

HAUSCHILD STEVEN D
 Form 4
 December 18, 2012

FORM 4

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

OMB APPROVAL

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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 *
 HAUSCHILD STEVEN D

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 NORTH WALL STREET
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/14/2012

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Chief Credit Officer

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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	12/14/2012		M		4,233 A \$10,459	D	
Common Stock	12/14/2012		F		1,120 D \$20.1, 9,339	D	
Common Stock						I	401k Plan

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

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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. Amount or Number of Shares
						Date Exercisable	Expiration Date		
Restricted Stock Unit	(2)	12/14/2012		M	4,233	(2)	12/14/2013	Common Stock	4,233

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HAUSCHILD STEVEN D 111 NORTH WALL STREET SPOKANE, WA 99201			Chief Credit Officer	

Signatures

/s/ Karla J. Gehlen, attorney-in-fact 12/18/2012
**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) Represents the vesting and settlement of 4,233 shares of common stock pursuant to a restricted stock unit vest on December 14, 2012.

Each restricted stock unit represents a contingent right to receive one share of common stock. 25% of the restricted stock units vest immediately upon grant (December 14, 2010), 25% of the restricted stock units are scheduled to vest each year over the next 3 years on the grant's anniversary date (totaling 75% over the 3 year time period), subject to the reporting person's continued employment with the Company on such date.

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.