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EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

January 11, 1990

44-1843(2)

J. Sue Morgan
Perkins Coie
40th Floor
1201 Third Avenue
Seattle, Washington 98101-3099

RE: Sterling Savings Association

Dear Ms. Morgan:

On the basis of the Facts set forth in your letter of January 4, 1990, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the securities and dealer registration requirements of the Securities Act of Arizona should the transaction take place as set forth in your letter.

As this position is premised on the facts set forth in your letter, and on your opinion as counsel, it should not be relied upon for any other set of facts or by any other person. Please note also that this position applies only to the registration requirements of the Act. The anti-fraud provisions of the Act continue to be applicable.

We have attached photocopies of your letters of December 22, 1989 and of January 4, 1990. By doing this, we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Victor Rodarte".

VICTOR RODARTE
Assistant Director of Securities

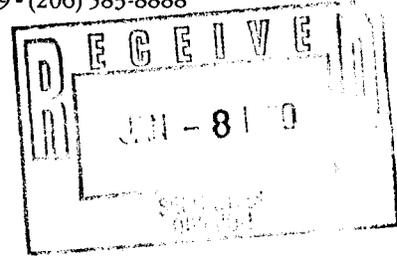
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PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

1201 THIRD AVENUE, 40TH FLOOR • SEATTLE, WASHINGTON 98101-3099 • (206) 583-8888

January 4, 1990



CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Julie VanDyne
Corporation Commission
Securities Division
1200 West Washington Street
Phoenix, AZ 85007

Re: Sterling Savings Association
Request for No-Action Letter

Dear Ms. VanDyne:

Sterling Savings Association (the "Association") intends to offer and sell units consisting of one share of its common stock, \$1.00 par value, and one share of its noncumulative convertible Series A preferred stock, \$1.00 par value, (the "Units") in the State of Arizona in a firmly underwritten public offering registered with the Office of Thrift Supervision. Dain Bosworth Incorporated is the representative of the underwriters for the offering of the Units. We are counsel to the Association and are writing to request that you advise us that you will not recommend that the Securities Division take any action against the Association if it offers and sells the Units in Arizona without registration under the Arizona Revised Statutes, as amended. The Association intends to rely on the exemption from registration provided by Section 44-1843(2) of the Arizona Revised Statutes, as amended.

Section 44-1843(2) states that "Securities issued by...a state bank or savings institution the business of which is supervised and regulated by an agency of...the United States" are exempt from registration under the Arizona Revised Statutes, as amended. The Association meets the requirements set forth in the exemption provided by Section 44-1843(2) as (1) it is a savings and loan association, chartered by the State of Washington and (2) it is also supervised and regulated by agencies of the United States, the Office of Thrift Supervision and the Federal Deposit Insurance Corporation. Although the Arizona Revised Statutes, as amended, do not

Ms. Julie VanDyne
January 4, 1990
Page 2

define "bank or savings institution" as set forth in the exemption provided by Section 44-1843(2), we believe the Association should be considered a bank or savings institution within the meaning of Section 44-1843(2) since its primary business is attracting deposits from the general public and originating, purchasing, selling and servicing secured residential, commercial and consumer loans.

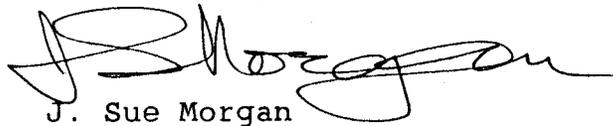
We respectfully request that you review this matter and advise the Association that no action will be taken against it if the Units are sold without registration in Arizona in reliance on Section 44-1843(2).

If for any reason you do not concur with the views expressed above, we request an opportunity to confer with you by telephone prior to your issuance of any written response to this letter.

At this time, the Association has a Uniform Application to Register Securities on file with the Arizona Corporation Commission (the "Application"). Such Application was filed to cover the offer and sale of the Units in Arizona. If a no-action letter is issued by the Arizona Securities Division we respectfully request that such filing be withdrawn without prejudice.

If you have any questions, please do not hesitate to contact me at (206) 583-8447 (collect).

Very truly yours,

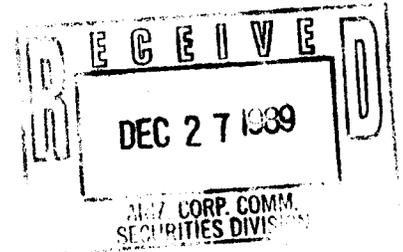

J. Sue Morgan

JSM: amr
A6084o

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December 22, 1989



CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. D. R. Harris
Ms. Julie VanDyne
Corporation Commission
Securities Division
1200 W. Washington Street
Phoenix, AZ 85007

Re: Request for Exemption Pursuant to § 44-1843(2)
Sterling Savings Association

Dear Mr. Harris and Ms. VanDyne:

Sterling Savings Association (the "Association") hopes to offer and sell units consisting of one share of its common stock, \$1.00 par value, and one share of its noncumulative convertible Series A preferred stock, \$1.00 par value, (the "Units") in the State of Arizona. In this regard, we believe the Association may rely on the exemption from registration provided by Section 44-1843(2) of the Arizona Blue Sky Law, as the Association is a Washington-chartered savings and loan institution which is supervised and regulated by the Office of Thrift Supervision and the Federal Deposit Insurance Corporation.

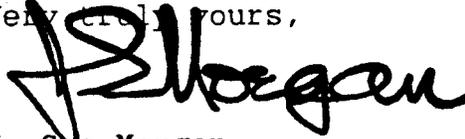
We would appreciate it if you would review this matter and confirm to us at your earliest convenience whether the above referenced exemption from registration is available for the issuance of the Association's Units.

At this time, the Association has a Uniform Application to Register Securities on file with the Arizona Corporation Commission. If the exemption from registration provided by Section 44-1843(2) is available for use by the Association, we respectfully request that such filing be withdrawn without prejudice.

Mr. D. R. Harris
Ms. Julie VanDyne
December 22, 1989
Page 2

If you have any questions, please do not hesitate to
contact me at (206) 583-8447 (collect).

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Sue Morgan". The signature is stylized and written in a cursive-like font.

J. Sue Morgan

JSM:plg
A5921o

cc: Dain Bosworth Incorporated
Sterling Savings Association
Douglas J. Siddoway