

GALLAGHER DONALD J
Form 4
March 06, 2009

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 *
GALLAGHER DONALD J

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
1100 SUPERIOR AVENUE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/05/2009

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Pres. N. Am. Iron Ore

CLEVELAND, OH 44114

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

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

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| Common Stock | 03/05/2009 | | A ⁽¹⁾ | V | 21,420 | A | \$ 15.43 60,438.048 D |
| Common Stock | 03/05/2009 | | F ⁽²⁾ | D | 6,843 | D | \$ 15.43 53,595.048 D |
| Common Stock | | | | | | I | 97,003 ⁽³⁾ By VNQDC |

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

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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... Der... Sec... (Ins... | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|----------------------------|----|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
| | | | | | | | | | | |
| | | | | | | Code | V | (A) | (D) | |
| Retention Units 2006-2008 | (4) | 03/05/2009 | | D | 2,520 | (5) | (5) | Common Shares | 2,520 | \$ |

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

George W. Hawk, Jr. by Power of Attorney

03/06/2009

**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 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 ("Plan"), for the 2006-2008 Performance Period.

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

(3) Held for the benefit of the Reporting Person by the Cliffs Natural Resources Inc. 2005 Voluntary Non-Qualified Deferred Compensation Plan (VNQDC).

(4) Convertible into Common Shares on a 1-for-1 basis.

(5) Represents a payout of Retention Units to the Reporting Person under the Cleveland-Cliffs Inc Long-Term Incentive Program of the Plan covering the period January 1, 2006 through December 31, 2008 (Incentive Period). Payment of the Retention Units was 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 December 31, 2008 pursuant to the Plan.

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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