

Prospect Acquisition Corp
 Form 4
 November 21, 2007

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 Minella David A.

(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)

Chief Executive Officer

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, \$0.0001 Par Value Per Share	07/18/2007		P		2,587,500	A	\$ 0.0058
					(1)		2,587,500
						I	See Footnote (1)
Common Stock, \$0.0001 Par Value Per Share	08/01/2007		S		323,439	D	\$ 0.0058
					(1)		2,264,061
						I	See Footnote (1)
Common Stock,	09/06/2007		S		107,813	D	\$ 0.0058
					(1)		2,156,248
						I	See Footnote

Edgar Filing: Prospect Acquisition Corp - Form 4

\$0.0001 Par Value Per Share									(1)
Common Stock, \$0.0001 Par Value Per Share	10/15/2007		P	161,721	A	\$ 0.0058	2,317,969 (1) (2)	I	See Footnote (1)
Common Stock, \$0.0001 Par Value Per Share	10/25/2007		S	100,765	D	\$ 0.0035	3,762,516 (1)	I	See Footnote (1)

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Sponsors' Warrants (3)	\$ 7.5	11/20/2007		P	3,150,000	(4) (5)	Common Stock, par value \$0.0001 per share 3,150,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Minella David A. C/O PROSPECT ACQUISITION CORP. 695 EAST MAIN STREET STAMFORD, CT 06901	X	X	Chief Executive Officer	
		X		

Flat Ridge Investments LLC
C/O PROSPECT ACQUISITION CORP.
695 EAST MAIN STREET
STAMFORD, CT 06901

Signatures

/s/ David A. Minella

11/20/2007

**Signature of Reporting Person

Date

/s/ David A. Minella, Managing Member of Flat Ridge Investments
LLC

11/20/2007

**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).

(1) Flat Ridge Investments LLC ("Flat Ridge") directly and beneficially owns all of the reported Common Stock and Sponsors' Warrants (as defined below). David A. Minella, the Managing Member of Flat Ridge, disclaims beneficial ownership of the securities except to the extent of his pecuniary interest therein and this report shall not be deemed an admission that David A. Minella is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.

(2) On October, 16, 2007, as a result of a 5-for-3 stock split declared by the Issuer's board of directors, an additional 1,545,312 shares of Common Stock were issued to Flat Ridge, bringing its total ownership as of October 16, 2007 to 3,863,281 shares of Common Stock.

(3) Sponsors' warrants (the "Sponsors' Warrants") are identical to the warrants offered by Prospect Acquisition Corp. (the "Issuer") in its initial public offering (the "IPO"), except for those differences set forth in the final prospectus relating to the IPO (the "Prospectus"). In addition, the Sponsors' Warrants generally are not transferable, assignable or saleable until 30 days after the completion of the Issuer's initial business combination, except to certain permitted transferees, and shall expire worthless if the Issuer does not complete an initial business combination within 24 months after the date of the Prospectus.

(4) The Sponsors' Warrants become exercisable on the later of the completion of the Issuer's initial business combination and 15 months from the date of the Prospectus, provided that the Sponsors' Warrants can not be exercised while subject to the transfer restrictions described above.

(5) The Sponsors' Warrants expire five years from the date of the Prospectus or earlier upon redemption or liquidation of the Issuer.

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.