

Kennedy-Wilson Holdings, Inc.  
 Form 4  
 December 03, 2009

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2009  
 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 \*  
 MCMORROW WILLIAM J

2. Issuer Name and Ticker or Trading Symbol  
 Kennedy-Wilson Holdings, Inc.  
 [KWIC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 11/13/2009

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

C/O 9701 WILSHIRE BLVD.,  
 SUITE 700

(Street)

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

BEVERLY HILLS, CA 90212

(City) (State) (Zip)

**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 Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	11/13/2009		A		1,413,477	A	① 1,413,477	D	By William J.
Common Stock	11/13/2009		A		12,232,104	A	② 12,232,104	I	McMorrow Revocable Trust
Common Stock	11/13/2009		A		8,443	A	③ 8,443	I	By John & Sons Retirement Trust



## 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).

In connection with the merger (the "Merger") of KW Merger Sub Corp., a wholly owned subsidiary of Prospect Acquisition Corp.

("Prospect"), with and into Kennedy-Wilson, Inc. ("Kennedy-Wilson"), the reporting person: (a) was granted 556,875 shares of Prospect restricted stock and (b) received 856,602 shares of Prospect common stock in exchange for (i) 86,350 shares of Kennedy-Wilson common

- (1) stock at an exchange ratio of 3.8031 shares of Prospect common stock for 1 share of Kennedy-Wilson common stock and (ii) 5,000 shares of Kennedy-Wilson Series A Preferred Stock at an exchange ratio of 105.6412 shares of Prospect common stock for 1 share of Kennedy-Wilson Series A Preferred Stock. On the effective date of the Merger, November 13, 2009, the closing price of Kennedy-Wilson's common stock was \$37.10 per share and the closing price of Prospect's common stock was \$9.85 per share.

In connection with the Merger, the William J. McMorrow Revocable Trust received 12,232,104 shares of Prospect common stock in

- (2) exchange for 3,216,366 shares of Kennedy-Wilson common stock at an exchange ratio of 3.8031 shares of Prospect common stock for 1 share of Kennedy-Wilson common stock.

In connection with the Merger, the John & Sons Retirement Trust received 8,443 shares of Prospect common stock in exchange for 2,220

- (3) shares of Kennedy-Wilson common stock at an exchange ratio of 3.8031 shares of Prospect common stock for 1 share of Kennedy-Wilson common stock.

- (4) The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

- (5) In connection with the Merger, Leslie McMorrow, the reporting person's wife, received 90,851 shares of Prospect common stock in exchange for 20,000 shares of Kennedy-Wilson common stock and 140 shares of Kennedy-Wilson Series A Preferred Stock.

- (6) In connection with the Merger, Tyler McMorrow, the reporting person's son, received 52,821 shares of Prospect common stock in exchange for 10,000 shares of Kennedy-Wilson common stock and 140 shares of Kennedy-Wilson Series A Preferred Stock.

- (7) The reporting person is a general partner of the partnership, which owns 500,000 shares of common stock of the issuer. The reporting person holds a 40% interest in the partnership.

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.