

LANDY JOSEPH  
Form 4  
October 25, 2010

**FORM 4**

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

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).

**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 \*  
Warburg Pincus Private Equity X, L.P.

(Last) (First) (Middle)

C/O WARBURG PINCUS LLC, 450 LEXINGTON AVENUE

(Street)

NEW YORK, NY 10017

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
10/21/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

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, par value \$0.00 per share ("Common Stock")	10/21/2010		C		786,209,000	A	(8)
					854,575,000	D	(1) (2)
							(1) (2) (3) (4) (5) (3) (4) (5)

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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Warrant (the ?Warrant?)	(6) (7)	10/21/2010		J(6)(7)	1 (6) (7)	10/21/2010	08/26/2017	Common Stock	8
See Footnote (9)	(8)	10/21/2010		C	1,709,150	(8)	10/21/2010	Common Stock	7

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Warburg Pincus Private Equity X, L.P. C/O WARBURG PINCUS LLC 450 LEXINGTON AVENUE NEW YORK, NY 10017	X	X		
Warburg Pincus X, L.P. C/O WARBURG PINCUS LLC 450 LEXINGTON AVENUE NEW YORK, NY 10017	X	X		
WARBURG PINCUS X PARTNERS, L.P. C/O WARBURG PINCUS LLC 450 LEXINGTON AVENUE NEW YORK, NY 10017	X	X		
Warburg Pincus X LLC C/O WARBURG PINCUS LLC 450 LEXINGTON AVENUE NEW YORK, NY 10017	X	X		
Warburg Pincus Partners LLC C/O WARBURG PINCUS LLC 450 LEXINGTON AVENUE NEW YORK, NY 10017	X	X		
WARBURG PINCUS & CO C/O WARBURG PINCUS LLC 450 LEXINGTON AVENUE	X	X		



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ownership of the Common Stock and the Warrant, except to the extent of its or his pecuniary interest in such Common Stock or Warrant.

The Warrant is exercisable at \$0.22 per share of Common Stock, subject to adjustments for certain issuances of common stock, stock splits, stock subdivisions, stock reclassifications, stock combinations, other distributions, certain repurchases, business combinations and similar actions.

- (6)

Because the Stockholder Approval has been obtained, the Warrant is exercisable, in whole or part, to purchase 86,625,000 shares of Common Stock. As described above in Note 1, prior to receipt of the Stockholder Approval, the Warrant was exercisable for Series B Preferred Stock.

- (7)

Because the Stockholder Approval was obtained on October 21, 2010, each share of the Series B Preferred Stock automatically converted into 460 shares of Common Stock on October 22, 2010 in accordance with the terms of the Series B Preferred Stock. No consideration for this conversion was required or provided.

- (8)

- (9) Convertible Participating Voting Preferred Stock, Series B, no par value per share and liquidation preference of \$4.60 per share ("Series B Stock").

### Remarks:

Solely for purposes of Section 16 of the Exchange Act, WP X may be deemed a director-by-deputization by virtue of its contract to nominate a representative to serve on the board of directors of STSA. David A. Coulter became a director of STSA on August 2010. Mr. Coulter is a Partner of WP and a Member and Managing Director of WP LLC.

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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