

STERLING FINANCIAL CORP /WA/
Form 4
April 22, 2014

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 *
SEIBLY JOHN GREGORY

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)
04/18/2014

Director 10% Owner
 Officer (give title below) Other (specify below)
CEO/President - SFC

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Stock | 04/18/2014 | | D | 80,427 D | 0 | D | |
| Common Stock | 04/18/2014 | | D | 2,631 D | 0 | I | 401k Plan |
| Common Stock (ESPP) | 04/18/2014 | | D | 294 D | 0 | D | |

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

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SEC 1474 (9-02)

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)

| 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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Incentive Stock Option | \$ 1,611.72 | 04/18/2014 | | D ⁽²⁾ | 455 | 07/25/2008 07/25/2015 | Common Stock 4 |
| Restricted Stock Unit | (3) | 04/18/2014 | | D ⁽³⁾ | 24,543 | (3) (3) | Common Stock 24 |
| Restricted Stock Unit | (3) | 04/18/2014 | | D ⁽³⁾ | 15,784 | (3) (3) | Common Stock 15 |
| Restricted Stock Unit | (3) | 04/18/2014 | | D ⁽³⁾ | 7,018 | (3) 03/13/2015 | Common Stock 7 |
| Restricted Stock Unit | (3) | 04/18/2014 | | D ⁽³⁾ | 20,680 | (3) (3) | Common Stock 20 |
| Non-Qualified Stock Option | \$ 21.76 | 04/18/2014 | | D ⁽⁴⁾ | 19,702 | 04/29/2014 04/29/2023 | Common Stock 19 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SEIBLY JOHN GREGORY 111 N. WALL STREET SPOKANE, WA 99201 | X | | CEO/President - SFC | |

Signatures

/s/ Lara L. Hemingway,
attorney-in-fact 04/22/2014

**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).

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(1) Common stock of Sterling Financial Corporation ("Sterling") disposed of in connection with the merger of Sterling with and into Umpqua Holdings Corporation ("Umpqua") on April 18, 2014 pursuant to the Agreement and Plan of Merger, dated as of September 11, 2013, between Sterling and Umpqua, each share of Sterling's common stock was exchanged for \$2.18 in cash and 1.671 shares of Umpqua common stock.

(2) This stock option was cancelled pursuant to the Agreement and Plan of Merger. These options carried exercise prices that were significantly in excess of the value of the merger consideration. Sterling received permission from the award recipient to cancel the award prior to the effective date of the merger.

(3) Restricted Stock Units ("RSUs") of Sterling disposed of pursuant to the Agreement and Plan of Merger. Each Sterling RSU will be converted into an Umpqua RSU per the equity award exchange ratio as referred to in the Agreement and Plan of Merger.

(4) Nonqualified stock options of Sterling disposed of pursuant to the Agreement and Plan of Merger. Each Sterling stock option will be converted into an option to purchase Umpqua common stock per the equity award exchange ratio as referred to in the Agreement and Plan of Merger.

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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