

HERITAGE FINANCIAL CORP /WA/
Form 4
June 04, 2007

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 *
FLUETSCH PETER

2. Issuer Name and Ticker or Trading Symbol
HERITAGE FINANCIAL CORP /WA/ [HFWA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
PO BOX 1578
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
06/04/2007

Director 10% Owner
 Officer (give title below) Other (specify below)

OLYMPIA, WA 98507

(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 Ownership (Instr. 4)
				Code	V	Amount			
Common Stock	06/04/2007	06/04/2007	M			1,575	A \$ 20.36	26,355	D
Common Stock	06/04/2007	06/04/2007	M			1,575	A \$ 20.1	27,930	D
Common Stock	06/04/2007	06/04/2007	M			1,050	A \$ 20.5	28,980	D
Common Stock	06/04/2007	06/04/2007	M			500	A \$ 25.94	29,480	D

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

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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 Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-qualified Stock Option (right to buy)	\$ 20.1	06/04/2007	06/04/2007	M	1,575	03/18/2005	03/18/2012	Common Stock	1,575
Non-qualified Stock Option (right to buy)	\$ 20.36	06/04/2007	06/04/2007	M	1,575	03/20/2004	03/20/2011	Common Stock	1,575
Non-qualified Stock Option (right to buy)	\$ 20.5	06/04/2007	06/04/2007	M	1,050	02/17/2006	02/17/2011	Common Stock	1,050
Non-qualified Stock Option (right to buy)	\$ 25.94	06/04/2007	06/04/2007	M	500	04/28/2007	04/28/2014	Common Stock	500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FLUETSCH PETER PO BOX 1578 OLYMPIA, WA 98507		X		

Signatures

Peter N. Fluetsch	06/04/2007
**Signature of Reporting Person	Date
Edward D. Cameron for Peter N. Fluetsch	06/04/2007

**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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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