

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 *
DONEGAN BOB C

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)

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount (A) or (D)	Price	
Common Stock	04/18/2014		D		8,013	D	0

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

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 information contained in this form are not
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SEC 1474
 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

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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 Underlying Security (Instr. 3 and 4)	8. Amount or Number of Shares
Non-Qualified Stock Option	\$ 21.76	04/18/2014		D ⁽²⁾	2,626	04/01/2014 04/29/2023	Common Stock	2,6
Non-Qualified Stock Option	\$ 2,189.22	04/18/2014		D ⁽³⁾	31	01/31/2008 01/31/2017	Common Stock	3

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DONEGAN BOB C 111 N. WALL STREET SPOKANE, WA 99201		X		

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).

(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) 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.

(3) 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.

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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