

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **January 24, 2023**

ELLINGTON FINANCIAL INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34569

(Commission File Number)

26-0489289

(IRS Employer Identification No.)

**53 Forest Avenue
Old Greenwich, CT 06870**

(Address and zip code of principal executive offices)

Registrant's telephone number, including area code: **(203) 698-1200**

Not Applicable

(Former Name or Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.001 par value per share	EFC	The New York Stock Exchange
6.750% Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	EFC PR A	The New York Stock Exchange
6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Stock	EFC PR B	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement

On January 24, 2023, Ellington Financial Inc. (the "Company") and Ellington Financial Management LLC, the Company's manager, entered into separate amendments (each an "Amendment" and collectively, the "Amendments") to its existing equity distribution agreements (each, as amended, an "Agreement" and collectively, the "Agreements") with each of JMP Securities LLC, B. Riley Securities, Inc., and Ladenburg Thalmann & Co. Inc. (each an "Agent" and together the "Agents") relating to the offer and sale of shares of the Company's common stock, par value \$0.001 per share, which are referred to herein as "common stock." In accordance with the terms of the Agreements, shares of common stock having a maximum aggregate offering price of up to \$225.0 million ("Shares") remain available for sale from time to time by the Company through the Agents.

The Amendments increase the maximum aggregate offering price of the common stock that may be offered and sold from time to time by the Company pursuant to the Agreements and provide that the Shares will be issued pursuant to the Company's automatic shelf registration statement on Form S-3 (File No. 333-269386). The Company has filed a prospectus supplement, dated January 24, 2023, to the prospectus, dated January 24, 2023, with the Securities and Exchange Commission (the "SEC") in connection with the offer and sale of the Shares from time to time in the future.

Pursuant to the Agreements, the Shares may be offered and sold through the Agents in transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on the New York Stock Exchange or sales made to or through a market maker other than on an exchange or in negotiated transactions. Each Agent will be entitled to compensation of up to 2.0% of the gross proceeds from the sale of the Shares sold through it under the applicable Agreement. The Company has no obligation to sell any of the Shares under the Agreements and may at any time suspend solicitations and offers under the Agreements.

The Agents and their affiliates have provided, and may in the future provide, investment banking, brokerage and other services to the Company in the ordinary course of business, and the Company paid, and expects to pay, customary fees and commissions for their services.

The foregoing description of the Agreements and the Amendments is not complete and is qualified in its entirety by reference to the form of equity distribution agreement and the form of the Amendment, copies of which are attached hereto or incorporated by reference herein as Exhibits 1.1 and 1.2, respectively, and incorporated in this Item 1.01 by reference.

In connection with the filing of the prospectus supplement, dated January 24, 2023, the Company is filing as Exhibit 5.1 hereto an opinion of its counsel, Vinson & Elkins L.L.P., with respect to the legality of the Shares.

This Current Report on Form 8-K shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits. The following exhibits are being filed with this Current Report on Form 8-K.

- 1.1 [Form of Equity Distribution Agreement \(incorporated by reference to Exhibit 1.1 to the Company's current report on Form 8-K filed with the SEC on August 9, 2021\)](#)
 - 1.2 [Form of Equity Distribution Agreement Amendment](#)
 - 5.1 [Opinion of Vinson & Elkins L.L.P. as to the legality of the Shares](#)
 - 23.1 [Consent of Vinson & Elkins L.L.P. \(included in Exhibit 5.1\)](#)
 - 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)
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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ELLINGTON FINANCIAL INC.

Date: January 24, 2023

By: /s/ JR Herlihy
JR Herlihy
Chief Financial Officer

AMENDMENT NO. 1 TO EQUITY DISTRIBUTION AGREEMENT

January 24, 2023

[●]

Ladies and Gentlemen:

Ellington Financial Inc., a Delaware corporation (the “Company”), Ellington Financial Management LLC, a Delaware limited liability company and the Company’s external manager (the “Manager”), and [●] (the “Placement Agent”) are parties to that certain Equity Distribution Agreement dated as of August 6, 2021 (the “Original Agreement”). All capitalized terms not defined herein shall have the meanings ascribed to them in the Original Agreement. The parties hereto, intending to be legally bound, hereby agree as follows:

1. Amendments to the Original Agreement. The Original Agreement is amended as follows:

A. The first sentence of the first paragraph of Section 1 of the Original Agreement is hereby deleted and replaced in its entirety with the following:

“The Company agrees that, from time to time during the term of this Agreement, on the terms and subject to the conditions set forth herein, it may issue and sell through the Placement Agent, acting as agent and/or principal, shares of the Company’s common stock, \$0.001 par value per share (the “Common Stock”), having an aggregate offering price of up to \$376,250,160 (the “Securities”), which includes, for the avoidance of doubt, the shares of Common Stock having an aggregate gross sales price of \$151,250,160 sold by the Company prior to 4:00 p.m. (eastern time) on January 24, 2023 pursuant to the prospectus supplement filed by the Company with the Commission (as defined below) on August 6, 2021.”

