

BANNER CORP  
Form SC 13G  
February 13, 2015

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**SCHEDULE 13G**

**(Rule 13d-102)**

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO**

**RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED**

**PURSUANT TO RULE 13d-2(b)**

**Banner Corporation**

**(Name of Issuer)**

**Common Stock, par value \$.01 per share**

**(Title of Class of Securities)**

**06652V208**

**(CUSIP Number)**

**December 31, 2014**

**(Date of Event Which Requires Filing of this Statement)**

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

1 of 7

CUSIP No. 06652V208

13G

73-1597141

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

2 Forest Hill Capital, L.L.C., 73-1597141  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a)  (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5 SOLE VOTING POWER

NUMBER OF

SHARES 0  
6 SHARED VOTING POWER

BENEFICIALLY

OWNED BY 375,544  
EACH 7 SOLE DISPOSITIVE POWER

REPORTING

PERSON 0  
8 SHARED DISPOSITIVE POWER

WITH

9 1,114,006  
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10 1,114,006  
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\* ..

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

12 5.7% \*\*  
TYPE OF REPORTING PERSON\*

IA, OO

\* SEE INSTRUCTIONS BEFORE FILLING OUT

\*\* SEE ITEM 4(b).

2 of 7

CUSIP No. 06652V208

13G

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

2 Mark Lee  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) " (b) "

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

U.S. Citizen  
5 SOLE VOTING POWER

NUMBER OF  
SHARES 0  
6 SHARED VOTING POWER

BENEFICIALLY  
OWNED BY 375,544  
EACH 7 SOLE DISPOSITIVE POWER

REPORTING  
PERSON 0  
8 SHARED DISPOSITIVE POWER

WITH  
1,114,006  
9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10 1,114,006  
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\* "

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

5.7% \*\*

12 TYPE OF REPORTING PERSON\*

HC, IN

\* SEE INSTRUCTIONS BEFORE FILLING OUT

\*\* SEE ITEM 4(b).

3 of 7

**SCHEDULE 13G**

This Schedule 13G (this Schedule 13G ) is being filed on behalf of Forest Hill Capital, L.L.C., a Delaware limited liability company ( Forest Hill ), and Mr. Mark Lee, principal of Forest Hill.

This Schedule 13G relates to Common Stock, par value \$.01 per share (the Common Stock ), of Banner Corporation, a Washington corporation (the Issuer ), purchased by Forest Hill for the accounts of (i) Forest Hill Select Fund, L.P. ( Forest Hill Select ), of which Forest Hill is the general partner and retains voting authority, (ii) Forest Hill Strategic Value Fund, L.P. ( Forest Hill Value ), of which Forest Hill is the general partner and retains voting authority, (iii) managed account #1, to which Forest Hill acts as investment advisor, but does not retain voting authority (the Non-Voting Account ), (iv) managed account #2, to which Forest Hill acts as investment advisor and retains voting authority ( Account #2 ), (v) managed account #3, to which Forest Hill acts as investment advisor and retains voting authority ( Account #3 ) and (vi) managed account #4, to which Forest Hill acts as investment advisor and retains voting authority ( Account #4 and collectively with Forest Hill Select, Forest Hill Value, Account #2 and Account #3, the Voting Accounts, and the Voting Accounts together with the Non-Voting Account, the Forest Hill Accounts ).

**Item 1(a) Name of Issuer.**

Banner Corporation

**Item 1(b) Address of Issuer's Principal Executive Offices.**

10 South First Avenue

Walla Walla, Washington 99362

**Item 2(a) Name of Person Filing.**

Forest Hill Capital, L.L.C. and Mark Lee

**Item 2(b) Address of Principal Business Office, or, if none, Residence.**

100 Morgan Keegan Dr., Suite 430

Little Rock, Arkansas 72202

**Item 2(c) Citizenship or Place of Organization.**

Forest Hill is a limited liability company organized under the laws of the State of Delaware. Mark Lee is the principal of Forest Hill and a United States citizen.

**Item 2(d) Title of Class of Securities.**

Common Stock, par value \$.01 per share (the Common Stock )





**Item 2(e) CUSIP Number.**

06652V208

**Item 3 Reporting Person.**

**If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:**

- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e)  An investment advisor in accordance with §240.13d-1(b)(1)(ii)(E).
- (f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F).
- (g)  A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G).
- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813).
- (i)  A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3).
- (j)  Group, in accordance with §240.13d-1(b)(1)(ii)(J).

**Item 4 Ownership.**

- (a) Forest Hill and Mr. Lee are the beneficial owners of 1,114,006 shares of Common Stock held by the Forest Hill Accounts.
- (b) Forest Hill and Mr. Lee are the beneficial owners of 5.7% of the outstanding shares of Common Stock held by the Forest Hill Accounts. This percentage is determined by dividing 1,114,006 by 19,571,713, the number of shares of Common Stock issued and outstanding as of October 31, 2014, as reported in the Issuer's Form 10-Q filed on November 6, 2014.
- (c) Forest Hill has the power to vote the 375,544 shares of Common Stock held in the Voting Accounts and beneficially owned by Forest Hill. As the principal of Forest Hill, Mr. Lee may direct the vote of the 375,544 shares of Common Stock held in the Voting Accounts and beneficially owned by Forest Hill. Neither Forest Hill nor Mr. Lee has the power to vote the 738,462 shares of Common Stock held in the Non-Voting Account. Forest Hill has the power to dispose of the 1,114,006 shares of Common Stock held in the Forest Hill Accounts and beneficially owned by Forest Hill. As the principal of Forest Hill, Mr. Lee may direct the disposition of the 1,114,006 shares of Common Stock held in the Forest Hill Accounts and beneficially owned by Forest Hill.

**Item 5 Ownership of Five Percent or Less of a Class.**

Inapplicable.

**Item 6 Ownership of More Than Five Percent on Behalf of Another Person.**

The Forest Hill Accounts have the right to receive or the power to direct the receipt of dividends from or the proceeds from the sale of securities.

**Item 7 Identification and Classification of the Subsidiary which Acquired the Security Being Reported On by the Parent Holding Company.**

Inapplicable.

**Item 8 Identification and Classification of Members of the Group.**

Inapplicable.

**Item 9 Notice of Dissolution of Group.**

Inapplicable.

**Item 10 Certification.**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired for the and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

**Exhibits Exhibit 99.1**

Joint Filing Agreement dated February 13, 2015, between Forest Hill and Mark Lee.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 13, 2015

Forest Hill Capital, L.L.C.

By: /S/ MARK LEE  
Mark Lee, Manager

/S/ MARK LEE  
Mark Lee

7 of 7