Hartheimer Robert Herman Form 3

September 29, 2010

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

OMB APPROVAL

OMB Number:

3235-0104

Expires:

response...

January 31, 2005

0.5

Estimated average burden hours per

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

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF

**SECURITIES** 

30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting 2. Date of Event Requiring 3. Issuer Name and Ticker or Trading Symbol Person \* Statement STERLING FINANCIAL CORP /WA/ [STSA] À Hartheimer Robert Herman (Month/Day/Year) 09/21/2010 (Last) (First) (Middle) 4. Relationship of Reporting 5. If Amendment, Date Original Person(s) to Issuer Filed(Month/Day/Year) 111 NORTH WALL STREET (Check all applicable) (Street) 6. Individual or Joint/Group Filing(Check Applicable Line) \_X\_ Director 10% Owner \_X\_ Form filed by One Reporting Officer \_ Other Person SPOKANE, WAÂ 99201 (give title below) (specify below) Form filed by More than One Reporting Person (City) (State) (Zip) Table I - Non-Derivative Securities Beneficially Owned 2. Amount of Securities 4. Nature of Indirect Beneficial 1. Title of Security Beneficially Owned Ownership (Instr. 4) Ownership (Instr. 4) Form: (Instr. 5) Direct (D) or Indirect (I) (Instr. 5) D Â Common Stock (1) 120,000 Reminder: Report on a separate line for each class of securities beneficially SEC 1473 (7-02) 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.

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<br>Securities Underlying<br>Derivative Security<br>(Instr. 4) |                        | 4. Conversion or Exercise Price of | 5.<br>Ownership<br>Form of<br>Derivative | 6. Nature of Indirect<br>Beneficial Ownership<br>(Instr. 5) |
|--|--|--------------------|--|------------------------|------------------------------------|--|---|
|  | Date<br>Exercisable                                      | Expiration<br>Date | Title  | Amount or<br>Number of | Derivative<br>Security             | Security:<br>Direct (D)<br>or Indirect   |   |

#### Edgar Filing: Hartheimer Robert Herman - Form 3

### **Reporting Owners**

Reporting Owner Name / Address

Director 10% Owner Officer Other

Hartheimer Robert Herman

111 NORTH WALL STREET Â X Â Â Â

SPOKANE, WAÂ 99201

## **Signatures**

/s/ Karla J. Gehlen, attorney-in-fact 09/29/2010

\*\*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) 40,000 shares of common stock owned in an individual brokerage account, 80,000 shares of common stock owned in an individual retirement account for the benefit of Mr. Hartheimer.

Robert Hartheimer owns 3,000 shares of Convertible Participating Voting Preferred Stock, Series D (2,000 shares owned in an individual brokerage account, 1,000 shares owned in an individual retirement account for the benefit of Mr. Hartheimer), 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

(2) 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.

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