

Prospect Acquisition Corp
 Form 4
 November 21, 2007

FORM 4

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

OMB APPROVAL

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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 *
LANDERS PATRICK J

(Last) (First) (Middle)

**C/O PROSPECT ACQUISITION
 CORP., 695 EAST MAIN STREET**

(Street)

STAMFORD, CT 06901

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Prospect Acquisition Corp [PAX]

3. Date of Earliest Transaction
 (Month/Day/Year)
07/18/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 07/18/2007 | | P | | 1,725,000 (1) | A | \$ 0.006 |
| | | | | | 1,725,000 (2) | I | |
| | | | | | | | See Footnote (3) |
| Common Stock | 08/01/2007 | | S | | 345,000 (4) | D | \$ 0.006 |
| | | | | | 1,380,000 (5) | I | |
| | | | | | | | See Footnote (3) |
| Common Stock | 09/06/2007 | | S | | 172,500 (6) | D | \$ 0.006 |
| | | | | | 1,207,500 (7) | I | |
| | | | | | | | See Footnote (3) |
| Common Stock | 10/15/2007 | | S | | 140,875 (8) | D | \$ 0.006 |
| | | | | | 1,066,625 (9) | I | |
| | | | | | | | See Footnote |

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| | | | | | | | | | |
|--------------|------------|---|---------------------------------------|---|-------------------|-------|--------------------------------------|---|-------------------------------|
| Common Stock | 10/25/2007 | S | 46,367 ⁽¹⁰⁾ <u>(11)</u> | D | \$ <u>(11)</u> | 0.003 | 1,731,341 <u>(11)</u> <u>(12)</u> | I | (3) See Footnote (3) |
|--------------|------------|---|---------------------------------------|---|-------------------|-------|--------------------------------------|---|-------------------------------|

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

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(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) | Amount or Number of Shares |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title | |
| Common Stock Warrants (right to buy) | \$ 7.5 | 11/20/2007 | | P | 1,680,000 | <u>(13)</u> <u>(14)</u> | Common Stock | 1,680,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---------------------------------------------------------------------------------------------------|---------------|-----------|-----------|-------|
| | Director | 10% Owner | Officer | Other |
| LANDERS PATRICK J C/O PROSPECT ACQUISITION CORP. 695 EAST MAIN STREET STAMFORD, CT 06901 | X | | President | |

