

STERLING FINANCIAL CORP /WA/
Form 4
March 14, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
BOBBITT DAVID P

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)
03/10/2006

____ Director
 Officer (give title below) _____ 10% Owner
_____ Other (specify below)
Executive Vice President Sterl

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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price		
Common Stock	03/10/2006	03/14/2006	J ⁽¹⁾		350	A	\$ 25.71	14,165	D
Common Stock	03/10/2006	03/14/2006	J ⁽¹⁾		3,889	A	\$ 25.71	18,054	D
Common Stock	03/10/2006	03/14/2006	S		4,239	D	\$ 28.75	13,815	D
Common Stock	03/13/2006	03/14/2006	J ⁽¹⁾		15,761	A	\$ 25.71	29,576	D
Common Stock	03/13/2006	03/14/2006	S		15,761	D	\$ 28.8408	13,815	D

Common Stock 3,348 I 401(k)

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)
Non-Statutory Stock Option	\$ 25.71	03/10/2006	03/14/2006	J ⁽¹⁾	350	12/19/2005 02/28/2012	Common Stock 3
Non-Statutory Stock Option	\$ 25.71	03/13/2006	03/14/2006	J ⁽¹⁾	15,761	12/19/2005 02/28/2012	Common Stock 15
Stock Option	\$ 25.71	03/10/2006	03/14/2006	J ⁽¹⁾	3,889	12/19/2005 02/28/2012	Common Stock 3,

Reporting Owners

Reporting Owner Name / Address	Relationships
BOBBITT DAVID P 111 N. WALL STREET SPOKANE, WA 99201	Director 10% Owner Officer Executive Vice President Sterl Other

Signatures

E. Marie Hirsch 03/14/2006
 **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) Exercise/Same Day Sale Transaction

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Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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