
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): December 15, 2010

ELLINGTON FINANCIAL LLC

(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

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))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 15, 2010, the Board of Directors (the "Board") of Ellington Financial LLC (the "Company"), upon the recommendation of the Compensation Committee of the Board, approved 2010 incentive compensation for Lisa Mumford, the Company's Chief Financial Officer. Pursuant to the 2010 incentive compensation package approved by the Board, Ms. Mumford will receive a discretionary cash bonus of \$250,000, with the payment of approximately 45% of this cash bonus deferred to the end of the 2011 fiscal year (the "Deferral Period"). During the Deferral Period, the deferred portion of the bonus will be subject to forfeiture under certain circumstances, including in the event Ms. Mumford resigns or her employment is terminated for cause. In addition, Ms. Mumford was awarded 2,000 LTIP Units, which are subject to forfeiture restrictions that will lapse one year from the date of grant. The LTIP Unit award was made pursuant to the Company's Form of LTIP Unit Award Agreement, filed as Exhibit 10.4 to the Company's registration statement on Form S-11, as amended (Registration No. 333-160562), and incorporated by reference herein.

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 LLC
(Registrant)**

Date: December 21, 2010

By: _____ /s/ LAURENCE PENN
Laurence Penn
Chief Executive Officer