

BILLER LESLIE S
Form 4
October 26, 2010

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
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 *
BILLER LESLIE S

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)
10/22/2010

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

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	10/22/2010		C		32,200,000	A	<u>2</u> 35,000,000
						I	Owned by Les & Sheri Biller Revocable Trust

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

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SEC 1474
(9-02)

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
Convertible Participating Voting Preferred Stock, Series D	(1) (2)	10/22/2010		C	70,000	(2)	(2)	Common Stock	32,200,000

Reporting Owners

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

Signatures

/s/ Robert G. Butterfield,
attorney-in-fact

10/26/2010

__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).

Prior to the transaction reported herein, The Les & Sheri Biller Revocable Trust was the holder of 2,800,000 shares of Common Stock and 70,000 shares of Convertible Participating Voting Preferred Stock, Series D, no par value with a liquidation preference of \$4.60 per share (the "Series D Stock"). On October 21, 2010, "Stockholder Approval" (as defined below) was obtained and, as a result, on October 22, 2010, each share of Series D Preferred Stock automatically converted into 460 shares of Common Stock. The Les & Sheri Biller

(1) Revocable Trust's 70,000 shares of Preferred Stock, Series D, converted into 32,200,000 shares of Common Stock. "Stockholder Approval" refers to the approval by the stockholders of STSA on October 21, 2010 to increase the number of authorized shares of Common Stock to at least 10,000,000,000 shares or a larger number that the Board of Directors determines in its reasonable judgment is necessary to permit STSA to comply with its obligations under agreements entered into in connection with certain recapitalization transactions that occurred on August 26, 2010.

Since Stockholder Approval was obtained on October 21, 2010, each share of the Series D Preferred Stock automatically converted into

(2) 460 shares of Common Stock on October 22, 2010, in accordance with the terms of the Series D Preferred Stock. No consideration for this conversion was required.

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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