

GALLAGHER DONALD J
Form 4
January 03, 2007

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 *
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)
12/28/2006

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)
Pres. N. Am. Iron Ore

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)
			Code	V Amount (D) Price			
Common Stock	12/28/2006		G	100 D \$ 0 (1)	25,284.024	D	
Common Stock					47,887 (2)	I	By VNQDC (3)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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- (3) Held for the benefit of the Reporting Person by the VNQDC.
- (4) Convertible into Common Shares on a 1-for-1 basis.
- Represents a grant of Retention Units to the Reporting Person under the Cleveland-Cliffs Inc Long-Term Incentive Program covering the period January 1, 2004 through December 31, 2006 (Incentive Period). Payment of the Retention Units will be made in cash after the completion of the Incentive 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 Incentive Period.
- (5) On December 30, 2004, the common stock of Cleveland-Cliffs Inc split 2-for-1, resulting in the reporting person's acquisition of 690 additional retention units. On June 30, 2006, the common stock of Cleveland-Cliffs Inc split 2-for-1 again, resulting in the reporting person's acquisition of 1,380 additional retention units.
- Represents a grant of Retention Units to the Reporting Person under the Cleveland-Cliffs Inc Long-Term Incentive Program covering the period January 1, 2005 through December 31, 2007 (Incentive Period). Payment of the Retention Units will be made in cash after the completion of the Incentive 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 Incentive Period.
- (7) On June 30, 2006, the common stock of Cleveland-Cliffs Inc split 2-for-1, resulting in the reporting person's acquisition of 615 additional retention units.
- Represents a grant of Retention Units to the Reporting Person under the Cleveland-Cliffs Inc Long-Term Incentive Program covering the period January 1, 2006 through December 31, 2008 (Incentive Period). Payment of the Retention Units will be made in cash after the completion of the Incentive 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 Incentive Period.
- (9) On June 30, 2006, the common stock of Cleveland-Cliffs Inc split 2-for-1, resulting in the reporting person's acquisition of 630 additional retention units.
- (10)

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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