

JAECKEL SCOTT L
 Form 4
 October 27, 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 *
 JAECKEL SCOTT L

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 THOMAS H. LEE PARTNERS,
 L.P., 100FEDERAL STREET, 35TH
 FLOOR

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

BOSTON, MA 02110

(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	10/21/2010		C		786,209,000 <u>(1)</u>	A	<u>(4)</u> <u>(6)</u>
					854,575,000 <u>(1)</u>	I	See Footnote <u>(2)</u>

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

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 (9-02)

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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 Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Convertible Participating Voting Preferred Stock, Series B	(4) (6)	10/21/2010		C	1,709,150	(4)(6) 10/21/2010	Common Stock	
Warrant	(3)	10/21/2010		J(5)(6)	1 (5) (6)	10/21/2010 08/26/2017	Common Stock	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JAECKEL SCOTT L C/O THOMAS H. LEE PARTNERS, L.P. 100 FEDERAL STREET, 35TH FLOOR BOSTON, MA 02110	X			

Signatures

/s/ Scott L.
Jaeckel

10/27/2010

**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).

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 Parallel (DT) Fund VI, L.P. ("DT"), and THL Sterling Equity Investors L.P. ("Sterling", and together with Equity, Parallel and DT, the "Funds").

(1) The reporting person is a member of Thomas H. Lee Advisors, LLC, which 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 (2) 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.

(3)

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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.

- Because the Stockholder Approval (as defined below) was obtained on October 21, 2010, each share of Convertible Participating Voting Preferred Stock, Series B (the "Series B Preferred Stock") automatically converted 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.
- (4) Because the Stockholder Approval has been obtained, the Warrant is exercisable, in whole or in part, to purchase 86,625,000 shares of Common Stock. Prior to receipt of Stockholder Approval, the Warrant was exercisable for Series B Preferred stock.
- (5)

- "Stockholder Approval" refers to the approval by the stockholders of the Corporation on October 21, 2010 to increase the number of authorized shares of Common Stock to at least 10,000,000,000 or such larger number as the Board of Directors determines in its reasonable judgment is necessary.
- (6)

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.