

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

**SCHEDULE 13D/A Page 2 of 8 Pages**

**1** NAME OF REPORTING PERSONS

Casablanca Capital LP

**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 (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 OWNED BY EACH REPORTING PERSON WITH **7** SOLE VOTING POWER

0

SHARED VOTING POWER **8**

7,906,520

**9** SOLE DISPOSITIVE POWER

0

**10** SHARED DISPOSITIVE POWER

11	7,906,520 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

**SCHEDULE 13D/A Page 3 of 8 Pages**

**1** NAME OF REPORTING PERSONS

Donald G. Drapkin

**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  
**4** SOURCE OF FUNDS

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 **7**  
OWNED BY

EACH  
REPORTING  
PERSON WITH **8**

1,000

SHARED

VOTING

POWER

7,906,520

SOLE

DISPOSITIVE

**9** POWER

1,000

**10** 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

**SCHEDULE 13D/A Page 4 of 8 Pages**

**1** NAME OF REPORTING PERSONS

Douglas Taylor  
CHECK THE  
APPROPRIATE ☒ (a) ☐ (b)

**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

**SCHEDULE 13D/A Page 5 of 8 Pages**

**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)

**6** CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF  
SHARES  
BENEFICIALLY OWNED BY  
EACH  
REPORTING  
PERSON WITH

**7** 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](http://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**