Reuling Michael F Form 4 April 25, 2011

FORM 4

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

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 *

Reuling Michael F

(Last) (First) (Middle)

111 N. WALL STREET

SPOKANE, WA 99201

(Street)

2. Issuer Name and Ticker or Trading

Symbol

STERLING FINANCIAL CORP /WA/[STSA]

3. Date of Earliest Transaction

(Month/Day/Year) 04/22/2011

4. If Amendment, Date Original

Filed(Month/Day/Year)

Issuer

(Check all applicable)

5. Relationship of Reporting Person(s) to

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

_X__ Director 10% Owner Officer (give title Other (specify

below)

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

5. Amount of

Securities

(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

2. Transaction Date 2A. Deemed 1.Title of Security (Instr. 3)

(Month/Day/Year)

Execution Date, if (Month/Day/Year)

3.

Code (Instr. 8)

TransactionAcquired (A) or Disposed of (D)

(Instr. 3, 4 and 5)

4. Securities

Beneficially Owned (A)

or

Following Reported Transaction(s) (Instr. 3 and 4) Code V Amount (D) Price

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I) (Instr. 4)

(Instr. 4)

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form 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

Conversion or Exercise

3. Transaction Date 3A. Deemed

(Month/Day/Year) Execution Date, if any

5. Number Transaction of Derivative Expiration Date Code Securities

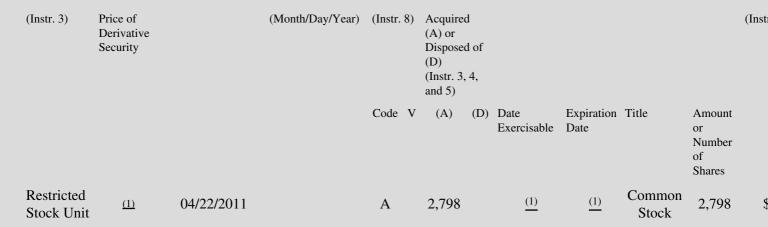
6. Date Exercisable and (Month/Day/Year)

7. Title and Amount of 8. Pr **Underlying Securities** (Instr. 3 and 4)

Deri

Secu

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Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Reuling Michael F 111 N. WALL STREET SPOKANE, WA 99201 | X | | | |

Signatures

/s/ Robert G. Butterfield,
attorney-in-fact 04/25/2011

**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).

Each restricted stock unit represents a contingent right to receive one share of Sterling common stock. The restricted stock units are

(1) scheduled to become 100% vested after the first anniversary date of the grant (April 22, 2012) subject to the reporting person's continued service 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.

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