

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

CLEVELAND CLIFFS INC
Form SC 13D
July 17, 2008

=====

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)
(AMENDMENT NO. _)*

CLEVELAND-CLIFFS INC.
(Name of Issuer)

COMMON SHARES (PAR VALUE \$0.125 PER SHARE)
(Title of Class of Securities)

185896107
(CUSIP Number)

WILLIAM R. LUCAS, JR.
2100 THIRD AVENUE NORTH, SUITE 600
BIRMINGHAM, ALABAMA 35203
(Name, Address and Telephone Number of
Person Authorized to Receive Notices
and Communications)

JULY 16, 2008
(Date of Event which Requires Filing
of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

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.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

CUSIP NO. 185896107

Page 2 of 19

SCHEDULE 13D

1 NAME OF REPORTING PERSONS

Harbinger Capital Partners Master Fund I, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

7 SOLE VOTING POWER

NUMBER OF

-0-

SHARES

8 SHARED VOTING POWER

BENEFICIALLY OWNED

9,000,000

BY EACH REPORTING

9 SOLE DISPOSITIVE POWER

PERSON

-0-

WITH

10 SHARED DISPOSITIVE POWER

9,000,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9,000,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

9.95%

14 TYPE OF REPORTING PERSON

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

CO

CUSIP NO. 185896107

Page 3 of 19

SCHEDULE 13D

1 NAME OF REPORTING PERSONS

Harbinger Capital Partners Offshore Manager, L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

	7	SOLE VOTING POWER
NUMBER OF	-0-	
SHARES	8	SHARED VOTING POWER
BENEFICIALLY OWNED	9,000,000	
BY EACH REPORTING	9	SOLE DISPOSITIVE POWER
PERSON	-0-	
WITH	10	SHARED DISPOSITIVE POWER
	9,000,000	

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9,000,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

9.95%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 185896107

Page 4 of 19

SCHEDULE 13D

1 NAME OF REPORTING PERSONS

HMC Investors, L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF -0-

SHARES

8 SHARED VOTING POWER

BENEFICIALLY OWNED 9,000,000

BY EACH REPORTING 9 SOLE DISPOSITIVE POWER

PERSON -0-

WITH 10 SHARED DISPOSITIVE POWER

9,000,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9,000,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

9.95%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 185896107

Page 5 of 19

SCHEDULE 13D

1 NAME OF REPORTING PERSONS

Harbinger Capital Partners Special Situations Fund, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2 (d) or 2 (e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF

-0-

SHARES

8 SHARED VOTING POWER

BENEFICIALLY OWNED

7,616,472

BY EACH REPORTING

9 SOLE DISPOSITIVE POWER

PERSON

-0-

WITH

10 SHARED DISPOSITIVE POWER

7,616,472

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

7,616,472

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
[]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.42%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 185896107

Page 6 of 19

SCHEDULE 13D

1 NAME OF REPORTING PERSONS

Harbinger Capital Partners Special Situations GP, L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) []

(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

[]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF -0-

SHARES

8 SHARED VOTING POWER

BENEFICIALLY OWNED 7,616,472

BY EACH REPORTING 9 SOLE DISPOSITIVE POWER

PERSON -0-

WITH 10 SHARED DISPOSITIVE POWER

7,616,472

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

7,616,472

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
[]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
8.42%

14 TYPE OF REPORTING PERSON
OO

CUSIP NO. 185896107

Page 7 of 19

SCHEDULE 13D

1 NAME OF REPORTING PERSONS
HMC - New York, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) []
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS
AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)
[]

6 CITIZENSHIP OR PLACE OF ORGANIZATION
New York

	7	SOLE VOTING POWER
NUMBER OF		-0-
SHARES	8	SHARED VOTING POWER
BENEFICIALLY OWNED		7,616,472
BY EACH REPORTING	9	SOLE DISPOSITIVE POWER
PERSON		-0-
WITH	10	SHARED DISPOSITIVE POWER

