

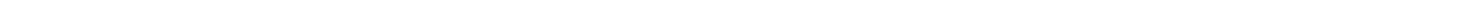


**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On February 20, 2007, Cleveland-Cliffs Inc (the "Company") and Laurie Brlas, Senior Vice President, Chief Financial Officer and Treasurer of the Company, entered into a severance agreement (the "Severance Agreement") effective as of January 8, 2007. The Severance Agreement provides that, in the event that Ms. Brlas' employment is terminated by the Company (other than as a result of death or disability or for cause) during the two-year period following a change in control, Ms. Brlas will be entitled to receive the following severance benefits:

- a lump sum payment in an amount equal to three times the sum of (1) her base pay at the highest rate in effect for any period prior to the termination date plus (2) incentive pay in an amount equal to the greater of the target bonus and/or target award opportunity for either of the previous two years;
- continued health and welfare benefits for a period of thirty-six months following the termination date;
- a lump sum payment in the amount equal to the present value of future pension benefits under the Company's Supplemental Retirement Benefit Plan that Ms. Brlas would have been entitled to receive two years following the termination date as if she continued to be employed by the Company during those two years;
- base salary through the termination date plus pro rata incentive pay for the year in which termination occurs calculation

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**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.

*February 21, 2007*

Cleveland-Cliffs Inc

By: *George W. Hawk, Jr.*

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*Name: George W. Hawk, Jr.*

*Title: General Counsel & Secretary*

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.(a)	Severance <del>10</del>

SEVERANCE AGREEMENT

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(ii) individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a Director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the Directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be deemed to have been a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (within the meaning of Rule 14a-11 of the Exchange Act) with respect to the election or removal of Directors or other actual or threatened solic

(m) "Subsidiary" means an entity in which the Company directly or indirectly beneficially owns 50% or more of the outstanding capital or profits interests or Voting Stock.

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4. Severance Compensation.(a) (a) If, following the occurrence of a Change in Control, the Company or Subsidiary terminates the Executive's employment during the Severance Period other than pursuant to Section 3(a)(i), 3(a)(ii) or 3(a)(iii), or if the Executive terminates his employment pursuant to Section 3(b), the Company will pay to the Executive the amounts described in Annexes to his employment agreement.



(b) Subject to the provisions of Section 5(f), all determinations required to be made under this Section 5, including whether an Excise Tax is payable by the Executive and the amount of such Excise Tax and whether a Gross-Up Payment is required to be paid by the Company to the Executive and the amount of such Gross-Up Payment, if any, shall be made by a nationally recognized accounting firm (the "Accounting Firm") selected by the Executive in his sole discretion. The Executive shall direct the Accounting Firm to submit its determination and detailed supporting calculations to both the Company and the Executive within 30 calendar days after the Termination Date, if applicable, and any such other time or times as may be requested by the Company or the Executive. If the Accounting Firm determines that any Excise Tax is payable by the Executive, the Company shall pay the required Gross-Up Payment to the Executive within five business days after receipt of such determination and calculations with respect to any Payment to the Executive. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall, at the same time as it makes such determination, furnish the Company and the Executive an opinion that the Executive has substantial authority not to report any Excise Tax on his federal, state or local income or other tax return. As a result of the uncertainty in the application of Section 4999 of the Code (or any successor provision thereto) and the possibility of similar uncertainty regarding applicable state or local tax law at the time of any determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts or fails to pursue its remedies pursuant to Section 5(f) and the Executive ~~thereby~~ is required to make a payment of any Excise Tax, the Executive shall direct the Accounting Firm to determine the amount of the Underpayment that has occurred and to submit its determination and detailed supporting calculations to both the Company and the Executive as promptly as possible. Any such Underpayment shall be promptly paid by the Company to, or for the benefit of, the

initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however

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(A) transfer to Trustee to be added to the principal of the Trust under Trust Agreement No. 1 a sum equal to (I) the present value on the date of the Change in Control (or on such fifth business day if the Board has declared a Change in Control to be imminent) of the payments to be made to Executive under the provisions of Annex A and Section 5 hereof, such present value to be computed using the assumptions set forth in Annex A hereof and the computations provided for in Section 5 hereof less (II) the balance in the Executive's accounts provided for in Trust Agreement No. 1 as of the most recent completed valuation thereof, as certified by the Trustee under Trust Agreement No. 1 less (III) the balance in the Executive's accounts provided for in Trust Agreement No. 7 as of the most recently completed valuation thereof, as certified by the Trustee under Trust Agreement No. 7; provided, however, that if the Trustee under Trust Agreement No. 1 and/or Trust Agreement No. 7 does not so certify by the end of the fourth (4th) business day after the earlier of such Change in Control or declaration, then the balance of such respective account shall be deemed to be zero. Any payments of compensation, pension or other benefits by the Trustee pursuant to Trust Agreement No. 1 or Trust Agreement No. 7 shall, to the extent thereof, discharge the Company's obligation to pay compensation, pension and other benefits hereunder, it being the intent of the Company that assets in such Trusts be held as security for the Company's obligation to pay compensation, pension and other benefits hereunder, and the assets in such Trusts shall be held as security for the Company's obligation to pay compensation, pension and other benefits hereunder; and

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(B) ~~the Company shall not be obligated to pay compensation, pension or other benefits to the Executive under this Agreement; and~~

(ii) solicit, entice, assist or induce other employees, agents or independent contractors to leave the employ of the Company or any of the Subsidiaries or to terminate their engagements with the Company and/or any of the Subsidiaries or assist any competitors of the Company or any of the Subsidiaries in securing the services of such employees, agents or independent contractors.

10. Release. Receipt of Severance Compensation by the Executive is conditioned upon the Executive executing and delivering to the Company a release substantially in the form provided in Exhibit A.

11. Employment Rights. Nothing expressed or implied in this Agreement shall create any right or duty on the part of the Company, a Subsidiary or the Executive to have the Executive remain in the employment of the Company or a Subsidiary at any time prior to or following a Change in Control. Any termination of employment of the Executive or the removal of the Executive from the office or position in the Company or a Subsidiary prior to a Change in Control but following the commencement of any discussion with any third person that ultimately results in a Change in Control shall be deemed to be a termination or removal of the Executive after a Change in Control. ~~Nothing shall be construed as a modification of this Agreement.~~

12. Withholding of Taxes. The Company may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Company is required to withhold pursuant to any applicable law, regulation or ruling.

13. Successors and Binding Agreement (a) ~~the~~ Company will require any successor (whether direct or indirect, by purch<sup>2</sup> y



...written in the presence of two witnesses, one of whom shall be a Justice of the Peace, and the same shall be a valid and binding agreement...

CLEVELAND-CLIFFS INC  
By:

/s/ Joseph A. Carrabba

Joseph A. Carrabba

Chairman and Chief Executive Officer

/s/ Laurie Brlas  
Executive

CLEVELAND-CLIFFS INC

**SEVERANCE AGREEMENT**

**ANNEX A**

Severance Compensation

(1) A lump sum payment in an amount equal to three (3) times the sum of (A) Base Pay (at the highest rate in effect for any period prior to the Termination Date), plus (B) Incentive Pay (in an amount equal to not less than the greater of (i) the target bonus and/or target award opportunity for the fiscal year immediately preceding the year in which the Change in Control occurred, or (ii) the target bonus and/or target award opportunity for the fiscal year in which the Termination Date occurs).

(2) For a period of thirty-six (36) months following the Termination Date (the "Continuation Period"), the Company will arrange to provide the Executive with Employee Benefits that are welfare benefits (but not stock option, performance share, performance bonus).

(A) At the time of his termination of employment with the Company (by death or otherwise), the Executive shall be credited with years of continuous service for benefit accrual and eligibility equal to the greater of (i) the number of his actual years of continuous service or (ii) the number of years of continuous service he would have had if he had continued his employment with the Company for two (2) years after the Termination Date, and had he attained the greater of (iii) his actual chronological age, (iv) sixty-five, or (v) his chronological age two (2) years after the Termination Date. In addition, the Executive shall be eligible for a 30-year pension benefit based upon his years of continuous service as computed under the preceding sentence. Such Executive shall be eligible to commence a 30-year pension benefit on the earlier of (vi) the date upon which he terminates employment with the Company, or (vii) the date upon which he attains the age of 60.

thereof; and

(c) any and all claims of wrongful or unjust discharge or breach of any contract or promise, express or implied.

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