

## STERLING BANK CUTS 240



Sterling Bank describes itself in the following [terms](#), "Sterling Financial Corporation of Spokane, Wash., is the bank holding company for Sterling Savings Bank, a Washington state chartered and federally insured commercial bank that operates under the following registered trade names: Sterling Bank, First Independent Bank and Sonoma Bank. Sterling Savings Bank operates as Sonoma Bank only in the State of California. Sterling offers banking products and services, mortgage lending, and investment products to individuals, small businesses, commercial organizations and corporations. As of March 31, 2012, Sterling Financial Corporation had assets of \$9.50 billion and operated 189 depository branches throughout Washington, Oregon, Idaho, Montana and California..." As you can see their operations are sizable ones and with their recent acquisition the bank has gotten even larger. It looks like they are getting ready to shrink at least a little. The company has sent out layoff notices to 63 of their workers in a bid to get rid of what the company sees as redundant staff. All of these jobs are cut from the newly acquired bank, which only employs about 240 people on the whole. So the loss of jobs for the acquired company is actually a fairly significant portion of all of the jobs to be cut. The company filed a notice with the Board of Labor for the state of Washington, notifying them of a mass layoff action. For those of you who are not familiar with the idea of a mass layoff action here is a look at how the federal government [defines](#) the term, "Monthly mass layoff numbers are from establishments which have at least 50 initial claims for unemployment insurance (UI) filed against them during a 5-week period. Extended mass layoff numbers (issued quarterly) are from a subset of such establishments—where private sector nonfarm employers indicate that 50 or more workers were separated from their jobs for at least 31 days." This notification means that the workers will have to be given some extra time to prepare themselves for the loss of their jobs and the loss of the associated income. In the company's most recent [release](#) of fiscal data the company showed a health, if not a stunning, increase in its income, "...operating results for the quarter ended March 31, 2012. For the quarter, Sterling recorded net income of \$13.3 million, or \$0.21 per diluted common share, compared to \$14.8 million, or \$0.24 per diluted common share, for the linked quarter, and \$5.4 million, or \$0.09 per diluted common share, for the first quarter of 2011. Net income for the first quarter of 2012 included acquisition-related expenses of \$6.1 million, severance charges of \$2.6 million, and charges related to branch consolidations of \$1.3 million." So some may question why the bank needs to layoff workers at the current moment. For the time being the bank has not given out any information about what kind of a severance package, if any, that it plans to offer to the soon to be displaced workers of the company that they have just purchased. The company has also not provided any information on the exacts of surpluses positions.

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