

SIRMON GARY
Form 4
December 12, 2005

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 *
SIRMON GARY

(Last) (First) (Middle)
10 SOUTH FIRST AVE
(Street)

WALLA WALLA, WA 99362

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
BANNER CORP [BANR]

3. Date of Earliest Transaction
(Month/Day/Year)
12/08/2005

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)
Chairman of the Board

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	(D)	Price
Common Stock, \$.01 par value per share	12/08/2005		F		22,131	D	\$ 32.57 (1)
					233,035 (2)	D	
Common Stock, \$.01 par value per share	12/08/2005		M		16,798	A	\$ 12.2934
					249,833 (2)	D	
Common Stock,	12/09/2005		S(3)		1,500	D	\$ 32.3713
					248,333 (2)	D	

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) Market price on December 8, 2005.
- (2) Includes direct ownership of 1,756 shares through IRA, 114,452 shares through Deferred Compensation Plan, 11,641 shares through Employee Stock Ownership Plan and 3,300 shares through Profit Sharing Plan.
- (3) Sale pursuant to a Rule 10b5-1 Trading Plan dated 7/15/05.
- (4) Phantom Stock Units acquired pursuant to deferred compensation agreement, settled in stock at termination of service.
- (5) Includes direct ownership of 1,756 shares through IRA, 115,046 shares through Deferred Compensation Plan, 11,641 shares through Employee Stock Ownership Plan, 3,300 shares through Profit Sharing Plan.
- (6) Options vest at rate of 20% per year from date of grant on 7/26/96.

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.