STERLING FINANCIAL CORP /WA/
Form 4
April 22, 2014

FORM 4

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

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

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
SCHULTHEIS ANDREW J

(Last) (First) (Middle)

111 NORTH WALL STREET

(Street)

SPOKANE, WA 99201

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
04/18/2014

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
General Counsel

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

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	(A) or (D)	Price			
Common Stock	04/18/2014		D		5,211	D	(1)	0	D	
Common Stock (ESPP)	04/18/2014		D		1,422	D	(1)	0	D	

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 (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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock Unit	(2)	04/18/2014		D(2)			6,734	(2)	(2)	Common Stock	6,7
Restricted Stock Unit	(2)	04/18/2014		D(2)			6,013	(2)	(2)	Common Stock	6,0
Non-Qualified Stock Option	$ 21.76	04/18/2014		D(3)			6,304	04/29/2014	04/29/2023	Common Stock	6,3
Restricted Stock Unit	(2)	04/18/2014		D(2)			2,473	(2)	03/13/2016	Common Stock	2,4
Restricted Stock Unit	(2)	04/18/2014		D(2)			1,387	06/08/2013	06/08/2014	Common Stock	1,3
Restricted Stock Unit	(2)	04/18/2014		D(2)			6,617	(2)	(2)	Common Stock	6,6

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHULTHEIS ANDREW J 111 NORTH WALL STREET SPOKANE, WA 99201			General Counsel	

Signatures

/s/ Lara L. Hemingway, attorney-in-fact	04/22/2014
**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) Common stock of Sterling Financial Corporation ("Sterling") disposed of in connection with the merger of Sterling with and into Umpqua Holdings Corporation ("Umpqua") on April 18, 2014 pursuant to the Agreement and Plan of Merger, dated as of September 11, 2013,

between Sterling and Umpqua, each share of Sterling's common stock was exchanged for $2.18 in cash and 1.671 shares of Umpqua common stock.

(2) Restricted Stock Units ("RSUs") of Sterling disposed of pursuant to the Agreement and Plan of Merger. Each Sterling RSU will be converted into an Umpqua RSU per the equity award exchange ratio as referred to in the Agreement and Plan of Merger.

(3) Nonqualified stock options of Sterling disposed of pursuant to the Agreement and Plan of Merger. Each Sterling stock option will be converted into an option to purchase Umpqua common stock per the equity award exchange ratio as referred to in the Agreement and Plan of Merger.

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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