

HERITAGE FINANCIAL CORP /WA/

Form 4

January 25, 2008

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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
CAMERON EDWARD D

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)
01/24/2008

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)
SVP and Corp Secretary

OLYMPIA, WA 98507

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

(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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	01/24/2008	01/24/2008	M		1,050	A	\$ 9.29 13,358
Common Stock	01/24/2008	01/24/2008	M		1,417	A	\$ 11.67 14,775

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

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(9-02)

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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 Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 9.29	01/24/2008	01/24/2008	M	1,050	11/17/2001 11/17/2008	Common Stock	1,050
Incentive Stock Option (right to buy)	\$ 11.67	01/24/2008	01/24/2008	M	1,417	02/19/2003 02/19/2008	Common Stock	1,417

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
CAMERON EDWARD D PO BOX 1578 OLYMPIA, WA 98507	SVP and Corp Secretary

Signatures

Edward D.
Cameron 01/25/2008

**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. 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.