RUSNAK PATRICK J

Form 4

February 17, 2011

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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Expires:

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OMB APPROVAL

Check this box if no longer subject to Section 16.

Form 4 or Form 5 obligations may continue.

See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * RUSNAK PATRICK J

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol

STERLING FINANCIAL CORP /WA/[STSA]

(Check all applicable)

(Last)

(First)

(Street)

(Middle)

3. Date of Earliest Transaction

(Instr. 8)

X_ Officer (give title below)

10% Owner Other (specify

(Month/Day/Year)

02/16/2011

below) Chief Financial Officer

6. Individual or Joint/Group Filing(Check

111 NORTH WALL STREET

4. If Amendment, Date Original

Applicable Line)

Director

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

(Instr. 4)

Person

SPOKANE, WA 99201

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D)

5. Amount of Securities Beneficially Owned

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (T)

(Instr. 4)

Following Reported Transaction(s)

(A) Code V Amount (D) Price

(Instr. 3, 4 and 5)

(Instr. 3 and 4)

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 Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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(Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired (A) Derivative or Disposed of Security (D) (Instr. 3, 4, and 5) Code V (A) (D) Date Expiration Title Amount Exercisable Date or Number of Shares Restricted Common (1) 02/16/2014 11,294 (1) 02/16/2011 Α 11,294 Stock Unit Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RUSNAK PATRICK J			Chief	
111 NORTH WALL STREET			Financial	
SPOKANE, WA 99201			Officer	

Signatures

/s/ Karla J. Gehlen, 02/17/2011 attorney-in-fact

**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).
- Each restricted stock unit represents a contingent right to receive one share of common stock. 75% of the restricted stock units are **(1)** scheduled to vest on February 16, 2013, 25% of the restricted stock units are scheduled to vest on February 16, 2014, subject to the reporting person's continued employment with the Company on such date.

Remarks:

Pursuant to the terms of the Offer Letter, Mr. Rusnak is entitled to receive a one-time equity award grant in the form of restrict 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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