

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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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.

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)

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

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

C/O WARBURG PINCUS LLC, 450
LEXINGTON AVENUE

10/21/2010

(Street)

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

NEW YORK, NY 10017

(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 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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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		

NEW YORK, NY 10017

WARBURG PINCUS LLC
C/O WARBURG PINCUS LLC
450 LEXINGTON AVENUE
NEW YORK, NY 10017

X X

KAYE CHARLES R
C/O WARBURG PINCUS LLC
450 LEXINGTON AVENUE
NEW YORK, NY 10017

X X

LANDY JOSEPH
C/O WARBURG PINCUS LLC
450 LEXINGTON AVENUE
NEW YORK, NY 10017

X X

Signatures

/s/ Scott A.
Arenare

10/25/2010

**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, Warburg Pincus Private Equity X, L.P., a Delaware limited partnership, together with Warburg Pincus X Partners, L.P., an affiliated Delaware limited partnership (together, "WP X"), was the holder of 68,366,000 shares of Common Stock, 1,709,150 shares of Convertible Participating Voting Preferred Stock, Series B, no par value per share and liquidation preference \$4.60 per share ("Series B Preferred Stock"), and the Warrant exercisable for 86,625,000 shares of Common Stock if the Stockholder Approval (as defined below) had been obtained or 188,315 shares of Series B Preferred Stock if such Stockholder Approval was not obtained. On October 21, 2010, the Stockholder Approval (as defined below) was obtained and, as a result, on October 22, 2010, the Series B Preferred Stock automatically converted into 786,209,000 shares of Common Stock, and the Warrant is now exercisable for shares of Common Stock (as described in Note 7 below).

- By reason of the provisions of Rule 16a-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Warburg Pincus X L.P., a Delaware limited partnership ("WP X LP"), and the general partner of WP X; Warburg Pincus X LLC, a Delaware limited liability company ("WP X LLC") and the general partner of WP X LP; Warburg Pincus Partners, LLC, a New York limited liability company ("WP Partners") and the sole member of WP X LLC; Warburg Pincus & Co., a New York general partnership ("WP") and the managing member of WP Partners; Warburg Pincus LLC, a New York limited liability company ("WP LLC") that manages WP X; and Messrs. Charles R. Kaye and Joseph P. Landy, each a Managing General Partner of WP and Managing Member and Co-President of WP LLC may be deemed to be the beneficial owner of the shares of Common Stock held by WP X and the Warrant held by WP X. Each of WP X LP, WP X LLC, WP Partners, WP, WP LLC,

- and Messrs. Charles R. Kaye and Joseph P. Landy are a "Reporting Person," and collectively, the "Warburg Pincus Reporting Persons." The Common Stock and the Warrant described above (collectively, the "Securities") are currently held by Warburg Pincus Private Equity X, L.P.; however, Warburg Pincus Private Equity X, L.P. contemplates allocating a portion of the Securities to Warburg Pincus X Partners, L.P. "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.

- Information with respect to each of the Warburg Pincus Reporting Persons is given solely by such Warburg Pincus Reporting Persons, and no Warburg Pincus Reporting Person has responsibility for the accuracy or completeness of information supplied by another Warburg Pincus Reporting Person.
- Pursuant to Rule 16a-1(a)(4) of the Exchange Act, each of the Warburg Pincus Reporting Persons, other than WP X, herein states that this filing shall not be deemed an admission that he or it is the beneficial owner of any of the shares of Common Stock or the Warrant covered by this Statement. Each of WP X LP, WP X LLC, WP Partners, WP, WP LLC and Messrs. Kaye and Landy disclaims beneficial

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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

- (6) splits, stock subdivisions, stock reclassifications, stock combinations, other distributions, certain repurchases, business combinations and similar actions.

Because the Stockholder Approval has been obtained, the Warrant is exercisable, in whole or part, to purchase 86,625,000 shares of

- (7) Common Stock. As described above in Note 1, prior to receipt of the Stockholder Approval, the Warrant was exercisable for Series B Preferred Stock.

Because the Stockholder Approval was obtained on October 21, 2010, each share of the Series B Preferred Stock automatically converted

- (8) 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.

- (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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