

CLEVELAND CLIFFS INC  
 Form 4  
 July 16, 2008

**FORM 4**

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

OMB APPROVAL

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**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 \*  
**HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.**

(Last) (First) (Middle)

C/O INTERNATIONAL FUND SERVICES LIMITED, THIRD FL, BISHOP'S SQUARE REDMOND'S HILL

(Street)

DUBLIN, L2 00000

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**CLEVELAND CLIFFS INC [CLF]**

3. Date of Earliest Transaction (Month/Day/Year)  
 07/09/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
 \_\_\_ Officer (give title below) \_\_\_X\_\_\_ Other (specify below)

\*See Remarks

6. Individual or Joint/Group Filing(Check Applicable Line)

\_\_\_ Form filed by One Reporting Person  
 \_\_\_X\_\_\_ 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Code V Amount (D) Price   |  |                                   |

Reminder: Report on a separate line for each class of securities beneficially 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.**

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 of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) |                            |                        |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|----------------------------|------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares |                        |
| Equity Swap                                | <u>(8)</u> <u>(14)</u>                                 | 07/09/2008                           |  | P                              | 1 <u>(8)</u><br><u>(14)</u>   | <u>(8)</u> <u>(14)</u>                                   | <u>(8)</u> <u>(14)</u>  | Common Stock                               | 1,000                      | <u>(8)</u> <u>(14)</u> |
| Equity Swap                                | <u>(9)</u> <u>(14)</u>                                 | 07/15/2008                           |  | P                              | 1 <u>(9)</u><br><u>(14)</u>   | <u>(9)</u> <u>(14)</u>                                   | <u>(9)</u> <u>(14)</u>  | Common Stock                               | 750,000                    | <u>(9)</u> <u>(14)</u> |
| Equity Swap                                | <u>(10)</u> <u>(14)</u>                                |                                      |  |                                |   | <u>(10)</u> <u>(14)</u>                                  | <u>(10)</u> <u>(14)</u>                                       | Common Stock                               | 125,000                    |                        |
| Equity Swap                                | <u>(11)</u> <u>(14)</u>                                |                                      |  |                                |   | <u>(11)</u> <u>(14)</u>                                  | <u>(11)</u> <u>(14)</u>                                       | Common Stock                               | 500,000                    |                        |
| Equity Swap                                | <u>(12)</u> <u>(14)</u>                                |                                      |  |                                |   | <u>(12)</u> <u>(14)</u>                                  | <u>(12)</u> <u>(14)</u>                                       | Common Stock                               | 110,000                    |                        |
| Equity Swap                                | <u>(13)</u> <u>(14)</u>                                |                                      |  |                                |   | <u>(13)</u> <u>(14)</u>                                  | <u>(13)</u> <u>(14)</u>                                       | Common Stock                               | 47,401                     |                        |
| Equity Swap                                | <u>(13)</u> <u>(14)</u>                                |                                      |  |                                |   | <u>(13)</u> <u>(14)</u>                                  | <u>(13)</u> <u>(14)</u>                                       | Common Stock                               | 141,333                    |                        |
| Equity Swap                                | <u>(13)</u> <u>(14)</u>                                |                                      |  |                                |   | <u>(13)</u> <u>(14)</u>                                  | <u>(13)</u> <u>(14)</u>                                       | Common Stock                               | 66,667                     |                        |
| Equity Swap                                | <u>(13)</u> <u>(14)</u>                                |                                      |  |                                |   | <u>(13)</u> <u>(14)</u>                                  | <u>(13)</u> <u>(14)</u>                                       | Common Stock                               | 117,361                    |                        |
| Equity Swap                                | <u>(13)</u> <u>(14)</u>                                |                                      |  |                                |   | <u>(13)</u> <u>(14)</u>                                  | <u>(13)</u> <u>(14)</u>                                       | Common Stock                               | 133,333                    |                        |
| Equity Swap                                | <u>(15)</u> <u>(16)</u>                                |                                      |  |                                |   | <u>(15)</u> <u>(16)</u>                                  | <u>(15)</u> <u>(16)</u>                                       | Common Stock                               | 23,700                     |                        |
| Equity Swap                                | <u>(15)</u> <u>(16)</u>                                |                                      |  |                                |   | <u>(15)</u> <u>(16)</u>                                  | <u>(15)</u> <u>(16)</u>                                       | Common Stock                               | 70,667                     |                        |
| Equity Swap                                | <u>(15)</u> <u>(16)</u>                                |                                      |  |                                |   | <u>(15)</u> <u>(16)</u>                                  | <u>(15)</u> <u>(16)</u>                                       | Common Stock                               | 33,333                     |                        |
| Equity Swap                                | <u>(15)</u> <u>(16)</u>                                |                                      |  |                                |   | <u>(15)</u> <u>(16)</u>                                  | <u>(15)</u> <u>(16)</u>                                       | Common Stock                               | 58,680                     |                        |
| Equity Swap                                | <u>(15)</u> <u>(16)</u>                                |                                      |  |                                |   | <u>(15)</u> <u>(16)</u>                                  | <u>(15)</u> <u>(16)</u>                                       | Common Stock                               | 66,667                     |                        |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |               |
|---|---------------|-----------|---------|---------------|
|   | Director      | 10% Owner | Officer | Other         |
| HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.<br>C/O INTERNATIONAL FUND SERVICES LIMITED<br>THIRD FL, BISHOP'S SQUARE REDMOND'S HILL<br>DUBLIN, L2 00000 |               | X         |         | *See Remarks  |
| HARBINGER CAPITAL PARTNERS OFFSHORE MANAGER,<br>L.L.C.<br>2100 THIRD AVENUE NORTH<br>SUITE 600<br>BIRMINGHAM, AL 35203                                    |               | X         |         | *See Remarks  |
| HMC INVESTORS, L.L.C.<br>2100 THIRD AVENUE NORTH<br>SUITE 600<br>BIRMINGHAM, AL 35203   |               | X         |         | *See Remarks  |
| FALCONE PHILIP<br>555 MADISON AVE<br>16TH FLOOR<br>NEW YORK, NY 10022   |               | X         |         | * See Remarks |
| HARBERT RAYMOND J<br>2100 THIRD AVENUE NORTH<br>SUITE 600<br>BIRMINGHAM, AL 35203   |               | X         |         | * See Remarks |
| LUCE MICHAEL D<br>2100 THIRD AVENUE NORTH<br>SUITE 600<br>BIRMINGHAM, AL 35203  |               | X         |         | * See Remarks |