Signatures

/s/ Patrick J. Landers 11/21/2007

__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).

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- (1) On July 18, 2007, LLM Structured Equity Fund L.P. ("Structured Equity Fund") purchased 1,690,500 shares of common stock of Prospect Acquisition Corp. (the "Issuer") from the Issuer for \$9,800 and LLM Investors L.P. ("LLM Investors") purchased 34,500 shares of common stock of the Issuer from the Issuer for \$200.
- (2) Patrick J. Landers does not own any shares of common stock of the Issuer (the "Common Stock Shares") directly. At the time of the transactions referenced in footnote 1 above, Structured Equity Fund was the beneficial owner of 1,690,500 Common Stock Shares and LLM Investors was the beneficial owner of 34,500 Common Stock Shares.
- (3) Patrick J. Landers owns a 50% membership interest in LM Capital Group LLC ("LM Capital Group"). LM Capital Group owns a 75% membership interest in LLM Capital Partners LLC ("LLM Capital Partners"). LLM Capital Partners is the sole member of LLM Advisors LLC ("LLM Advisors"), which is the general partner of LLM Advisors L.P. LLM Advisors makes investment decisions through an investment committee on behalf of LLM Advisors L.P., which is the general partner of Structured Equity Fund and LLM Investors. Patrick J. Landers is a member of the investment committee of LLM Advisors. Patrick J. Landers disclaims beneficial ownership of the Common Stock Shares and common stock warrants except to the extent of his pecuniary interest therein and this report shall not be deemed an admission that Patrick J. Landers is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.
- (4) On August 1, 2007, Structured Equity Fund sold 338,100 Common Stock Shares to Capital Management Systems, Inc. ("CMS") for \$1,960 (which amount represents Structured Equity Fund's purchase price for such shares) and LLM Investors sold 6,900 Common Stock Shares to CMS for \$40 (which amount represents LLM Investors' purchase price for such shares).
- (5) Patrick J. Landers does not own any Common Stock Shares directly. At the time of the transactions referenced in footnote 4 above, Structured Equity Fund was the beneficial owner of 1,352,400 Common Stock Shares and LLM Investors was the beneficial owner of 27,600 Common Stock Shares.
- (6) On September 6, 2007, Structured Equity Fund sold 169,050 Common Stock Shares to James J. Cahill ("Cahill") for \$980 (which amount represents Structured Equity Fund's purchase price for such shares) and LLM Investors sold 3,450 Common Stock Shares to Cahill for \$20 (which amount represents LLM Investors' purchase price for such shares).
- (7) Patrick J. Landers does not own any Common Stock Shares directly. At the time of the transactions referenced in footnote 6 above, Structured Equity Fund was the beneficial owner of 1,183,350 Common Stock Shares and LLM Investors was the beneficial owner of 24,150 Common Stock Shares. Patrick J. Landers disclaims beneficial ownership of the Common Stock Shares except to the extent of his pecuniary interest therein and this report shall not be deemed an admission that Patrick J. Landers is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.
- (8) On October 15, 2007, (i) Structured Equity Fund sold 64,688 Common Stock Shares to Cahill for \$375 (which amount represents Structured Equity Fund's purchase price for such shares), and 73,369 Common Stock Shares to Flat Ridge Investments LLC ("Flat Ridge") for \$425.33 (which amount represents Structured Equity Fund's purchase price for such shares), and (ii) LLM Investors sold 2,818 Common Stock Shares to Flat Ridge for \$16.34 (which amount represents LLM Investors' purchase price for such shares).
- (9) Patrick J. Landers does not own any Common Stock Shares directly. At the time of the transactions referenced in footnote 8 above, Structured Equity Fund was the beneficial owner of 1,045,293 Common Stock Shares and LLM Investors was the beneficial owner of 21,332 Common Stock Shares. Patrick J. Landers disclaims beneficial ownership of the Common Stock Shares except to the extent of his pecuniary interest therein and this report shall not be deemed an admission that Patrick J. Landers is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.
- (10) On October 25, 2007, Structured Equity Fund sold 45,440 Common Stock Shares to John Merchant for \$158.05 (which amount represents Structured Equity Fund's purchase price for such shares) and LLM Investors sold 927 Common Stock Shares to John Merchant for \$3.22 (which amount represents LLM Investors' purchase price for such shares).
- (11) On October 16, 2007, the aggregate outstanding Common Stock Shares were increased as a result of a 5-for-3 stock split.
- (12) Of which up to 225,827 shares are subject to repurchase by the Issuer, at a purchase price of \$0.0001 per share, in the event and to the extent that the underwriters do not exercise their over-allotment option. Patrick J. Landers does not own any Common Stock Shares directly. At the time of the transactions referenced in footnote 10 above, Structured Equity Fund was the beneficial owner of 1,696,715 Common Stock Shares and LLM Investors was the beneficial owner of 34,626 Common Stock Shares. Patrick J. Landers disclaims beneficial ownership of the Common Stock Shares except to the extent of his pecuniary interest therein and this report shall not be deemed an admission that Patrick J. Landers is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.
- (13) The common stock warrants become exercisable on the later of (i) the completion of the Issuer's initial business combination and (ii) 15 months from the date of the Prospectus of the Issuer, provided that the common stock warrants can not be exercised while subject to the certain transfer restrictions.
- (14) The common stock warrants expire five years from the date of the Prospectus of the Issuer or earlier upon redemption or liquidation of the Issuer.

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(15) Patrick J. Landers does not own any common stock warrants directly. Structured Equity Fund is the beneficial owner of a warrant to purchase 1,646,400 Common Stock Shares and LLM Investors is the beneficial owner of a warrant to purchase 33,600 Common Stock Shares. Patrick J. Landers disclaims beneficial ownership of the warrants to purchase shares of common stock except to the extent of his pecuniary interest therein and this report shall not be deemed an admission that Patrick J. Landers is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.

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.