

STERLING FINANCIAL CORP /WA/  
Form 4  
September 16, 2005

**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 \*  
LARRABEE ROBERT

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)  
09/15/2005

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)	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)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Stock	09/15/2005	09/16/2005	J <sup>(1)</sup>	600	A	\$ 5.9067	27,240	D
Common Stock	09/15/2005	09/16/2005	J <sup>(1)</sup>	2,400	A	\$ 5.9067	29,640	D
Common Stock	09/15/2005	09/16/2005	S	600	D	\$ 25.89	29,040	D
Common Stock	09/15/2005	09/16/2005	S	2,400	D	\$ 25.94	26,640	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 (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 <sup>(2)</sup>	09/15/2005	09/16/2005	J <sup>(1)</sup>	2,400	05/24/2001 05/23/2009	Common Stock	2,400
Non-Statutory Stock Option	\$ 9 <sup>(2)</sup>	09/15/2005	09/16/2005	J <sup>(1)</sup>	600	05/24/2001 05/23/2009	Common Stock	600

## Reporting Owners

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

## Signatures

E. Marie Hirsch                      09/16/2005  
 \*\*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) Exercise/Same Day Sale Transaction
- (2) Price not adjusted for the 3-for-2 stock split on 8/31/05

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.