

STERLING FINANCIAL CORP /WA/  
Form 3  
March 08, 2007

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â Keegan James Bennett Jr		(Month/Day/Year)	STERLING FINANCIAL CORP /WA/ [STSA]	
(Last)	(First)	(Middle)	03/01/2007	
111 N. WALL STREET			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
SPOKANE,Â WAÂ 99201			<input checked="" type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
(City)	(State)	(Zip)	<input type="checkbox"/> Officer	<input type="checkbox"/> Other
			(give title below)	(specify below)
				6. Individual or Joint/Group Filing(Check Applicable Line)
				<input checked="" type="checkbox"/> Form filed by One Reporting Person
				<input type="checkbox"/> Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	40	D	Â
Common Stock	17,930	I	Keegan & Coppin Profit Sharing Plan
Common Stock	42,403	I	Keegan Family Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

**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.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying	4. Conversion	5. Ownership	6. Nature of Indirect Beneficial
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	Date Exercisable	Expiration Date	Derivative Security (Instr. 4)		or Exercise Price of Derivative Security	Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	Ownership (Instr. 5)
			Title	Amount or Number of Shares			
Non-Statutory Stock Option	12/28/2004	12/27/2014	Common Stock	29,347 <sup>(1)</sup>	\$ 22.8	D	Â
Non-Statutory Stock Option	07/26/2005	07/25/2015	Common Stock	5,590 <sup>(1)</sup>	\$ 28.6	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Keegan James Bennett Jr 111 N. WALL STREET SPOKANE, WA 99201	Â X	Â	Â	Â

## Signatures

Daniel G. Byrne                      03/07/2007

         Signature of                      Date  
Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 5(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) Sterling Financial Corporation (STSA) options issued following conversion of Northern Empire Bancshares (NREB) outstanding options pursuant to the terms of an Agreement and Plan of Merger dated September 17, 2006, between STSA and NREB.

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.