

Eckhardt Ezra  
 Form 4  
 December 28, 2010

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2015  
 Estimated average burden hours per response... 0.5

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**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 \*  
 Eckhardt Ezra

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 N. WALL STREET  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 12/24/2010

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 COO - Sterling Financial Corp.

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 Indirect Beneficial Ownership (Instr. 4) |            |
|---------------------------------|--------------------------------------|--|--------------------------------|---|----------------------|---|--|---|------------|
|                                 |                                      |  |                                | Code  | V Amount (D) Price   |   |  |   |            |
| Common Stock                    | 12/24/2010                           |  | A <sup>(1)</sup>               | V   | 2,850 <sup>(2)</sup> | A \$ 0  | 17,914   | D   |            |
| Common Stock                    |                                      |  |                                |   |                      |   | 4,042  | I   | 401k       |
| Common Stock                    |                                      |  |                                |   |                      |   | 925  | I   | Spouse IRA |

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

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SEC 1474 (9-02)

number.

**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. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares   |

## Reporting Owners

| Reporting Owner Name / Address                           | Relationships |           |                                |       |
|--|---------------|-----------|--------------------------------|-------|
|  | Director      | 10% Owner | Officer                        | Other |
| Eckhardt Ezra<br>111 N. WALL STREET<br>SPOKANE, WA 99201 |               |           | COO - Sterling Financial Corp. |       |

## Signatures

/s/ Daniel G. Byrne,  
attorney-in-fact

12/28/2010

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 salary stock in the form of mandatorily deferred Restricted Stock Units as approved by Sterling's board of directors on December 8, 2010. The 5,089 units granted on December 24, 2010 include those which were payable, subject to board approval, for pay periods
- (1) taking place in the months of October, November and December of 2010, and retroactively issued upon receipt of board approval. Future RSUs are to be granted each payroll period and will be calculated using the closing price of Sterling's common stock on the NASDAQ Capital Market as of the last trading day in each payroll period.
  - (2) Units vest immediately upon grant, however, delivery of the awarded shares is deferred until future distribution dates provided in the Agreement between Sterling and Mr. Eckhardt.

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.