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

7,616,472

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

7,616,472

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.42%

14 TYPE OF REPORTING PERSON

CO

CUSIP NO. 185896107

Page 8 of 19

SCHEDULE 13D

1 NAME OF REPORTING PERSONS

Harbert Management Corporation

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2 (d) or 2 (e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Alabama

7 SOLE VOTING POWER

NUMBER OF

-0-

SHARES

8 SHARED VOTING POWER

BENEFICIALLY OWNED

7,616,472

BY EACH REPORTING

9 SOLE DISPOSITIVE POWER

PERSON

-0-

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

WITH 10 SHARED DISPOSITIVE POWER

7,616,472

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

7,616,472

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.42%

14 TYPE OF REPORTING PERSON

CO

CUSIP NO. 185896107

Page 9 of 19

SCHEDULE 13D

1 NAME OF REPORTING PERSONS

Philip Falcone

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A

7 SOLE VOTING POWER

NUMBER OF

-0-

SHARES

8 SHARED VOTING POWER

BENEFICIALLY OWNED

16,616,472

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

SHARES	8	SHARED VOTING POWER
BENEFICIALLY OWNED		16,616,472
BY EACH REPORTING	9	SOLE DISPOSITIVE POWER
PERSON		-0-
WITH	10	SHARED DISPOSITIVE POWER
		16,616,472

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
16,616,472

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
18.36%

14 TYPE OF REPORTING PERSON
IN

CUSIP NO. 185896107

Page 11 of 19

SCHEDULE 13D

1 NAME OF REPORTING PERSONS
Michael D. Luce

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2 (d) or 2 (e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
U.S.A.

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

	7	SOLE VOTING POWER	
NUMBER OF		-0-	
SHARES	8	SHARED VOTING POWER	
BENEFICIALLY OWNED		16,616,472	
BY EACH REPORTING	9	SOLE DISPOSITIVE POWER	
PERSON		-0-	
WITH	10	SHARED DISPOSITIVE POWER	
		16,616,472	

11		AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
		16,616,472	

12		CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	
			<input type="checkbox"/>

13		PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
		18.36%	

14		TYPE OF REPORTING PERSON	
		IN	

-----		-----	
CUSIP NO. 185896107		Page 12 of 19	
-----		-----	

Item 1. SECURITY AND ISSUER.

This Schedule 13D is being filed by the undersigned with respect to the Common Shares, \$0.125 par value per share (the "Shares"), of Cleveland-Cliffs Inc., an Ohio corporation (the "Issuer"). The address of the Issuer is 1100 Superior Avenue, Cleveland, Ohio 44114-2544.

Item 2. IDENTITY AND BACKGROUND.

(a-c, f) This Schedule 13D is being filed by Harbinger Capital Partners Master Fund I, Ltd. (the "Master Fund"), an investment fund, Harbinger Capital Partners Offshore Manager, L.L.C. ("Harbinger Manager"), the investment manager of the Master Fund, HMC Investors, L.L.C., its managing member ("HMC Investors"), Harbinger Capital Partners Special Situations Fund, L.P. (the "Special Fund"), an investment fund, Harbinger Capital Partners Special Situations GP, L.L.C., the general partner of the Special Fund ("HCPSS"), HMC - New York, Inc., the managing member of HCPSS ("HMCNY"), Harbert Management Corporation ("HMC"), the parent of HMCNY, Philip Falcone, a shareholder of HMC, a member of HMC Investors and the portfolio manager of the Master Fund and the Special Fund, Raymond J. Harbert, a shareholder of HMC and a member of HMC Investors and Michael D. Luce, a shareholder of HMC and a member of HMC Investors (each of the Master Fund, Harbinger Manager, HMC Investors, the Special Fund, HCPSS, HMCNY and HMC and Messrs. Falcone, Harbert and Luce, a

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

"Reporting Person", and collectively, the "Reporting Persons").

