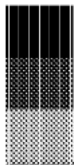


APPENDIX C

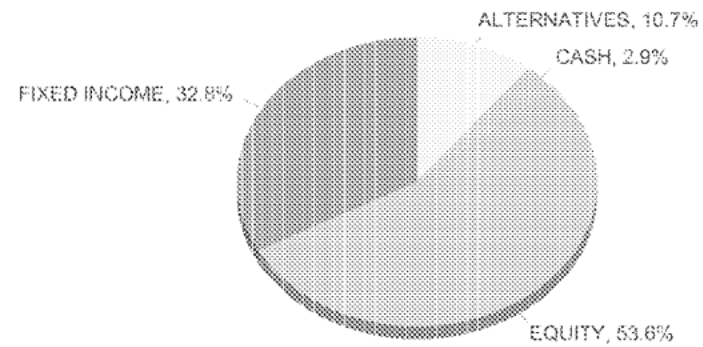
EXHIBIT 1



Portfolio Summary by Asset Class

VICTORIA P KELLY TRUST ICA CONS

As of November 30, 2020

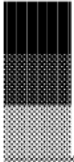


Details

Description	Market Value	Tax Cost	Annual Income	Yield
Cash	218,803			
Equity	3,985,706			
Fixed Income	2,444,434			
Alternatives	793,344			
Total	7,442,283			

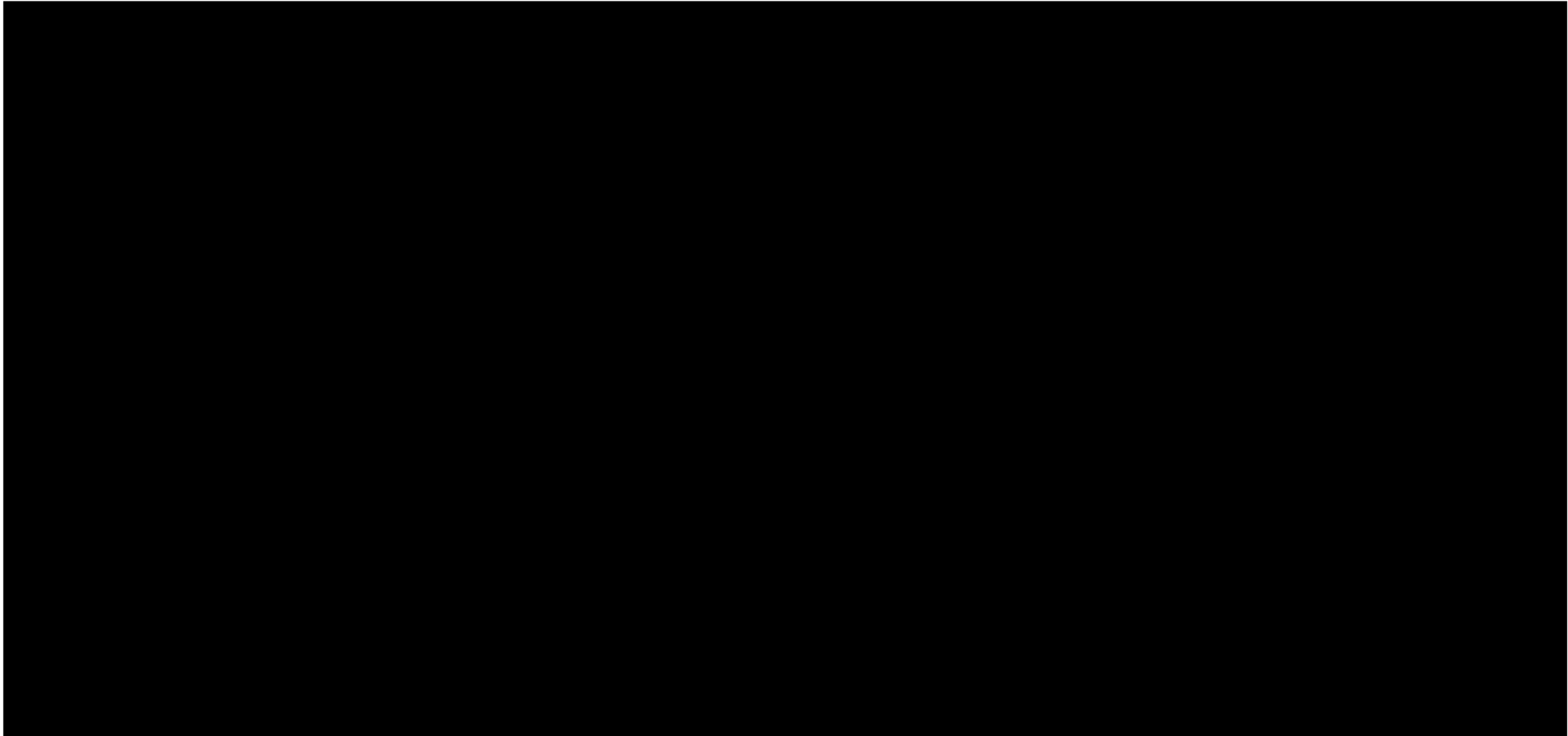
12-10-501-

See Important Legal Disclosure at the end of this report



Equity Summary - Style and Capitalization
VICTORIA P KELLY TRUST ICA CONS

As of November 30, 2020



VICTORIA P KELLY TRUST ICA MASI

As of November 30, 2020

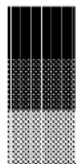
12-10-501- [REDACTED]



