

BAUHOFFER DONALD N
Form 4
October 20, 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 *
BAUHOFFER DONALD N

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)

3. Date of Earliest Transaction (Month/Day/Year)
04/11/2008

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

111 N. WALL STREET

(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

SPOKANE, WA 99201

(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) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---|
| | | | Code | V | Amount or Price | | | |
| Common Stock | 04/11/2008 | | J ⁽¹⁾ | | 53 | A | \$ 0 8,564 | D |
| Common Stock | 04/11/2008 | | J ⁽¹⁾ | | 51 | A | \$ 0 8,615 | D |
| Common Stock | 05/12/2008 | | S ⁽²⁾ | | 534 | D | \$ 11.01 8,081 | D |
| Common Stock | 05/12/2008 | | S ⁽²⁾ | | 1,541 | D | \$ 11.02 6,540 | D |
| Common Stock | 05/21/2008 | | S ⁽²⁾ | | 70 | D | \$ 9.9 6,470 | D |

| | | | | | | | |
|--------------|------------|------------------|-------|---|---------|-------|---|
| Common Stock | 05/21/2008 | S ⁽²⁾ | 1,000 | D | \$ 9.91 | 5,470 | D |
| Common Stock | 06/02/2008 | S ⁽²⁾ | 900 | D | \$ 8.63 | 4,570 | D |
| Common Stock | 06/05/2008 | S ⁽²⁾ | 980 | D | \$ 7.85 | 3,590 | D |
| Common Stock | 06/09/2008 | S ⁽²⁾ | 710 | D | \$ 6.5 | 2,880 | D |
| Common Stock | 06/11/2008 | S ⁽²⁾ | 1,880 | D | \$ 6.15 | 1,000 | D |

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.

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(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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Beneficially (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| BAUHOFER DONALD N 111 N. WALL STREET SPOKANE, WA 99201 | X | | | |

Signatures

/s/ Daniel G. Byrne, Chief Financial Officer
10/20/2008

__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) Shares acquired through the reinvestment of cash dividends paid out from Sterling during the first 6 months of FY 2008.

- In October of 2008, Mr. Bauhofer notified Sterling of several sale transactions involving STSA common stock that took place between
- (2) 5/12/08 and 6/11/08. As a result, Sterling was not able to complete the required Form 4 filing in the appropriate timeframe required by the SEC. These transactions all resulted in capital losses for Mr. Bauhofer.

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.