

CLIFFS NATURAL RESOURCES INC.

FORM 8-K (Current report filing)

Filed 11/28/06 for the Period Ending 11/22/06

Address	200 PUBLIC SQUARE STE. 3300 CLEVELAND, OH 44114-2315
Telephone	216-694-5700
CIK	0000764065
Symbol	CLF
SIC Code	1000 - Metal Mining
Industry	Metal Mining
Sector	Basic Materials
Fiscal Year	12/31

CLEVELAND CLIFFS INC

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

November 22, 2006

Cleveland-Cliffs Inc

(Exact name of registrant as specified in its charter)

Ohio

1-8944

34-1464672

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

1100 Superior Avenue, Cleveland, Ohio

44114-2589

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

216-694-5700

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 27, 2006, Cleveland-Cliffs Inc (the "Company") announced in a press release (attached as Exhibit 99(a)) the hiring of Ms. Laurie Brlas, 49, as Senior Vice President-Chief Financial Officer and Treasurer of the Company. The appointment of Ms. Brlas relieves Donald J. Gallagher, currently President North American Iron Ore and acting Chief Financial Officer and Treasurer, of his duties as Chief Financial Officer and Treasurer. Mr. Gallagher will remain President North American Iron Ore. Ms. Brlas accepted the Company's offer on November 22, 2006 and is expected to begin her employment on December 11, 2006.

Ms. Brlas has an extensive accounting and financial background spanning over the last thirteen years in various management positions. She has been employed with STERIS Corporation, Mentor, Ohio, as Senior Vice President, Chief Financial Officer from 2000 to the present. Her prior service includes five years at Officemax, Inc., Cleveland, Ohio (1995-2000), most recently as Senior Vice President and Controller.

Ms. Brlas has no previous affiliation with the Company or any of its subsidiaries nor have there been any related party transactions between the Company and herself. She has no familial or business relationship with any of the current officers or Directors of the Company.

The terms of Ms. Brlas' Letter Agreement, dated November 22, 2006, are as follows:

- She receives a current annual base salary of \$365,000;
- She receives a signing bonus of \$115,000;
- She will participate in the Company's Management Performance Incentive Plan, with an annual target cash bonus of 60 percent of her base salary. The actual bonus awards can be 0 to 200 percent of target based upon Board Compensation Committee judgment of individual, unit and corporate performance. Her 2006 award will not be prorated and will be at least 100 percent of target;
- She is eligible to participate in the Company's Long-Term Equity Incentive Plan. For 2006, her performance share award will be 6,800 performance shares of the Company's common shares, which will vest into actual shares on a three-year moving cycle based on achieving corporate objectives of return on investment and stock price performance against a peer group. The performance share award will be computed as though she had been an employee of the Company beginning January 1, 2006 and will not be prorated. For 2006, her retention units award will be 1,200 shares, which will vest after three years based on her continuing employment to that date;
- The Company will enter into a change-of-control severance agreement with Ms. Brlas upon joining the Company, which terms are not yet available; and
- She will be eligible to participate in various benefit programs, including any executive perquisites that are generally made available by the Company to employees of her position.

The Letter Agreement is included as Exhibit 10(a). The foregoing discussion of the terms of such agreement is qualified in its entirety by reference to the full text of such exhibit, which is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10(a) Letter Agreement of Employment by and between Cleveland-Cliffs Inc and Laurie Brlas dated November 22, 2006

99(a) Cleveland-Cliffs Inc published a news release on November 27, 2006 captioned, "Cleveland-Cliffs Names Brlas Chief Financial Officer and Treasurer"

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

November 27, 2006

Cleveland-Cliffs Inc

By: George W. Hawk, Jr.

Name: George W. Hawk, Jr.

