RUSNAK PATRICK J

Form 4

March 13, 2012

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Form 5 obligations may continue.

See Instruction 1(b).

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)

(Last)

(City)

1. Name and Address of Reporting Person *

RUSNAK PATRICK J

(First) (Middle)

111 NORTH WALL STREET

(Street)

2. Issuer Name and Ticker or Trading

Symbol

STERLING FINANCIAL CORP /WA/[STSA]

3. Date of Earliest Transaction

(Month/Day/Year) 03/13/2012

4. If Amendment, Date Original

Filed(Month/Day/Year)

3235-0287

OMB APPROVAL

OMB Number:

January 31, Expires: 2005

0.5

Estimated average burden hours per

response...

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

Director 10% Owner

X_ Officer (give title Other (specify below) below)

Chief Financial Officer

6. Individual or Joint/Group Filing(Check

Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

(State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) (Instr. 3)

SPOKANE, WA 99201

Execution Date, if

3. (Month/Day/Year)

4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8)

(Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following Reported

6. Ownership Form: Direct (T) (Instr. 4)

7. Nature of Indirect (D) or Indirect Beneficial Ownership (Instr. 4)

Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

(A)

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

Conversion or Exercise

(Month/Day/Year)

3. Transaction Date 3A. Deemed 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) 03/13/2015 11.239 (1) 03/13/2012 Α 11,239 Stock Unit Stock

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

RUSNAK PATRICK J Chief

RUSNAK PATRICK J Chief
111 NORTH WALL STREET Financial
SPOKANE, WA 99201 Officer

Signatures

/s/ Daniel G. Byrne, attorney-in-fact 03/13/2012

**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 March 13, 2014, 25% of the restricted stock units are scheduled to vest on March 13, 2015, 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. 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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