BANNER CORP Form 4 July 31, 2007

FORM 4

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

OMB APPROVAL

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if no longer

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

1(b).

(Last)

Security

(Instr. 3)

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person * MITCHELL DEAN W

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

BANNER CORP [BANR]

(Check all applicable)

10% Owner

10 SOUTH FIRST AVE

(First)

(Street)

(Middle)

3. Date of Earliest Transaction

(Month/Day/Year)

Other (specify Officer (give title below)

07/30/2007

6. Individual or Joint/Group Filing(Check

4. If Amendment, Date Original Filed(Month/Day/Year)

Applicable Line)

X_ Director

X 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

WALLA WALLA, WA 99362

(City) (State) (Zip) 1.Title of 2. Transaction Date 2A. Deemed

4. Securities (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Code Disposed of (D) (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of 6. Ownership 7. Nature of Securities Form: Direct Indirect Beneficially (D) or Indirect Beneficial Owned Ownership Following (Instr. 4) (Instr. 4)

Reported (A) Transaction(s) or (Instr. 3 and 4)

Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5. Number	6. Date Exercisable and	7. Title and Amount of	8. Pric
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transactio	onof Derivative	Expiration Date	Underlying Securities	Deriva
Security	or Exercise		any	Code	Securities	(Month/Day/Year)	(Instr. 3 and 4)	Securi
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Acquired			(Instr.

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	Derivative Security		(A) or Disposed of (D) (Instr. 3, 4, and 5)								
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock Units (1)	\$ 30.66 (2)	07/30/2007	A		2,000		<u>(3)</u>	<u>(3)</u>	Common Stock	2,000	

Reporting Owners

Reporting Owner Name / Address	Relationships					
•	Director	10% Owner	Officer	Other		
MITCHELL DEAN W 10 SOUTH FIRST AVE WALLA WALLA, WA 99362	X					

Signatures

/s/Dean W.
Mitchell

**Signature of Reporting Person

O7/31/2007

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) Award of phantom stock units under the Banner Corporation Long-Term Incentive Plan.
- (2) Market price on July 30, 2007. Upon vesting, phantom stock units settle in cash at the value in excess of the value as of the grant date, plus dividends.
- (3) Award vests on July 30, 2012. Each unit will be settled on the director's separation from service, at a specified time or upon 60 months of continuous service as determined by the director.

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.

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