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

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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.

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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