

RUSNAK PATRICK J
Form 4
February 20, 2013

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 *
RUSNAK PATRICK J

2. Issuer Name and Ticker or Trading Symbol
STERLING FINANCIAL CORP
/WA/ [STSA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
111 NORTH WALL STREET

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/16/2013

____ Director
 Officer (give title below) _____ Other (specify below)
Chief Financial Officer

SPOKANE, WA 99201

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

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Code V Amount Price | | | |
| Common Stock | 02/19/2013 | | F | D \$ 22.16 | 2,412 | D | |
| Common Stock | 02/16/2013 | | M | A 8,471 | 8,471 | D | |
| Common Stock | | | | | 14 | I | 401K |
| Common Stock (ESPP) | | | | | 784 | D | |

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

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(9-02)

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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Restricted Stock Unit | (2) | 02/16/2013 | | M | 8,471 | (2) 02/16/2014 | Common Stock | 8,471 |

Reporting Owners

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

Signatures

/s/ Karla J. Gehlen,
attorney-in-fact

02/20/2013

**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).

(1) Represents the vesting of 8,741 shares of common stock pursuant to a restricted stock unit vest on February 16, 2013. Since the vesting date commenced on a weekend (Saturday), taxable compensation was calculated using the closing price of Sterling stock on the next available trading day (February 19, 2013).

(2) Each restricted stock unit represents a contingent right to receive one share of common stock. 75% of the restricted stock units are 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.

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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