## Signatures

|   |            |
|---|------------|
| Harbinger Capital Partners Master Fund I, Ltd.(+), By: Harbinger Capital Partners Offshore<br>Manager, L.L.C., By: HMC Investors, L.L.C., Managing Member, By: /s/ William R. Lucas,<br>Jr. | 07/16/2008 |
| __Signature of Reporting Person   | Date       |
| Harbinger Capital Partners Offshore Manager, L.L.C.(+), By: HMC Investors, L.L.C.,<br>Managing Member, By: /s/ William R. Lucas, Jr.  | 07/16/2008 |
| __Signature of Reporting Person   | Date       |
| HMC Investors, L.L.C.(+), By: /s/ William R. Lucas, Jr.   | 07/16/2008 |
| __Signature of Reporting Person   | Date       |
| /s/ Philip Falcone(+)   | 07/16/2008 |
| __Signature of Reporting Person   | Date       |

/s/ Raymond J. Harbert(+)

07/16/2008

\_\_Signature of Reporting Person

Date

/s/ Michael D. Luce(+)

07/16/2008

\_\_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) IMPORTANT NOTE: THE SECURITIES SET FORTH IN THIS REPORT ARE DIRECTLY BENEFICIALLY OWNED BY HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD. AND/OR HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS FUND, L.P. (COLLECTIVELY, THE "FUNDS"). ALL OTHER ENTITIES AND PERSONS ARE INCLUDED WITHIN THIS REPORT DUE TO THEIR AFFILIATION WITH ONE OR BOTH OF THE FUNDS.

(2) These securities are owned by Harbinger Capital Partners Master Fund I, Ltd. (the "Master Fund"), which is a Reporting Person.

(3) These securities may be deemed to be indirectly beneficially owned by the following, each of whom is a Reporting Person: Harbinger Capital Partners Offshore Manager, L.L.C. ("Harbinger Management"), the investment manager of the Master Fund, HMC Investors, L.L.C., its managing member ("HMC Investors"), Philip Falcone, a member of HMC Investors and the portfolio manager of the Master Fund, Raymond J. Harbert, a member of HMC Investors, and Michael D. Luce, a member of HMC Investors.

(4) Each Reporting Person listed in Footnotes 2 and 3 disclaims beneficial ownership of the reported securities except to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

(5) These securities are owned by Harbinger Capital Partners Special Situations Fund, L.P. (the "Special Situations Fund").

(6) These securities may be deemed to be indirectly beneficially owned by the following entities or persons: Harbinger Capital Partners Special Situations GP, LLC ("HCPSS"), HMC-New York, Inc. ("HMCNY"), Harbert Management Corporation ("HMC"), Philip Falcone, Raymond J. Harbert and Michael Luce. HCPSS is the general partner of the Special Situations Fund. HMCNY is the managing member of HCPSS. HMC wholly owns HMCNY. Philip Falcone is the portfolio manager of the Special Situations Fund and is a shareholder of HMC. Raymond J. Harbert and Michael D. Luce are shareholders of HMC.

