ANDERSON KATHERINE K

Form 4

August 30, 2010

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31,

2005

0.5

Estimated average

OMB APPROVAL

burden hours per response...

if no longer subject to Section 16. Form 4 or Form 5

Check this box

obligations may continue. See Instruction

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)

ANDERSON KATHERINE K Symb			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) 111 N. WAL		(Mon	3. Date of Earliest Transaction (Month/Day/Year) 08/26/2010			_X_ Director Officer (gives below)		6 Owner er (specify		
(Street) 4. If Ar			Amendment, Date Original				6. Individual or Joint/Group Filing(Check			
SPOKANE,	Month/Day/Year) able I - Non-Derivative Securities Acc				Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person quired, Disposed of, or Beneficially Owned					
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)		3. Transacti Code	4. SecurionAcquired Disposed (Instr. 3,	ities d (A) o d of (D 4 and (A) or	or O)	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)	
Common Stock	08/26/2010		D <u>(1)</u>	1,250	D	\$0	16,750	D		

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

Persons who respond to the collection of **SEC 1474** information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Edgar Filing: ANDERSON KATHERINE K - Form 4

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transacti Code (Instr. 8)			ate	7. Title Amoun Under	int of lying ities	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene
	Derivative Security				Securities Acquired			(Instr.	3 and 4)		Owne Follo
					(A) or Disposed						Repo Trans
					of (D) (Instr. 3, 4, and 5)						(Instr
					4, and 3)				Amount		
						Date Exercisable	Expiration Date	Title	or Number of		
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships					
Reporting Owner Name / Address	Director	10% Owner	Officer	Other		
ANDERSON KATHERINE K 111 N. WALL STREET SPOKANE, WA 99201	X					

Signatures

/s/ Daniel G. Byrne, Chief Financial
Officer
08/30/2010

**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).
- (1) Ms. Anderson's retirement from Sterling's Board of Directors effective August 26, 2010, has resulted in the forfeiture of 1,250 unvested shares of previously granted restricted stock awards.

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.

Reporting Owners 2