Title: General Counsel and Secretary

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.(a)	Letter Agreement of Employment by and between Cleveland-Cliffs Inc and Laurie Brlas dated November 22, 2006
99.(a)	Cleveland-Cliffs Inc published a news release on November 27, 2006 captioned, "Cleveland-Cliffs Names Brlas Chief Financial Officer and Treasurer"

CLEVELAND-CLIFFS INC

November 14, 2006

Direct: (216) 694-5940

RANDY L. KUMMER

Fax: (216) 694-8381

SENIOR VICE PRESIDENT-HUMAN RESOURCES

rkummer@cleveland-cliffs.com

CONFIDENTIAL

Ms. Laurie Brlas
10715 Pine Valley Circle Concord, OH 44077

Dear Ms. Brlas:

This letter revises our original offer to you for the position of Senior Vice President-Chief Financial Officer and Treasurer with Cleveland-Cliffs Inc dated November 8, 2006.

The following are the details of the revised offer:

BASE SALARY

Your starting salary will be \$365,000 per year, payable semi-monthly. Individual performance and the salaries of elected officers are periodically reviewed by the Compensation and Organization Committee of the Board of Directors based on the recommendations of the Chief Executive Officer.

MANAGEMENT PERFORMANCE INCENTIVE PLAN

Effective with your starting date, you will participate in the Management Performance Incentive Plan, which provides an annual target cash bonus of 60 percent of your base salary. The actual bonus awards can be 0 to 200 percent of target based upon Board Compensation Committee judgment of individual, unit and corporate performance as recommended by the CEO. Your 2006 award will not be prorated is guaranteed to be no less than the 100 percent target.

LONG-TERM EQUITY INCENTIVE PLAN

You will participate in the Long Term Equity Incentive Plan and be eligible to receive annual Performance Share awards (including Retention Units) based on the Plan formula. Normally, the grant size will be determined based upon a market review and analysis of your current position.

For 2006 your performance share award will be 8,000 Performance shares / Retention Units. This includes 6,800 Performance Shares of Cleveland-Cliffs Inc stock. The

Performance Shares vest into actual shares on a three-year moving cycle based on achieving corporate objectives of return on investment and stock price performance against a peer group. Fifteen percent of your award, or 1,200 shares, represent "retention units" and will vest after three years based on your continuing employment to that date. Your Performance Share award will be computed as though you had been an employee of the Company beginning on January 1, 2006 and shall not be prorated because of your being hired during 2006.

SIGNING BONUS

You will receive a \$115,000 signing bonus payable within thirty days of your Date of Employment with Cleveland-Cliffs Inc. This signing bonus is to recognize the intrinsic value of your unvested prior equity grants from your current employer.

SEVERANCE PROTECTION

The Company will enter into a change-of-control severance agreement with you. This agreement will provide, among

other things, compensation in the event your position is eliminated or substantially diminished following a corporate change-of-control.

EMPLOYEE BENEFIT PLANS

Subject to the eligibility rules of the various plans, you will be entitled to participate in the pension, 401(k), life insurance, medical and dental insurance coverage, disability, other employee benefit programs and arrangements, including any executive perquisites that are generally made available by the Company to employees in your position. Below is a brief summary of these benefits.

Vacation Benefits

You will be eligible for four (4) weeks of vacation during 2007 and during each calendar year thereafter.

Financial Counseling

At present, your position will qualify you for financial and tax counseling service, typically provided for Cleveland-Cliffs executives through AYCO. If you prefer to use another financial services company, the Company will reimburse up to \$10,000 annually for service fees.

Parking

At present, your position will qualify you for a company paid parking space in the Diamond Building garage, 1100 Superior Avenue.

Retiree Medical Coverage

Subsidized retiree medical coverage is not a part of the Company's retirement benefit program for employees hired or rehired after January 1, 1993.

Periodic Review of Benefit Plans

The Company periodically reviews all employee benefit plans and programs to ensure that employees are offered competitive and affordable benefits. The Company reserves the right to amend or terminate any such employee benefit plan, program or perquisite at any time and for any reason without the consent of any employee or participant.

TERMS OF EMPLOYMENT

This offer is contingent upon your successful completion of a Company pre-employment physical and drug/alcohol screen, which will be administered and evaluated consistent with the Americans with Disabilities Act of 1990.

