

STERLING FINANCIAL CORP /WA/  
Form 3  
November 24, 2010

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 * |         |          | 2. Date of Event Requiring Statement             | 3. Issuer Name <b>and</b> Ticker or Trading Symbol |                                                                        |
| Â LEE THOMAS H                            |         |          | (Month/Day/Year)                                 | STERLING FINANCIAL CORP /WA/ [STSA]                |                                                                        |
| ADVISORS LLC                              |         |          | 08/26/2010                                       |                                                    |                                                                        |
| (Last)                                    | (First) | (Middle) | 4. Relationship of Reporting Person(s) to Issuer |                                                    |                                                                        |
| 100 FEDERAL STREET, 35TH FLOOR            |         |          | (Check all applicable)                           |                                                    |                                                                        |
| (Street)                                  |         |          | <input type="checkbox"/> Director                | <input checked="" type="checkbox"/> 10% Owner      | 6. Individual or Joint/Group Filing(Check Applicable Line)             |
| BOSTON,Â MAÂ 02110                        |         |          | <input type="checkbox"/> Officer                 | <input type="checkbox"/> Other                     | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| (City)                                    | (State) | (Zip)    | (give title below) (specify below)               |                                                    | <input type="checkbox"/> Form filed by More than One Reporting Person  |

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security<br>(Instr. 4) | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------|
| Common Stock                       | 854,575,000 <sup>(1)</sup>                               | I                                                                 | See Footnote <sup>(2)</sup>                              |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security<br>(Instr. 4) | 4. Conversion or Exercise Price of Derivative | 5. Ownership Form of Derivative Security: | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|-----------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------|----------------------------------------------------------|
|-----------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------|----------------------------------------------------------|

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|         | Date Exercisable | Expiration Date | Title        | Amount or Number of Shares | Security    | Direct (D) or Indirect (I) (Instr. 5) |                  |
|---------|------------------|-----------------|--------------|----------------------------|-------------|---------------------------------------|------------------|
| Warrant | 10/21/2010       | 08/26/2017      | Common Stock | 86,625,000 (1)             | \$ 0.22 (3) | I                                     | See Footnote (2) |

## Reporting Owners

| Reporting Owner Name / Address                                                  | Relationships |           |         |       |
|---------------------------------------------------------------------------------|---------------|-----------|---------|-------|
|                                                                                 | Director      | 10% Owner | Officer | Other |
| LEE THOMAS H ADVISORS LLC<br>100 FEDERAL STREET, 35TH FLOOR<br>BOSTON, MA 02110 | Â             | Â X       | Â       | Â     |

## Signatures

/s/ Charles P. Holden, Managing Director  
11/22/2010

\*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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).
- Represents securities of the Issuer held directly by Thomas H. Lee Equity Fund VI, L.P. ("Equity"), Thomas H. Lee Parallel Fund VI, L.P. ("Parallel"), Thomas H. Lee Equity Parallel (DT) Fund VI, L.P. ("DT"), and THL Sterling Equity Investors L.P. ("Sterling", and together with Equity, Parallel and DT, the "Funds").

- The reporting person is the general partner of Thomas H. Lee Partners, L.P., which is the manager of THL Equity Advisors VI, LLC, which, in turn, is the general partner of each of the Funds. As such, the reporting person may be deemed to beneficially own the shares of the Issuer owned directly by each of the Funds. The reporting person disclaims beneficial ownership of such shares, and this report shall not be deemed an admission that the reporting person is the beneficial owner of the securities for the purpose of Section 16 or for any other purpose, except to the extent of his pecuniary interest therein.

- The Warrant is exercisable, in whole or part, to purchase 86,625,000 shares 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.

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.