B. The last sentence of the first paragraph of Section 1 of the Original Agreement is hereby amended to replace “and declared effective by” with “and which became effective upon filing with”.

C. The first sentence of the second paragraph of Section 1 of the Original Agreement is hereby deleted and replaced in its entirety with the following:

“The Company has filed, in accordance with the provisions of the Securities Act of 1933, as amended, and the rules and regulations thereunder (collectively, the “Securities Act”), with the Commission an automatic shelf registration statement on Form S-3ASR (File No. 333-269386), including a base prospectus, relating to certain securities, including the Securities, to be issued from time to time by the Company, and which incorporates by reference documents that the Company has filed or will file in accordance with the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (collectively, the “Exchange Act”).”

D. The third paragraph of Section 1 of the Original Agreement is hereby deleted and replaced in its entirety with the following:

“To the extent that the Registration Statement is not available for the sales of the Securities as contemplated by this Agreement or the Company is not a Well-Known Seasoned Issuer or otherwise is unable to make the representations set forth in Section 5(a)(40) at any time when the Company is required to make such representations pursuant to Section 7(o), the Company shall file a new registration statement with respect to any additional Securities necessary to complete the sale of the Maximum Amount and shall use commercially reasonable efforts to cause such registration statement to become effective as promptly as practicable. After the effectiveness of any such new registration statement and the initial filing of a Prospectus Supplement to the base prospectus included as part of such new registration statement, all references to “Registration Statement” included in this Agreement shall be deemed to include such new registration statement, including all documents incorporated by reference therein pursuant to Item 12 of Form S-3, and all references to “base prospectus” included in this Agreement shall be deemed to include the final form of prospectus, including all documents incorporated therein by reference, included in any such new registration statement at the time of the initial filing of a Prospectus Supplement to the base prospectus included as part of such new registration statement. For the avoidance of confusion, all references to “Registration Statement” included in this Agreement relating to the offer and sale of any Securities or such other relevant action that occurred prior to the time of the initial filing of a Prospectus Supplement to the base prospectus included as part of such new registration statement shall be deemed to refer to the Company’s registration statement on Form S-3ASR (File No. 333-269386), including a base prospectus, relating to certain securities, including the Securities, including all documents incorporated by reference therein.”

E. The fourth paragraph of Section 1 of the Original Agreement is hereby deleted and replaced in its entirety with the following:

“The Company has also entered into separate equity distribution agreements (collectively, the “Alternative Distribution Agreements”), each dated as of August 6, 2021, as amended by an Amendment No. 1 to each of the separate equity distribution agreements, each dated as of January 24, 2023, with the parties listed on Appendix A attached hereto (collectively, the “Alternative Placement Agents”), for the issuance and sale from time to time of the Securities to or through the Alternative Placement Agents. The aggregate amount of shares of Common Stock that may be sold pursuant to this Agreement and the Alternative Distribution Agreements shall not exceed the Maximum Amount.

F. The representation in Section 5(a)(22) of the Original Agreement is hereby amended to replace “2020” with “2021”.

G. A new Section 5(a)(40) is hereby added to read as follows:

“Status as a Well-Known Seasoned Issuer. (A) At the respective times the Registration Statement or any amendments thereto were filed with the Commission, (B) at the time of the most recent amendment to the Registration Statement for the purposes of complying with Section 10(a)(3) of the Securities Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Section 13 or 15(d) of the Exchange Act or form of prospectus), (C) at any time the Company or any person acting on its behalf (within the meaning, for this clause only, of Rule 163(c)) of the Securities Act made any offer relating to the Securities in reliance on the exemption of Rule 163 of the Securities Act and (D) at the date hereof, the Company was and is a “well-known seasoned issuer” as defined in Rule 405 of the Securities Act, including not having been and not being an “ineligible issuer” as defined in Rule 405 of the Securities Act (without taking into account any determination made by the Commission pursuant to paragraph (2) of the definition of such term in Rule 405 of the Securities Act). The Registration Statement is an “automatic shelf registration statement,” as defined in Rule 405 of the Securities Act and the Securities, since their registration on the Registration Statement, have been and remain eligible for registration by the Company on such an “automatic shelf registration statement.” The Company has not received from the Commission any notice pursuant to Rule 401(g)(2) of the Securities Act objecting to the use of the automatic shelf registration statement form. Any written communication that was an offer relating to the Securities made by the Company or any person acting on its behalf (within the meaning, for this sentence only, of Rule 163(c) of the Securities Act) prior to the filing of the Registration Statement has been filed with the Commission in accordance with Rule 163 of the Securities Act and otherwise complied with the requirements of Rule 163 of the Securities Act, including without limitation the legending requirement, to qualify such offer for the exemption from Section 5(c) of the Securities Act provided by Rule 163 of the Securities Act.”

