

CLEVELAND CLIFFS INC

Form 4

February 26, 2008

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
GALLAGHER DONALD J

(Last) (First) (Middle)

1100 SUPERIOR AVENUE

(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)
02/26/2008

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

Pres. N. Am. Iron Ore

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------------|---|---|---|---|--|--|---|
| Common Stock | 02/26/2008 | | A ⁽¹⁾ | 9,388 A | \$ 119.76 | 30,822.024 | D |
| Common Stock | 02/26/2008 | | F ⁽²⁾ | 3,516 D | \$ 119.76 | 27,306.024 | D |
| Common Stock | | | | | 48,168 ⁽³⁾ | I | By VNQDC |

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
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SEC 1474
(9-02)

number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 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. P |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title | Amount or Number of Shares |
| Retention Units 2005-2007 | (4) | 02/26/2008 | | D | 1,230 | (5) (5) | Common Shares | 1,230 \$ |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

GALLAGHER DONALD J
1100 SUPERIOR AVENUE
CLEVELAND, OH 44114

Pres. N. Am. Iron Ore

Signatures

Traci L. Forrester by Power of Attorney

02/26/2008

**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) Reflects a payout in Common Stock of Performance Shares earned under the Cleveland-Cliffs Inc 1992 Equity Plan (as Amended and Restated as of May 13, 1997) as amended ("1992 Equity Plan"), for the 2005-2007 Performance Period.

(2) Surrender of Performance Shares represented in footnote (1) in payment of the related tax liability incurred by the reporting person.

Held for the benefit of the Reporting Person by the Cleveland-Cliffs Inc Voluntary Non-Qualified Deferred Compensation Plan ("VNQDC"). The balance shown also includes 53 shares acquired December 3, 2007 (to shareholders of record on November 23, 2007) pursuant to the dividend reinvestment feature of the VNQDC.

(4) Each Retention Unit represents the value of one Common Share of the Company.

Retention Units granted to Reporting Person under the Cleveland-Cliffs Inc Long-Term Incentive Program covering the period of January 1, 2005 to December 31, 2007 (Retention Period). Retention units were paid out to the Reporting Person in cash based on the market value price of the Common Shares of the Issuer on the last day of the Retention Period.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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