

CLIFFS NATURAL RESOURCES INC.

Form SC 13D/A

March 07, 2014

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D/A

Under the
Securities
Exchange Act of
1934
(Amendment No.
2)*

Cliffs Natural
Resources Inc.
(Name of Issuer)

Common Shares,
par value \$0.125
per share
(Title of Class of
Securities)

18683K101
(CUSIP Number)

Casablanca
Capital LP

450 Park Avenue,
Suite 1403

New York, NY
10022

Attn: Douglas
Taylor

(212) 759-5626

David E.
Rosewater, Esq.

Schulte Roth &
Zabel LLP

919 Third Avenue

New York, New
York 10022
(Name, Address
and Telephone
Number of Person
Authorized to
Receive Notices
and
Communications)

March 6, 2014
(Date of Event
Which Requires
Filing of This
Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box. ☐

(Page 1 of 8 Pages)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 18683K101

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1 NAME OF REPORTING PERSONS

Casablanca Capital LP

2 CHECK THE APPROPRIATE ☐ (a) ☒ (b) ☐ (c) ☐ (d) ☐ (e) ☐ (f) ☐ (g) ☐ (h) ☐ (i) ☐ (j) ☐ (k) ☐ (l) ☐ (m) ☐ (n) ☐ (o) ☐ (p) ☐ (q) ☐ (r) ☐ (s) ☐ (t) ☐ (u) ☐ (v) ☐ (w) ☐ (x) ☐ (y) ☐ (z)

BOX IF A

MEMBER OF (b) S

A GROUP

3 SEC USE ONLY

SOURCE OF FUNDS

4 OO, AF (See Item 3) CHECK BOX

IF

DISCLOSURE

OF LEGAL

5 PROCEEDING ☐ IS REQUIRED

PURSUANT

TO ITEM 2(d)

or 2(e)

CITIZENSHIP OR

PLACE OF

6 ORGANIZATION

Delaware

NUMBER OF SHARES

BENEFICIALLY **7** OWNED BY

EACH REPORTING

PERSON WITH **8**

SOLE

VOTING

POWER

0

SHARED

VOTING

POWER

9

7,906,520

SOLE

DISPOSITIVE

POWER

10

0

SHARED

DISPOSITIVE

POWER

	7,906,520
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON
12	7,906,520 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) £ EXCLUDES CERTAIN SHARES PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5)
13	
14	5.2% TYPE OF REPORTING PERSON IA; PN

CUSIP No. 18683K101

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1 NAME OF REPORTING PERSONS

Donald G. Drapkin

2 CHECK THE APPROPRIATE ☒ (a) ☐ (b)

BOX IF A MEMBER OF (b) S

A GROUP

3 SEC USE ONLY

SOURCE OF FUNDS

4 OO; AF; PF (See Item 3) CHECK BOX

IF

DISCLOSURE

OF LEGAL

5 PROCEEDING ☒ IS REQUIRED

PURSUANT

TO ITEM 2(d)

or 2(e)

CITIZENSHIP OR

PLACE OF

6 ORGANIZATION

United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7 SOLE VOTING POWER

8 1,000 SHARED VOTING POWER

9 7,906,520 SOLE DISPOSITIVE POWER

10 1,000 SHARED DISPOSITIVE POWER

	7,906,520
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON
12	7,907,520 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) £ EXCLUDES CERTAIN SHARES PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5)
13	
14	5.2% TYPE OF REPORTING PERSON IN

CUSIP No. 18683K101

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1 NAME OF REPORTING PERSONS

Douglas Taylor
CHECK THE
APPROPRIATE (a) ☒
2 BOX IF A
MEMBER OF (b) ☐ S
A GROUP

3 SEC USE ONLY
4 SOURCE OF FUNDS

OO; AF (See Item 3)
CHECK BOX
IF

5 DISCLOSURE
OF LEGAL
PROCEEDING
IS REQUIRED
PURSUANT
TO ITEM 2(d)
or 2(e)

6 CITIZENSHIP OR
PLACE OF
ORGANIZATION

United States

NUMBER OF
SHARES
BENEFICIALLY **7**
OWNED BY

EACH
REPORTING
PERSON WITH **8**

SOLE
VOTING
POWER

0
SHARED
VOTING
POWER

9 7,906,520
SOLE
DISPOSITIVE
POWER

10 0
SHARED
DISPOSITIVE
POWER

	7,906,520
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON
12	7,906,520 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) £ EXCLUDES CERTAIN SHARES PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5)
13	
14	5.2% TYPE OF REPORTING PERSON IN