H. All references in the Original Agreement to the “Agreement” shall mean the Original Agreement, as amended by this Amendment No. 1 to the Original Agreement; *provided, however*, that all references to “date of this Agreement” in the Original Agreement shall continue to refer to the date of the Original Agreement, and the reference to “time of execution of this Agreement” set forth in Section 12(a) of the Original Agreement shall continue to refer to the time of execution of the Original Agreement.

I. The first sentence of the Form of Placement Notice attached as Exhibit A to the Original Agreement is hereby deleted and replaced in its entirety with the following:

“Pursuant to the terms and subject to the conditions contained in the Equity Distribution Agreement among Ellington Financial Inc. (the “Company”), Ellington Financial Management LLC and [●] (the “Placement Agent”) dated August 6, 2021, as amended on January 24, 2023 (the “Agreement”), I hereby request on behalf of the Company that the Placement Agent sell up to [●] shares of common stock of the Company, \$0.001 par value per share, at a minimum market price of \$[] per share.”

J. The first paragraph of the Form of Officers’ Certificate (Company) attached as Exhibit E to the Original Agreement is hereby deleted and replaced with the following:

“The undersigned JR Herlihy and Laurence Penn are the Chief Financial Officer and Chief Executive Officer, respectively, of Ellington Financial Inc., a Delaware corporation (the “Company”). The undersigned hereby execute this Certificate as of the date hereof pursuant to the terms of those certain Equity Distribution Agreements, dated August 6, 2021, as amended on January 24, 2023 (the “Equity Distribution Agreements”), among the Company, Ellington Financial Management LLC and each of JMP Securities LLC, B. Riley Securities, Inc. and Ladenburg Thalmann & Co. Inc. (collectively, the “Placement Agents”). Capitalized terms used herein without definition shall have the meanings given to such terms in the Equity Distribution Agreements.”

K. The first paragraph of the Form of Officers' Certificate (Manager) attached as Exhibit F to the Original Agreement is hereby deleted and replaced with the following:

"The undersigned JR Herlihy and Laurence Penn are the Chief Financial Officer and Executive Vice President, respectively, of Ellington Financial Management LLC, a Delaware limited liability company (the "Manager"). The undersigned hereby execute this Certificate as of the date hereof pursuant to the terms of those certain Equity Distribution Agreements, dated August 6, 2021, as amended on January 24, 2023 the "Equity Distribution Agreements"), among the Manager, Ellington Financial Inc. and each of JMP Securities LLC, B. Riley Securities, Inc. and Ladenburg Thalmann & Co. Inc. (collectively, the "Placement Agents"). Capitalized terms used herein without definition shall have the meanings given to such terms in the Equity Distribution Agreements."

L. Exhibit H and any references thereto in the Original Agreement are hereby deleted from the Original Agreement.

2. No Other Amendments. Except as specifically set forth herein, all other provisions of the Original Agreement shall remain in full force and effect.

3. Entire Agreement; Amendment; Severability. This Amendment No. 1 to the Original Agreement together with the Original Agreement (including all schedules and exhibits attached hereto and thereto and Placement Notices issued pursuant hereto and thereto) constitutes the entire agreement and supersedes all other prior and contemporaneous agreements and undertakings, both written and oral, among the parties hereto with regard to the subject matter hereof.

4. Prospectus Supplement. The Company agrees to file with the Commission pursuant to Rule 424(b) under the Securities Act a Prospectus Supplement reflecting this Amendment No. 1 to the Original Agreement within two Business Days of the date hereof.

5. Counterparts. This Amendment No. 1 to the Original Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed amendment by one party to the other may be made by facsimile or email transmission.

