BILLER LESLIE S

Form 4

January 31, 2013

FORM 4

Check this box

if no longer

subject to

Section 16.

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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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)

See Instruction

1. Name and Address of Reporting Person * BILLER LESLIE S

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) 3. Date of Earliest Transaction

(Instr. 8)

X_ Director 10% Owner Officer (give title Other (specify

(Month/Day/Year) 111 N. WALL STREET

(Middle)

01/29/2013

4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check

Filed(Month/Day/Year)

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

Person

Applicable Line)

below)

SPOKANE, WA 99201

(City) (State) (Zip)

(Street)

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)

(Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following

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

(Instr. 4) (Instr. 4)

(A) or Code V Amount (D) Price

Reported Transaction(s) (Instr. 3 and 4)

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 3. Transaction Date 3A. Deemed

(Month/Day/Year) Execution Date, if any

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

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

7. Title and Am Underlying Sec (Instr. 3 and 4)

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| (Instr. 3) | Price of Derivative Security | | (Month/Day/Year) | (Instr. | 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | | | | |
|-------------------------------|------------------------------------|------------|------------------|---------|----|---|-----|---------------------|--------------------|-----------------|-------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | P N S |
| Non-Qualified Stock Option | \$ 21.47 | 01/29/2013 | | A | | 141,044 | | 06/30/2013 | 01/28/2023 | Common Stock | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | | |
|--------------------------------|---------------|-----------|---------|-------|--|--|--|
| · r | Director | 10% Owner | Officer | Other | | | |
| BILLER LESLIE S | | | | | | | |
| 111 N. WALL STREET | X | | | | | | |
| SPOKANE, WA 99201 | | | | | | | |

Signatures

/s/ Lara L. Hemingway, attorney-in-fact 01/31/2013

**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).
 - Grant of non-qualified stock options pursuant to Sterling's compensation agreement with Mr. Biller dated January 25, 2013. Mr. Biller's compensation is a result of his continued service as non-executive Chairman and member of the Sterling Board of Directors. The stock
- (1) options will vest in 25% intervals beginning on June 30, 2013 and on each six-month interval thereafter, until such options are fully vested. The award of non-qualified stock options are issued under and governed by the terms of Sterling's 2010 Long Term Incentive Plan.

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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