CUSIP No. 18683K101

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1 NAME OF REPORTING PERSONS

Celso Lourenco
Goncalves

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF (b) S A GROUP

3 SEC USE ONLY
4 SOURCE OF FUNDS

PF (See Item 3)
CHECK BOX
IF

5 DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

CITIZENSHIP OR
PLACE OF
ORGANIZATION

6 United States
NUMBER OF
SHARES
BENEFICIALLY OWNED BY
EACH
REPORTING
PERSON WITH

SOLE
VOTING
POWER

8 50,000
SHARED
VOTING
POWER

9 0
SOLE
DISPOSITIVE
POWER

10 50,000
SHARED
DISPOSITIVE
POWER

	0
	AGGREGATE
	AMOUNT
11	BENEFICIALLY
	OWNED BY EACH
	PERSON
	50,000
	CHECK IF
	THE
	AGGREGATE
12	AMOUNT IN £
	ROW (11)
	EXCLUDES
	CERTAIN
	SHARES
	PERCENT OF CLASS
	REPRESENTED BY
13	AMOUNT IN ROW (11)
	(see Item 5)
	0.0%
	TYPE OF REPORTING
14	PERSON
	IN

5

This Amendment No. 2 ("Amendment No. 2") amends and supplements the statement on Schedule 13D filed with the Securities and Exchange Commission (the "SEC") on January 28, 2014 (the "Original Schedule 13D"), Amendment No. 1 to the Original Schedule 13D, filed with the SEC on February 12, 2014 ("Amendment No. 1" and together with the Original Schedule 13D and Amendment No. 2, the "Schedule 13D") with respect to the shares of common stock, par value \$0.125 per share (the "Common Stock"), of Cliffs Natural Resources Inc., an Ohio corporation (the "Issuer"). Capitalized terms used herein and not otherwise defined in this Amendment No. 2 have the meanings set forth in the Schedule 13D. This Amendment No. 2 amends Items 4, 6 and 7 as set forth below.

Item 4. PURPOSE OF TRANSACTION

Item 4 of the Schedule 13D is hereby amended and supplemented by the addition of the following:

On March 6, 2014, Casablanca sent a letter to representatives of the Issuer indicating Casablanca's intention to nominate six candidates for election to the Board at the Annual Meeting (the "March 6 Letter"). The March 6 Letter discussed the decline of the value of the Issuer's Common Stock by 80% since July 2011 and the Board's role in such decline. In the March 6 Letter, Casablanca also described its strategy for creating value at the Issuer, suggesting that the Issuer (i) refocus on the core U.S. business, (ii) extract value through immediate divestiture of the Issuer's Asia Pacific assets, (iii) address a bloated cost structure, (iv) create second-stage value through a master limited partnership transaction or otherwise, and (v) change its management and Board. Casablanca also issued a press release (the "March 6 Press Release") containing the full text of the March 6 Letter. The foregoing summary of the March 6 Press Release and March 6 Letter is qualified in its entirety by reference to the full text of the March 6 Press Release, which contains the full text of the March 6 Letter, a copy of which is attached hereto as Exhibit 8 and is incorporated by reference herein.

Also on March 6, 2014, Casablanca posted various soliciting materials to www.FixCliffs.com (the "Website"), including a presentation (the "Presentation") to shareholders of the Issuer setting forth in greater detail the key points addressed by the March 6 Letter. The foregoing summary of the Presentation is qualified in its entirety by reference to the full text of the Presentation, a copy of which is attached hereto as Exhibit 9 and is incorporated by reference herein.

In addition, Casablanca filed a preliminary proxy statement with the SEC on March 6, 2014 in connection with its intent to nominate Robert P. Fisher, Jr., Mr. Goncalves, Patrice E. Merrin, Joseph Rutkowski, Gabriel Stoliar and Mr. Taylor to the Board.

Item 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Item 6 of the Schedule 13D is hereby amended and supplemented by the addition of the following:

Robert P. Fisher, Jr., Patrice E. Merrin, Joseph Rutkowski and Gabriel Stoliar have each entered into a nominee agreement with Casablanca (each a “Nominee Agreement” and collectively, the “Nominee Agreements”), pursuant to which each has agreed to stand for election to the Board and to serve as a director if elected. Pursuant to the Nominee Agreements, Casablanca and its affiliates have agreed to pay the costs of soliciting proxies in connection with the Annual Meeting and indemnify such Nominees for claims arising from their role as a nominee for director. The foregoing summary of the Nominee Agreements is qualified in its entirety by reference to the full text of the Form of Nominee Agreement, a copy of which is attached as Exhibit 10 hereto and is incorporated by reference herein.

Other than the Nominee Agreements or as previously disclosed in the Schedule 13D as

previously amended, the Reporting Persons have no contracts, arrangements, understandings or relationships with any persons with respect to securities of the Issuer.

Item 7. EXHIBITS

Item 7 of the Schedule 13D is hereby amended and supplemented by the addition of the following:

Exhibit Description

8 Press Release, dated March 6, 2014.

9 Presentation, dated March 6, 2014.

10 Form of Nominee Agreement

7

SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: March 6, 2014

**CASABLANCA CAPITAL
LP**

By: /s/ Douglas Taylor
Name: Douglas Taylor
Title: Chief Executive Officer

/s/ Donald G. Drapkin
Donald G. Drapkin

/s/ Douglas Taylor
Douglas Taylor

/s/ C. Lourenco Goncalves
C. Lourenco Goncalves