

Eckhardt Ezra
 Form 5
 February 13, 2012

FORM 5

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

OMB APPROVAL
 OMB Number: 3235-0362
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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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
 Eckhardt Ezra
 (Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol
 STERLING FINANCIAL CORP
 /WA/ [STSA]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 COO - Sterling Financial Corp.

6. Individual or Joint/Group Reporting
 (check applicable line)
 Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

111 N. WALL STREET
 (Street)

SPOKANE, WA 99201
 (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 at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|
| Common Stock | 12/31/2011 | | J | 1,175 (2) A \$ 0 (1) | 10,072 | I | 401k |
| Common Stock | | | | | 43,401 | D | |
| Common Stock | | | | | 925 | I | Spouse IRA |

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

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SEC 2270 (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 Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. of D S B O E Is F (I |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|----------------------------|
| | | | | | | Date Exercisable (A) (D) | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Eckhardt Ezra 111 N. WALL STREET SPOKANE, WA 99201 | Â | Â | Â COO - Sterling Financial Corp. | Â |

Signatures

/s/ Daniel G. Byrne,
attorney-in-fact

02/13/2012

**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) Not required.

(2) To balance 401(k) company share ownership at 12/31/2011 -- This amount reflects shares owned through employee contributions as well as company match shares at 12/31/2011.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.