

ROLLINS JAMES D III
 Form 4
 February 15, 2007

FORM 4

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

OMB APPROVAL

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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 *
 ROLLINS JAMES D III

2. Issuer Name and Ticker or Trading Symbol
 PROSPERITY BANCSHARES INC
 [PRSP]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 80 SUGAR CREEK CENTER
 BOULEVARD
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 02/14/2007

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

SUGAR LAND, TX 77478

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

(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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	02/14/2007		M	4,000 A \$ 3.125	40,530 ⁽¹⁾	D	
Common Stock					30,000	I	Through IRA
Common Stock					24,303 ⁽²⁾	I	Through 401(k) Plan
Common Stock					4,000	I	Through spouse IRA

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- (3) The option vests ratably over a ten year period on each anniversary of the grant date, which was 02/10/1998; however no option could be exercised until 02/10/2003.
- (4) There was no price associated with the stock option grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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