

FALCONE PHILIP
Form 4
May 05, 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 *
HARBERT MANAGEMENT CORP

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
04/01/2008

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

ONE RIVERCHASE PARKWAY SOUTH,

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

BIRMINGHAM, AL 35244

(City) (State) (Zip)

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	04/01/2008		P		250,000	A	\$ 123.32
					4,202,269	I	(1) (2)
Common Stock					1,783,331	I	(1) (3)

By Harbinger Capital Partners Master Fund I, Ltd.

By Harbinger Capital Partners Special

Situations
Fund, L.P.

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.

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(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 (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)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 3)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HARBERT MANAGEMENT CORP ONE RIVERCHASE PARKWAY SOUTH BIRMINGHAM, AL 35244		X		
FALCONE PHILIP 555 MADISON AVE 16TH FLOOR NEW YORK, NY 10022		X		
HARBERT RAYMOND J ONE RIVERCHASE PARKWAY SOUTH BIRMINGHAM, AL 35244		X		
LUCE MICHAEL D ONE RIVERCHASE PARKWAY SOUTH BIRMINGHAM, AL 35244		X		

Signatures

Harbert Management Corporation, By: /s/ William R. Lucas, Jr.	05/05/2008
__Signature of Reporting Person	Date
/s/ Philip Falcone	05/05/2008
__Signature of Reporting Person	Date
/s/ Raymond J. Harbert	05/05/2008
__Signature of Reporting Person	Date
/s/ Michael D. Luce	05/05/2008
__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.**

These securities are directly beneficially owned by Harbinger Capital Partners Master Fund I, Ltd. (the "Master Fund"). These securities may be deemed to be indirectly beneficially owned by Harbert Management Corporation ("HMC"), Philip Falcone, Raymond J. Harbert and Michael D. Luce. Philip Falcone is the portfolio manager of the Master Fund and a shareholder of HMC. Raymond J. Harbert and Michael D. Luce are shareholders of HMC. Each such entity or person 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.

(2) These securities are directly beneficially 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 HMC, Philip Falcone, Raymond J. Harbert and Michael Luce. HMC wholly owns the managing member of the Special Situations Fund's general partner. 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. Each such entity or person 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.

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.