The Master Fund is an exempted company organized under the laws of the Cayman Islands with its principal business address at c/o International Fund Services (Ireland) Limited, Third Floor, Bishop's Square, Redmond's Hill, Dublin 2, Ireland. Each of Harbinger Manager, HMC Investors and HCPSS is a Delaware limited liability company. The Special Fund is a Delaware limited partnership. HMC is an Alabama corporation. HMCNY is a New York corporation. Each of Philip Falcone, Raymond J. Harbert and Michael D. Luce is a United States citizen. The principal business address for each of the Special Fund, HCPSS, HMCNY and Philip Falcone is 555 Madison Avenue, 16th Floor, New York, New York 10022. The principal business address for each of Harbinger Manager, HMC Investors, HMC, Raymond J. Harbert and Michael D. Luce is 2100 Third Avenue North, Suite 600, Birmingham, Alabama 35203.

(d) None of Philip Falcone, Raymond J. Harbert or Michael D. Luce has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding were or are subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or state securities laws or finding any violation with respect to such laws.

Item 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

As of the date hereof the Master Fund may be deemed to beneficially own 9,000,000 Shares.

As of the date hereof Harbinger Manager may be deemed to beneficially own 9,000,000 Shares.

As of the date hereof HMC Investors may be deemed to beneficially own 9,000,000 Shares.

As of the date hereof the Special Fund may be deemed to beneficially own 7,616,472 Shares.

CUSIP NO. 185896107

Page 13 of 19

As of the date hereof HCPSS may be deemed to beneficially own 7,616,472 Shares.

As of the date hereof HMCNY may be deemed to beneficially own 7,616,472 Shares.

As of the date hereof HMC may be deemed to beneficially own 7,616,472 Shares.

As of the date hereof Philip Falcone may be deemed to beneficially own 16,616,472 Shares.

As of the date hereof Raymond J. Harbert may be deemed to beneficially own 16,616,472 Shares.

As of the date hereof Michael D. Luce may be deemed to beneficially

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

own 16,616,472 Shares.

No borrowed funds were used to purchase the Shares, other than any borrowed funds used for working capital purposes in the ordinary course of business.

Item 4. PURPOSE OF TRANSACTION.

The Reporting Persons initially acquired their Shares because they believed that the Shares represent an attractive investment. The Reporting Persons initially reported their investment on a Schedule 13G filed on December 21, 2007 as amended by Amendment No. 1 filed on January 24, 2008 and by Amendment No. 2 filed on May 27, 2008. Following the announcement on July 16, 2008 that the Issuer's board of directors (the "Board") approved a definitive merger agreement whereby the Issuer is to acquire all of the outstanding shares of Alpha Natural Resources, Inc. (the "Proposed Transaction"), the Reporting Persons determined to file this Schedule 13D to reserve the right to be in contact with members of the Issuer's management, members of the Board, shareholders and other relevant parties regarding the Proposed Transaction and alternatives that the Issuer could employ to maximize shareholder value. Based on their evaluation of the Proposed Transaction to date, the Reporting Persons believe that the Proposed Transaction is not in the best interest of shareholders. As a result, the Reporting Persons may take positions with respect to potential changes in the operations, management, Board composition, ownership, capital structure, strategy and future plans of the Issuer as a means of enhancing shareholder value. Such suggestions or positions may include one or more plans or proposals that relate to or would result in any of the actions required to be reported herein.

Except as described in this Item 4 and in Item 6 herein, the Reporting Persons have no present plans or proposals that relate to or would result in any of the actions required to be reported herein. However, each Reporting Person expects to evaluate on an ongoing basis the Issuer's financial condition and prospects and its interest in, and intentions with respect to, the Issuer. Accordingly, each Reporting Person reserves the right to change its intentions and develop plans or proposals at any time, as it deems appropriate. In particular, each Reporting Person may at any time and from time to time, in privately negotiated transactions or otherwise, acquire additional securities of the Issuer, including additional Shares; dispose of all or a portion of the securities of the Issuer, including the Shares, that the Reporting Persons now own or may hereafter acquire; and/or enter into derivative transactions with institutional counterparties with respect to the Issuer's securities. In addition, the Reporting Persons may engage in discussions with management, members of the Board, shareholders and other relevant parties concerning the operations, management, Board composition, ownership, capital structure, strategy and future plans of the Issuer, including the Proposed Transaction.

