

AINSIE CHARLES J
Form 4
January 30, 2009

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 *
AINSIE CHARLES J

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)
08/28/2008

Director 10% Owner
 Officer (give title below) Other (specify below)
Director - Golf Savings Bank

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) | 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) | Price | | |
| Common Stock | 08/28/2008 | | S(1) | 500 D | \$ 9.28 | 21,879 | D |
| Common Stock | 08/28/2008 | | S(1) | 2,740 D | \$ 9.36 | 19,139 | D |
| Common Stock | 08/28/2008 | | S(1) | 300 D | \$ 9.37 | 18,839 | D |
| Common Stock | 08/28/2008 | | S(1) | 4,600 D | \$ 9.38 | 14,239 | D |
| Common Stock | 08/28/2008 | | S(1) | 1,700 D | \$ 9.39 | 12,539 | D |

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| | | | | | | | |
|--------------|------------|------------------|-------|---|-----------|--------|---|
| Common Stock | 08/28/2008 | S ⁽¹⁾ | 800 | D | \$ 9.395 | 11,739 | D |
| Common Stock | 08/28/2008 | S ⁽¹⁾ | 2,800 | D | \$ 9.4 | 8,939 | D |
| Common Stock | 08/28/2008 | S ⁽¹⁾ | 100 | D | \$ 9.41 | 8,839 | D |
| Common Stock | 08/28/2008 | S ⁽¹⁾ | 200 | D | \$ 9.4125 | 8,639 | D |
| Common Stock | 08/28/2008 | S ⁽¹⁾ | 200 | D | \$ 9.42 | 8,439 | D |
| Common Stock | 08/28/2008 | S ⁽¹⁾ | 200 | D | \$ 9.4275 | 8,239 | D |
| Common Stock | 08/28/2008 | S ⁽¹⁾ | 800 | D | \$ 9.43 | 7,439 | D |
| Common Stock | 08/28/2008 | S ⁽¹⁾ | 200 | D | \$ 9.46 | 7,239 | D |
| Common Stock | 08/28/2008 | S ⁽¹⁾ | 200 | D | \$ 9.29 | 7,039 | D |
| Common Stock | 08/28/2008 | S ⁽¹⁾ | 200 | D | \$ 9.295 | 6,839 | D |
| Common Stock | 08/28/2008 | S ⁽¹⁾ | 3,500 | D | \$ 9.3 | 3,339 | D |
| Common Stock | 08/28/2008 | S ⁽¹⁾ | 200 | D | \$ 9.32 | 3,139 | D |
| Common Stock | 08/28/2008 | S ⁽¹⁾ | 300 | D | \$ 9.325 | 2,839 | 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, | 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. Nu Deriv Secur Bene Own Follo Repo Trans (Instr |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

4, and 5)

| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|----------------|---------------------|--------------------|-------|--|
| Code V (A) (D) | | | | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|------------------------------|
| | Director | 10% Owner | Officer | Other |
| AINSLIE CHARLES J 111 N. WALL STREET SPOKANE, WA 99201 | X | | | Director - Golf Savings Bank |

Signatures

/s/ Daniel G. Byrne, Chief Financial Officer
01/30/2009

__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).

Sale transactions initiated by Mr. Ainslie were not communicated to Sterling until January of 2009. Mr. Ainslie had changed his primary (1) brokerage firm during 2008 and assumed sale communication would be made to Sterling directly from the broker. The sales were never conveyed to Sterling via the broker thus resulting in a late filing.

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.