

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)  
111 N. WALL STREET  
(Street)

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

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

SPOKANE, WA 99201

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

Common Stock	05/21/2008	S <sup>(2)</sup>	1,000	D	\$ 9.91	5,470	D
Common Stock	06/02/2008	S <sup>(2)</sup>	900	D	\$ 8.63	4,570	D
Common Stock	06/05/2008	S <sup>(2)</sup>	980	D	\$ 7.85	3,590	D
Common Stock	06/09/2008	S <sup>(2)</sup>	710	D	\$ 6.5	2,880	D
Common Stock	06/11/2008	S <sup>(2)</sup>	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. 6)
				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.