STERLING FINANCIAL CORP /WA/

Form 4

February 08, 2005

FORM 4

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

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person * BYRNE DANIEL G	2. Issuer Name **and** Ticker or Trading Symbol STERLING FINANCIAL CORP /WA/ [STSA]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) _____ Director _____ 10% Owner __X__ Officer (give title _____ Other (specify below) below) Executive Vice President Sterl
(Last) (First) (Middle) 111 N. WALL STREET	3. Date of Earliest Transaction (Month/Day/Year) 02/04/2005	
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person
SPOKANE, WA 99201		
(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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/04/2005		X		3,745	A	$ 9.67	20,272	D	
Common Stock	02/07/2005	02/07/2005	G		450	D	$ 38.46	19,822	D	
Common Stock	02/07/2005	02/07/2005	G		750	D	$ 38.46	19,072	D	
Common Stock	02/07/2005	02/07/2004	S		2,000	D	$ 38.4648	17,072	D	
Common Stock								20,985	I	401(k) Plan

| Common Stock | | | | | | 632 | I | Spouse IRA |

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.

SEC 1474
(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. D S (I
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
				Code	V	(A)	(D)					
Stock Option	$ 14.74 (1)	02/04/2005	02/04/2005	X/K			5,000	12/16/1999	02/28/2005	Common Stock	1,255	

Reporting Owners

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

Signatures

E. Marie Hirsch	02/08/2005
**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) Price does not reflect 10% stock dividend adjustments from previous years.

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.