[Signature Page Follows]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement by and among the Placement Agent, the Company and the Manager in accordance with its terms.

Very truly yours,

ELLINGTON FINANCIAL INC.

By: _____
Name:
Title:

ELLINGTON FINANCIAL MANAGEMENT LLC

By: _____
Name:
Title:

CONFIRMED AND ACCEPTED, as of the date first above written:

[•]

By _____
Authorized Signatory

[Vinson & Elkins LLP letterhead]

January 24, 2023

Board of Directors
Ellington Financial Inc.
53 Forest Avenue
Old Greenwich, Connecticut 06870

Ladies and Gentlemen:

We have served as special counsel to Ellington Financial Inc., a Delaware corporation (the “Company”), in connection with its filing of a prospectus supplement under the registration statement on Form S-3 (the “Registration Statement”) (SEC File No. 333-269386), filed by the Company with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended (the “Securities Act”), relating to the proposed offering of shares of common stock, par value \$0.001 per share, of the Company, having a maximum aggregate offering price of up to \$225,000,000 (the “Shares”). The Shares will be issued by the Company, from time to time, pursuant to separate equity distribution agreements dated August 6, 2021 (collectively, the “Distribution Agreements”), as amended on January 24, 2023 (such amendments to the Distribution Agreements, the “Amendments”), with each of JMP Securities LLC, B. Riley Securities, Inc. and Ladenburg Thalmann & Co. Inc.

In connection with the foregoing, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following documents:

1. The Registration Statement.
2. The prospectus supplement, dated January 24, 2023, as filed with the Commission on January 24, 2023, pursuant to Rule 424(b) promulgated under the Securities Act, together with the base prospectus dated January 24, 2023 (collectively, the “Prospectus”).
3. Executed copies of the Distribution Agreements and the Amendments.
4. The Certificate of Incorporation of the Company, as certified by the Secretary of State of the State of Delaware on January 24, 2023, and as certified by the Secretary of the Company on the date hereof.
5. The amended and restated bylaws of the Company, dated as of January 5, 2023, as certified by the Secretary of the Company on the date hereof.
6. Resolutions adopted by the Board of Directors of the Company, dated July 30, 2021 and December 15, 2022 (the “Resolutions”), with respect to, among other things, the issuance, sale and due authorization of the Shares, as certified by the Secretary of the Company on the date hereof.
7. The certificate of the Secretary of State of the State of Delaware as to the due incorporation, existence and good standing of the Company dated January 24, 2023 (the “Delaware Certificate”).
8. An executed copy of a certificate of the Secretary of the Company, dated the date hereof, as to certain factual matters (the “Secretary’s Certificate”).

For purposes of the opinions expressed below, we have assumed (i) the authenticity of all documents submitted to us as originals, (ii) the conformity to the originals of all documents submitted as certified or photostatic copies and the authenticity of the originals thereof, (iii) the legal capacity of natural persons, (iv) the genuineness of all signatures and (v) the due authorization, execution and delivery of all documents by all parties and the validity, binding effect and enforceability thereof (other than the authorization, execution and delivery of documents by the Company and the validity, binding effect and enforceability thereof upon the Company). As to factual matters, we have relied upon the Secretary’s Certificate and upon certificates of public officials.

Based upon the foregoing and such other information and documents as we have considered necessary for the purposes hereof, we are of the opinion that:

1. The Company is a corporation duly incorporated and existing under the laws of the State of Delaware and is in good standing with the Secretary of State of the State of Delaware. The Company has the corporate power and authority to issue the Shares.
2. The issuance of the Shares has been duly authorized and, when issued and delivered upon payment therefor in accordance with the Registration Statement, the Resolutions and the Distribution Agreements, as amended by the Amendments, the Shares will be validly issued, fully paid and nonassessable.

The opinion with respect to the incorporation, existence and good standing of the Company in the State of Delaware is based solely on the Delaware Certificate and the Secretary's Certificate.

We do not express an opinion on any laws other than the Delaware General Corporation Law.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement with the Commission on the date hereof and to the reference to this firm under the heading "Legal Matters" in the Prospectus. In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the Securities Act or the rules and regulations promulgated thereunder by the Commission.

This opinion is limited to the matters stated in this letter, and no opinions may be implied or inferred beyond the matters expressly stated in this letter. The opinions expressed in this letter speak only as of the date hereof. We do not undertake to advise you of any changes in the opinions expressed herein from matters that might hereafter arise or be brought to our attention.

Very truly yours,

/s/ Vinson & Elkins L.L.P.