

Keegan James Bennett Jr  
 Form 4  
 December 23, 2009

**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 \*  
 Keegan James Bennett Jr

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)  
 12/22/2009

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

SPOKANE, WA 99201  
 (City) (State) (Zip)

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

**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                    | 12/22/2009                           |  | D <sup>(1)</sup>               | 1,750 D \$ 0  | 290   | D  |                                     |
| Common Stock                    |                                      |  |                                |   | 82,034  | I  | Keegan & Coppin Company, Inc.       |
| Common Stock                    |                                      |  |                                |   | 8,965   | I  | Keegan & Coppin Profit Sharing Plan |

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|              |  |        |   |                     |
|--------------|--|--------|---|---------------------|
| Common Stock |  | 40,603 | I | Keegan Family Trust |
|--------------|--|--------|---|---------------------|

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

**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.** SEC 1474 (9-02)

**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. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Benef Own Follo Repo Trans (Instr |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|

  

|  |  |  |  |  |  |                  |                 |       |                            |
|--|--|--|--|--|--|------------------|-----------------|-------|----------------------------|
|  |  |  |  |  |  | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|--|--|--|--|--|--|------------------|-----------------|-------|----------------------------|

Code V (A) (D)

## Reporting Owners

| Reporting Owner Name / Address                                     | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| Keegan James Bennett Jr<br>111 N. WALL STREET<br>SPOKANE, WA 99201 | X             |           |         |       |

## Signatures

/s/ Daniel G. Byrne, Chief Financial Officer  
12/23/2009

\*\*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) Mr. Keegan's resignation from the Sterling Financial Corporation's Board of Directors effective December 22, 2009 has resulted in the forfeiture of 1,750 unvested shares of restricted stock awards granted to him on January 31, 2008 and January 30, 2009.

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.