By accepting this offer as Sr. Vice President, Chief Financial Officer and Treasurer, you agree to act honestly, in good faith, in the Company's best interests, and to exercise the degree of skill and diligence that a person having your expertise and knowledge of the Company's affairs would reasonably be expected to exercise in comparable circumstances. Further, you agree to devote yourself exclusively and full-time to the Company's business and not to be employed or engaged in other businesses without the Company's prior written approval. You agree to observe and abide by all the Company's policies, rules and procedures, including the Company's Code of Business Conduct and Ethics policy. A copy of that policy is enclosed.

In accordance with corporate policy, this letter and your response are not meant to constitute a contract of employment for any specific period of time and you will remain, at all times, an employee at-will. Absolutely no one except the Board of Directors of the Company may change the at-will nature of our relationship, and then only in writing. Any reliance on any representations, oral or otherwise, contrary to "employment-at-will" is unreasonable.

We look forward to you joining the Cliffs' team and working with you. We believe that you will find the challenges to be significant, the rewards to be competitive, and the satisfaction to be substantial in working for a highly professional organization with a proud history in a vital industry.

Please confirm in writing your acceptance of this offer and return the signed copy of the enclosed Employee Invention

and Secrecy Agreement with your confirmation.

If you have any questions regarding the terms of the offer or the responsibility of the position, please do not hesitate to contact me.

Very truly yours,

/s/ R. L. Kummer

Randy L. Kummer

Acceptance of Offer:

I have read and accept all of the terms of the offer of employment as set forth in the foregoing letter. I have not relied on any agreements or representations, expressed or implied, that are not set forth expressly in the foregoing letter.

/s/ Laurie Brlas

Laurie Brlas

Nov. 22, 2006

Date

NEWS RELEASE**Cleveland-Cliffs Names Brlas Chief Financial Officer and Treasurer**

Cleveland, OH—November 27, 2006 –Cleveland-Cliffs Inc (Cliffs) (NYSE: CLF) today announced the appointment of Laurie Brlas as Senior Vice President-Chief Financial Officer and Treasurer, effective December 11, 2006. Brlas replaces acting CFO Donald J. Gallagher, who recently assumed the position of President-North American Iron Ore.

Brlas comes to Cliffs having served as Senior Vice President, Chief Financial Officer of STERIS Corporation (NYSE: STE) from 2000 to the present. Prior to that, she was with Officemax for five years, most recently as Senior Vice President and Controller.

Brlas has had an extensive accounting and financial career spanning more than 20 years. A graduate of Youngstown State University, she brings a distinguished list of honors and awards to her new role at Cleveland-Cliffs, including the honor of being named Ohio Financial Executive of the Year in 1997 by the Institute of Management Accountants.

On the announcement, Chief Executive Officer Joseph A. Carrabba commented: “We are very pleased to welcome Laurie to Cliffs. She has an impressive track record with hands-on experience in a wide variety of roles at other publicly traded global companies. We look forward to Laurie joining us and feel she will make an excellent addition to our management team.”

To be added to Cleveland-Cliffs’ e-mail distribution list, please click on the link below:

<http://www.cpg-llc.com/clearsite/clf/emailoptin.html>

Cleveland-Cliffs Inc, headquartered in Cleveland, Ohio, is the largest producer of iron ore pellets in North America and sells the majority of its pellets to integrated steel companies in the United States and Canada. Cleveland-Cliffs Inc operates a total of six iron ore mines located in Michigan, Minnesota and Eastern Canada. The Company is majority owner of Portman Limited, the third-largest iron ore mining company in Australia, serving the Asian iron ore markets with direct-shipping fines and lump ore.

This news release contains predictive statements that are intended to be made as “forward-looking” within the safe harbor protections of the Private Securities Litigation Reform Act of 1995. Although the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risk and uncertainties. The many factors and risks that may cause such predictive statements to turn out differently are set forth in the Company’s Annual Report for 2005, Reports on Form 10-K and Form 10-Q and previous news releases filed with the Securities and Exchange Commission, which are publicly available on Cleveland-Cliffs’ website. The information contained in this document speaks as of the date of this news release and may be superseded by subsequent events.

News releases and other information on the Company are available on the Internet at:

<http://www.cleveland-cliffs.com>.

SOURCE: Cleveland-Cliffs Inc

CONTACT: Media: 1-216-694-4870

Financial Community: 1-800-214-0739, or 1-216-694-5459

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