Item 5. INTEREST IN SECURITIES OF THE ISSUER.

References to percentage ownerships of Shares in this Schedule 13D are based upon the 90,493,162 Shares stated to be outstanding as of May 1, 2008 by the Issuer in the Issuer's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008, as adjusted to reflect the 2-for-1 Share split effective as of May 1, 2008 as described in the Issuer's Current Report on Form 8-K filed on April 23, 2008.

CUSIP NO. 185896107

Page 14 of 19

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

(a, b) As of the date hereof, the Master Fund may be deemed to be the beneficial owner of 9,000,000 Shares, constituting 9.95% of the Shares outstanding of the Issuer.

The Master Fund has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 9,000,000 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 9,000,000 Shares.

(a, b) As of the date hereof, Harbinger Manager may be deemed to be the beneficial owner of 9,000,000 Shares, constituting 9.95% of the Shares outstanding of the Issuer.

Harbinger Manager has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 9,000,000 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 9,000,000 Shares.

Harbinger Manager specifically disclaims beneficial ownership in the Shares reported herein except to the extent of its pecuniary interest therein.

(a, b) As of the date hereof, HMC Investors may be deemed to be the beneficial owner of 9,000,000 Shares, constituting 9.95% of the Shares outstanding of the Issuer.

HMC Investors has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 9,000,000 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 9,000,000 Shares.

HMC Investors specifically disclaims beneficial ownership in the Shares reported herein except to the extent of its pecuniary interest therein.

(a, b) As of the date hereof, the Special Fund may be deemed to be the beneficial owner of 7,616,472 Shares, constituting 8.42% of the Shares outstanding of the Issuer.

The Special Fund has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 7,616,472 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 7,616,472 Shares.

(a, b) As of the date hereof, HCPSS may be deemed to be the beneficial owner of 7,616,472 Shares, constituting 8.42% of the Shares outstanding of the Issuer.

HCPSS has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 7,616,472 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 7,616,472 Shares.

HCPSS specifically disclaims beneficial ownership in the Shares reported herein except to the extent of its pecuniary interest therein.

(a, b) As of the date hereof, HMCNY may be deemed to be the beneficial owner of 7,616,472 Shares, constituting 8.42% of the Shares outstanding of the Issuer.

HMCNY has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 7,616,472 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 7,616,472 Shares.

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

HMCNY specifically disclaims beneficial ownership in the Shares reported herein except to the extent of its pecuniary interest therein.

(a, b) As of the date hereof, HMC may be deemed to be the beneficial owner of 7,616,472 Shares, constituting 8.42% of the Shares outstanding of the Issuer.

CUSIP NO. 185896107

Page 15 of 19

HMC has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 7,616,472 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 7,616,472 Shares.

HMC specifically disclaims beneficial ownership in the Shares reported herein except to the extent of its pecuniary interest therein.

(a, b) As of the date hereof, Philip Falcone may be deemed to be the beneficial owner of 16,616,472 Shares, constituting 18.36% of the Shares outstanding of the Issuer.

Mr. Falcone has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 16,616,472 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 16,616,472 Shares.

Mr. Falcone specifically disclaims beneficial ownership in the Shares reported herein except to the extent of his pecuniary interest therein.

(a, b) As of the date hereof, Raymond J. Harbert may be deemed to be the beneficial owner of 16,616,472 Shares, constituting 18.36% of the Shares outstanding of the Issuer.

Mr. Harbert has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 16,616,472 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 16,616,472 Shares.

Mr. Harbert specifically disclaims beneficial ownership in the Shares reported herein except to the extent of his pecuniary interest therein.

(a, b) As of the date hereof, Michael D. Luce may be deemed to be the beneficial owner of 16,616,472 Shares, constituting 18.36% of the Shares outstanding of the Issuer.

Mr. Luce has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 16,616,472 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 16,616,472 Shares.

Mr. Luce specifically disclaims beneficial ownership in the Shares reported herein except to the extent of his pecuniary interest therein.

(c) The trading dates, number of Shares purchased and sold and price per share for all transactions in the Shares by the Reporting Persons in the past 60 days are set forth in Exhibit B.

