

BARNETT RODNEY W  
 Form 4  
 February 04, 2008

**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 \*  
**BARNETT RODNEY W**

2. Issuer Name and Ticker or Trading Symbol  
**STERLING FINANCIAL CORP /WA/ [STSA]**

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

(Last) (First) (Middle)  
**111 N. WALL STREET**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**02/01/2008**

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

**SPOKANE, WA 99201**  
 (City) (State) (Zip)

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

**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)	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)
			Code	V	Amount	Price			
Common Stock	02/01/2008	02/01/2008	J <sup>(1)</sup>		3,000	A \$ 5.9	46,300	D	
Common Stock	02/01/2008	02/01/2008	S <sup>(2)</sup>		100	D \$ 19.5	46,200	D	
Common Stock	02/01/2008	02/01/2008	S <sup>(2)</sup>		750	D \$ 19.5	45,450	D	
Common Stock	02/01/2008	02/01/2008	S <sup>(2)</sup>		100	D \$ 19.52	45,350	D	

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

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**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 Security (Instr. 3 and 4)	Amount or Number of Shares
Non-Statutory Stock Option	\$ 9	02/01/2008	02/01/2008	J <sup>(1)</sup>	3,000	05/24/1999 05/23/2009	Common Stock	3,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BARNETT RODNEY W 111 N. WALL STREET SPOKANE, WA 99201		X		

## Signatures

Daniel G. Byrne                      02/04/2008  
 \*\*Signature of                      Date  
 Reporting Person

## 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) Cash purchase transaction
- (2) Shares from option exercise were sold to purchase the remainder of shares available for exercise under the 5/24/1999 option grant (remaining balance of 3,000 options). Mr. Barnett has acquired a net of 2,050 shares of STSA following these transactions.

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.