(7) Each entity or person listed in Footnotes 5 and 6 disclaims beneficial ownership of the reported securities except to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that such entity or person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

(8) On July 9, 2008, the Master Fund entered into an equity swap transaction with Monecor (London) Limited (t/a TradIndex) ("TradIndex") effective on July 9, 2008, under which TradIndex agreed to pay the Master Fund an amount equal to any increase, and the Master Fund agreed to pay TradIndex an amount equal to any decrease, in the official market price of 1,000 notional shares above or below an initial reference price of US\$106.9531 per share upon close-out of any transaction.

(9) On July 15, 2008, the Master Fund entered into an equity swap transaction with Deutsche Bank ("DB") effective on July 15, 2008, under which DB agreed to pay the Master Fund an amount equal to any increase, and the Master Fund agreed to pay DB an amount equal to any decrease, in the official market price of 750,000 notional shares above or below an initial reference price of US\$111.6489 per share upon close-out of any transaction.

(10) On July 11, 2008, the Master Fund entered into an equity swap transaction with Monecor (London) Limited (t/a TradIndex) ("TradIndex") effective on July 11, 2008, under which TradIndex agreed to pay the Master Fund an amount equal to any increase, and the Master Fund agreed to pay TradIndex an amount equal to any decrease, in the official market price of 125,000 notional shares above or below an initial reference price of US\$109.2794 per share upon close-out of any transaction.

(11) On July 8, 2008, the Master Fund entered into an equity swap transaction with Monecor (London) Limited (t/a TradIndex) ("TradIndex") effective on July 8, 2008, under which TradIndex agreed to pay the Master Fund an amount equal to any increase, and the Master Fund agreed to pay TradIndex an amount equal to any decrease, in the official market price of 500,000 notional shares above or below an initial reference price of US\$91.0922 per share upon close-out of any transaction.

(12) On July 9, 2008, the Master Fund entered into an equity swap transaction with Monecor (London) Limited (t/a TradIndex) ("TradIndex") effective on July 9, 2008, under which TradIndex agreed to pay the Master Fund an amount equal to any increase, and the Master Fund agreed to pay TradIndex an amount equal to any decrease, in the official market price of 110,000 notional shares above or below an initial reference price of US\$106.9531 per share upon close-out of any transaction.

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- On December 5, 2007, the Master Fund entered into five equity swap transactions with Monecor (London) Limited (t/a TradIndex) ("TradIndex") effective on December 5, 2007, December 6, 2007, December 7, 2007, December 10, 2007 and January 16, 2008, respectively, under which TradIndex agreed to pay the Master Fund an amount equal to any increase, and the Master Fund agreed to pay
- (13) TradIndex an amount equal to any decrease, in the official market price of 47,401, 141,333, 66,667, 117,361 and 133,333 notional shares, respectively, above or below an initial reference price of US\$92.07630, US\$95.20640, US\$97.19320, US\$98.24030 and US\$87.40520, respectively, per share upon close-out of any transaction. The amount of shares beneficially owned and their respective reference prices indicated herein do not reflect a 2-for-1 stock split announced by the Issuer.

- The equity swap transactions do not contemplate interim payments of appreciation or depreciation of the shares, and the Master Fund is not entitled to any dividends on the shares or equivalent thereof. All balances will be cash settled, and neither party shall acquire any ownership interest, voting or similar rights, or dispositive power over any Share under the equity swap transactions. Each equity swap transaction may be closed out by the Master Fund at any time.
- (14)

- On December 5, 2007, the Special Situations Fund entered into five equity swap transactions with Monecor (London) Limited (t/a TradIndex) ("TradIndex") effective on December 5, 2007, December 6, 2007, December 7, 2007, December 10, 2007 and January 16, 2008, respectively, under which TradIndex agreed to pay the Special Situations Fund an amount equal to any increase, and the Special Situations Fund agreed to pay TradIndex an amount equal to any decrease, in the official market price of 23,700, 70,667, 33,333, 58,680 and 66,667 notional shares, respectively, above or below an initial reference price of US\$92.07630, US\$95.20640, US\$97.19320, US\$98.24030 and US\$87.40520, respectively, per share upon close-out of any transaction. The amount of shares beneficially owned and their respective reference prices indicated herein do not reflect a 2-for-1 stock split announced by the Issuer.
- (15)

- The equity swap transactions do not contemplate interim payments of appreciation or depreciation of the shares, and the Special Situations Fund is not entitled to any dividends on the shares or equivalent thereof. All balances will be cash settled, and neither party shall acquire any ownership interest, voting or similar rights, or dispositive power over any Share under the equity swap transactions. Each equity swap transaction may be closed out by the Special Situations Fund at any time.
- (16)

### Remarks:

(+) The Reporting Persons may be deemed to be members of a "group" for purposes of the Securities Exchange Act of 1934, as amended. Each Reporting Person disclaims beneficial ownership of any securities deemed to be owned by the group that are not directly owned by the Reporting Person. This report shall not be deemed an admission that such Reporting Person is a member of a group or the beneficial owner of any securities not directly owned by such Reporting Person.

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.