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

(d) Not applicable.

(e) Not applicable.

Item 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

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 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 and their respective reference prices indicated with respect to the equity swap transactions described above are not adjusted to reflect the 2-for-1 Share split effective as of May 1, 2008, as described in the Issuer's Current Report on Form 8-K filed on April 23, 2008.

CUSIP NO. 185896107

Page 16 of 19

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.

On July 8, 2008, July 9, 2008, July 9, 2008 and July 11, 2008, the Master Fund entered into four equity swap transaction with TradIndex effective on July 8, 2008, July 9, 2008, July 9, 2008 and July 11, 2008, respectively, 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, 1,000, 110,000 and 125,000 notional Shares, respectively, above or below an initial reference price of US\$91.0922, US\$106.9531, US\$106.9531 and US\$109.2794, respectively, per Share upon close-out of any transaction. 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.

On July 15, 2008 and July 16, 2008, the Master Fund entered into two equity swap transaction with Deutsche Bank ("DB") effective on July 15, 2008 and July 16, 2008, respectively, 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 and 500,000 notional Shares, respectively, above or below an initial reference price of US\$111.6489 and US\$102.4748, respectively, per Share upon close-out of any transaction. 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.

On December 5, 2007, the Special Fund entered into five equity swap transactions with 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 Fund an amount equal to any increase,

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

and the Special 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 and their respective reference prices indicated with respect to the equity swap transactions described above are not adjusted to reflect the 2-for-1 Share split effective as of May 1, 2008, as described in the Issuer's Current Report on Form 8-K filed on April 23, 2008. All balances will be cash settled, and neither party shall acquire any ownership interest, voting or similar rights, or dispositive power over any Shares under the equity swap transactions. Each equity swap transaction may be closed out by the Special Fund at any time.

Item 7. MATERIAL TO BE FILED AS EXHIBITS.

Exhibit A: Joint Filing Agreement

Exhibit B: Transactions in the Common Shares (par value \$0.125 per share) of the Issuer

CUSIP NO. 185896107

Page 17 of 19

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.

By: Harbinger Capital Partners Offshore
Manager, L.L.C.

By: HMC Investors, L.L.C.,
Managing Member

By: /s/ William R. Lucas, Jr.

Name: William R. Lucas, Jr.
Title: Executive Vice President

HARBINGER CAPITAL PARTNERS OFFSHORE MANAGER,
L.L.C.*

By: HMC Investors, L.L.C.,
Managing Member

By: /s/ William R. Lucas, Jr.

Name: William R. Lucas, Jr.
Title: Executive Vice President

Edgar Filing: CLEVELAND CLIFFS INC - Form SC 13D

HMC INVESTORS, L.L.C.*

By: /s/ William R. Lucas, Jr.

Name: William R. Lucas, Jr.
Title: Executive Vice President

CUSIP NO. 185896107

Page 18 of 19

HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS
FUND, L.P.

By: Harbinger Capital Partners Special
Situations GP, LLC

By: HMC - New York, Inc., Managing Member

By: /s/ William R. Lucas, Jr.

Name: William R. Lucas, Jr.
Title: Executive Vice President

HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS
GP, LLC*

By: HMC - New York, Inc., Managing Member

By: /s/ William R. Lucas, Jr.

Name: William R. Lucas, Jr.
Title: Executive Vice President

HMC - NEW YORK, INC.*

By: /s/ William R. Lucas, Jr.

Name: William R. Lucas, Jr.
Title: Executive Vice President

HARBERT MANAGEMENT CORPORATION*

By: /s/ William R. Lucas, Jr.

Name: William R. Lucas, Jr.
Title: Executive Vice President

CUSIP NO. 185896107

Page 19 of 19

/s/ Philip Falcone*

Philip Falcone

/s/ Raymond J. Harbert*

Raymond J. Harbert

/s/ Michael D. Luce*

Michael D. Luce

July 17, 2008

*The Reporting Persons disclaim beneficial ownership in the shares reported herein except to the extent of their pecuniary interest therein.