

CLEVELAND CLIFFS INC
 Form 4
 September 01, 2006

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 *
 Carrabba Joseph A

(Last) (First) (Middle)

1100 SUPERIOR AVENUE, 15TH FLOOR

(Street)

CLEVELAND, OH 44114

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
 09/01/2006

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)

Chief Executive Officer

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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership Indirect Beneficial 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)

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. P. Deriv. Sec |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|------------------|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|------------------|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|---------------------------|------------------------------|------------------|------------|--|------|---|-----|-----|------------------|-----------------|---------------|----------------------------|
| Retention Units 2006-2008 | (1) | 09/01/2006 | A | 2,490 (2) | | | | | (3) | (3) | Common Shares | 2,490 |
| Retention Units 2005-2007 | (1) | | | | | | | | (5) | (5) | Common Shares | 1,140 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Carrabba Joseph A 1100 SUPERIOR AVENUE 15TH FLOOR CLEVELAND, OH 44114 | X | | Chief Executive Officer | |

Signatures

George W. Hawk, Jr. by Power of Attorney
Date: 09/01/2006

**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) Convertible into Common Shares on a 1-for-1 basis.
- (2) Represents a grant of additional Retention Units to the Reporting Person effective upon becoming Chief Executive Officer on September 1, 2006.
The retention units are issued under the Cleveland-Cliffs Inc ("Company") Long-Term Incentive Program ("LTI Program") covering the performance period January 1, 2006 through December 31, 2008 (Retention Period). Payment of the retention units will be made in cash after the completion of the Retention Period based upon the employment by the Company of the Reporting Person and the market value of a Common Share of the Company on the last day of the Retention Period.
- (3) Total of retention units reflect the 2-for-1 stock split on June 30, 2006, which resulted in the reporting person's receiving 1,245 additional retention units.
Retention units granted to Reporting Person under the Company's LTI Program covering the period of January 1, 2005 to December 31, 2007 (Retention Period). Retention units will be paid out to the Reporting Person in cash based upon the employment by the Company of the Reporting Person and the market value of a Common Share of the Company on the last day of the Retention Period.
- (6)

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Total of retention units reflect the 2-for-1 stock split on June 30, 2006, which resulted in the Reporting Person's receiving 570 additional retention units.

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.