

STERLING FINANCIAL CORP /WA/
Form 3
October 26, 2010

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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)

| | | | | | |
|--|--|---|---|---|---|
| <p>1. Name and Address of Reporting Person *</p> <p>Â DEPILO DAVID S</p> <p>(Last) (First) (Middle)</p> <p>C/O FREMONT GENERAL CORPORATION,Â 2425 OLYMPIC BOULEVARD</p> <p>(Street)</p> <p>SANTA MONICA,Â CAÂ 90404</p> <p>(City) (State) (Zip)</p> | <p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>10/21/2010</p> | <p>3. Issuer Name and Ticker or Trading Symbol</p> <p>STERLING FINANCIAL CORP /WA/ [STSA]</p> | <p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) Chief Credit Officer</p> | <p>5. If Amendment, Date Original Filed(Month/Day/Year)</p> | <p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person</p> |
|--|--|---|---|---|---|

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|
| Common Stock | 1,200,000 | I | The DePillo Family Trust |

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

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative | 5. Ownership Form of Derivative Security: | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|--|---|---|--|
|---|---|--|---|---|--|

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| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Security | Direct (D) or Indirect (I) (Instr. 5) | |
|--|------------------|-----------------|--------------|----------------------------|----------|---------------------------------------|--------------------------|
| Convertible Participating Voting Preferred Stock, Series D | Â (1) | Â (1) | Common Stock | 13,800,000 | \$ (1) | I | The DePillo Family Trust |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| DEPILLO DAVID S C/O FREMONT GENERAL CORPORATION 2425 OLYMPIC BOULEVARD SANTA MONICA, CA 90404 | Â | Â | Â Chief Credit Officer | Â |

Signatures

/s/ Robert G. Butterfield,
attorney-in-fact

10/26/2010

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(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) David DePillo owns 30,000 shares of Convertible Participating Voting Preferred Stock, Series D (registered to The DePillo Family Trust to which Mr. DePillo is a Trustee), no par value with a liquidation preference of \$4.60 per share (the "Series D Stock") (1,380,000 shares of Common Stock on an as-converted basis). Each share of Series D Stock mandatorily converts into 460 shares of Common Stock, subject to customary anti-dilution adjustments, upon the approval of the holders of the Common Stock of (i) an increase in the number of authorized shares of Common Stock to at least 10,000,000,000 shares or a larger number that the Board of Directors determines in its reasonable judgment is necessary to permit STSA to comply with its obligations under agreements entered into in connection with certain recapitalization transactions that occurred on August 26, 2010, (ii) the conversion of shares of Series B Stock and Series D Stock into Common Stock, and (iii) the exercisability of certain outstanding warrants for shares of Common Stock (the "Shareholder Proposals"). On August 26, 2010, STSA sold 3,418,300 shares of Series B Convertible Participating Voting Preferred Stock, no par value with a liquidation preference \$4.60 per share (the "Series B Stock") to certain investors in conjunction with the recapitalization transactions. Each share of Series B Stock mandatorily converts into 460 shares of Common Stock, subject to customary anti-dilution adjustments, upon approval of the Shareholder Proposals.

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.