

CLEVELAND CLIFFS INC  
 Form 4  
 July 10, 2008

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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)  
**07/08/2008**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

\*See Remarks

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

Form filed by One Reporting Person  
 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	(8) (11)	07/08/2008		P	1 (8) (11)	(8)(11)	(8)(11)	Common Stock	500,000	(8) (11)
Equity Swap	(9) (11)	07/09/2008		P	1 (8) (11)	(9)(11)	(9)(11)	Common Stock	110,000	(9) (11)
Equity Swap	(10) (11)					(10)(11)	(10)(11)	Common Stock	47,401	
Equity Swap	(10) (11)					(10)(11)	(10)(11)	Common Stock	141,333	
Equity Swap	(10) (11)					(10)(11)	(10)(11)	Common Stock	66,667	
Equity Swap	(10) (11)					(10)(11)	(10)(11)	Common Stock	117,361	
Equity Swap	(10) (11)					(10)(11)	(10)(11)	Common Stock	133,333	
Equity Swap	(12) (13)					(12)(13)	(12)(13)	Common Stock	23,700	
Equity Swap	(12) (13)					(12)(13)	(12)(13)	Common Stock	70,667	
Equity Swap	(12) (13)					(12)(13)	(12)(13)	Common Stock	33,333	
Equity Swap	(12) (13)					(12)(13)	(12)(13)	Common Stock	58,680	
Equity Swap	(12) (13)					(12)(13)	(12)(13)	Common Stock	66,667	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD. C/O INTERNATIONAL FUND SERVICES LIMITED		X		*See Remarks

THIRD FL, BISHOP'S SQUARE REDMOND'S HILL  
DUBLIN, L2 00000

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

2100 THIRD AVENUE NORTH  
SUITE 600  
BIRMINGHAM, AL 35203

X

\*See Remarks

HMC INVESTORS, L.L.C.

2100 THIRD AVENUE NORTH  
SUITE 600  
BIRMINGHAM, AL 35203

X

\*See Remarks

FALCONE PHILIP

555 MADISON AVE  
16TH FLOOR  
NEW YORK, NY 10022

X

\* See Remarks

HARBERT RAYMOND J

2100 THIRD AVENUE NORTH  
SUITE 600  
BIRMINGHAM, AL 35203

X

\* See Remarks

LUCE MICHAEL D

2100 THIRD AVENUE NORTH  
SUITE 600  
BIRMINGHAM, AL 35203

X

\* See Remarks

## Signatures

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.

07/10/2008

\_\_Signature of Reporting Person

Date

Harbinger Capital Partners Offshore Manager, L.L.C.(+), By: HMC Investors, L.L.C.,  
Managing Member, By: /s/ William R. Lucas, Jr.

07/10/2008

\_\_Signature of Reporting Person

Date

HMC Investors, L.L.C.(+), By: /s/ William R. Lucas, Jr.

07/10/2008

\_\_Signature of Reporting Person

Date

/s/ Philip Falcone(+)

07/10/2008

\_\_Signature of Reporting Person

Date

/s/ Raymond J. Harbert(+)

07/10/2008

\_\_Signature of Reporting Person

Date

/s/ Michael D. Luce(+)

07/10/2008

\_\_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).
- 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.
- (1) These securities are owned by Harbinger Capital Partners Master Fund I, Ltd. (the "Master Fund"), which is a Reporting Person.
- 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.
- (3) Each entity or 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 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.
- (4) These securities are owned by Harbinger Capital Partners Special Situations Fund, L.P. (the "Special Situations Fund").
- 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.
- (6) Each Reporting 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 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.
- (7) 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\$91.0622 per share upon close-out of any transaction.
- (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 110,000 notional shares above or below an initial reference price of US\$106.9231 per share upon close-out of any transaction.
- (9) 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 beneficially owned and their respective reference prices indicated herein do not reflect a 2-for-1 stock split announced by the Issuer.
- (10) 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.
- (11) 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.
- (12) 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.
- (13)

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Each equity swap transaction may be closed out by the Special Situations Fund at any time.

### **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.