HAWTHORN
PNC Family Wealth

As of November 30, 2020

See Important Legal Disclosure at the end of this report



Portfolio Holdings by Asset Class and Sector

VICTORIA P KELLY TRUST ICA CONS

As of November 30, 2020

Security Description	Shares (Units)	Ticker	MAT Date/ Coupon	Market Value	Tax Cost	Recent Price	Annual Dividend	Annual Income	Yield	% Asset Class	% Of Portfolio
Fixed Income											
Other Fixed Income											
Total Other Fixed Income											
Total Fixed Income											
Alternatives											
Hedge Funds											

12-10-501-

See Important Legal Disclosure at the end of this report





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EXHIBIT 2



Mike



Apr 24, 2020 at 10:33 AM

Mike—I sent this email to [REDACTED]
[REDACTED] and [REDACTED] at the
WH just now regarding AK
Steel:

[REDACTED] and [REDACTED]

I know you all have a lot going on today. However, I wanted to give you a heads up that Mike is going to be texting Mr. Meadows about an issue this morning. We have a non-coronavirus related issue that is critical to Mike's district and Troy Balderson's district. AK Steel/Cleveland Cliffs employs over 1400 people in Mike's hometown and a large amount in Mr. Balderson's district. Unfortunately, the CEO has declared he plans to shut down both locations IF the government doesn't extend the 232 tariffs to grain oriented electrical steel, a type of steel that goes into transformers used in our electrical grid. The company has shown that



Message





Mike



used in our electrical grid. The company has shown that Russian, Japan, S. Korea have been shipping electrical steel into Canada and Mexico. Once in Canada/Mexico, these two countries superficially enhance the product and then send it into the US. Obviously, this rages against the spirit of the USMCA.

The issue for our offices is two fold. One, jobs obviously, but two, AK Steel is the last American maker of electrical steel. This is a national security issue.

The CEO has had meetings with Secretary Ross. Our bosses have had calls with the Secretary and follow up calls with his assistants. They are very well aware of the issue and have alerted CPB and USTR about the issues within their jurisdiction as well. Mike has personally spoken to Amb. Lighthizer about this issue and he is supportive but doesn't



Message





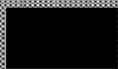
Mike



Lighthizer about this issue and he is supportive but doesn't want to get into anyone else's lane. We have had conversations with Peter Navarro's office. Most recently, Mike, Troy and Marcy Kaptur sent a letter to the President on this issue and gathered 20 others to join. I have attached those letters to this email. We believe that Sec. Ross is assembling his senior team to discuss next steps related to his issue as well?

Simply put...we need the administration to extend the 232 tariffs to Grain Oriented Electrical Steel coming into the US.

Thanks gentleman!



I let them know you are texting Mr. Meadows about it.

Well done [REDACTED]
I'm going to let Mark Meadows



iMessage



6:19

LTE



Mike >



I let them know you are texting Mr. Meadows about it.

Well done [REDACTED]
I'm going to let Mark Meadows know that [REDACTED] and [REDACTED] [REDACTED] have also been included in our plea for help on this issue.
Any other thoughts?
You can call me if you think of anything else.

Apr 24, 2020 at 4:42 PM

You handled Mark perfectly

He obviously didn't understand what the call was for.
No Trump Basher's allowed!

Heck no!!!



Mike



Apr 27, 2020 at 5:36 PM

██████ I talked to Mark Meadows and he wanted me to know that he was going to talk to the President about the AK/ Cleveland Cliffs crisis this afternoon.

I think we have a call with Senator Portman and possibly Peter Navarro, Amb Lighthizer and hopefully Secty. Ross and others on this issue.

Also, when we have time we need to go over ██████ proposal on jump starting the auto sales.

We could use our role in the Auto Caucus to push it with ██████ and our other members.

I want to get back to ██████ and fine tune their initiative I do think it has some merit.

We can find time to discuss it tomorrow.

That is great news about Meadows! I pray it goes well and the President gives his full backing for a "fix". I spoke to



Message





Mike >



That is great news about Meadows! I pray it goes well and the President gives his full backing for a "fix". I spoke to [REDACTED] at the White House this afternoon as well...he told me he was going to have conversations with Commerce and USTR about, "how to fix" our issue. We just have to keep pushing. I'll check in with him again in the morning if Meadows doesn't get back to you before that. Yes, we have a conference call with McCarthy and Troy tomorrow afternoon. Regarding the [REDACTED] initiative, I spoke to

EXHIBIT 3



Congress of the United States
House of Representatives

Washington, DC 20515

July 1, 2020

The Honorable Wilbur L. Ross
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

RE: Comments on Section 232 National Security Investigation on Imports of Laminations for Stacked Cores for Incorporation into Transformers, Stacked Cores for Incorporation into Transformers, Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators, (Docket Number BIS-2020-0015)

Dear Secretary Ross:

In response to a request from the U.S. Department of Commerce, I wish to submit the following comments regarding the newly-initiated Section 232 national security investigation on imports of laminations for stacked cores for incorporation into transformers, stacked cores for incorporation into transformers, wound cores for incorporation into transformers, electrical transformers, and transformer regulators.

As the U.S. Representative of Pennsylvania's 16th Congressional District and lifelong resident of Butler, Pennsylvania, I am writing on behalf of AK Steel, a wholly-owned subsidiary of Cleveland-Cliffs Inc. and the last producer of grain-oriented electrical steel (GOES) in North America, to express my strong support that the Department of Commerce recommend that President Trump take the necessary steps to preserve the production of this critical material in the U.S.

For over a century, our community has benefitted by having this steel mill in Western Pennsylvania. AK Steel employs over 1,300 Butler area residents with family sustaining wages and benefits, and with its multiplier effect, indirectly employees thousands of others who work in businesses that supply and service AK Steel as well as those businesses that provide for the needs of the workforce, such as local restaurants and retail shops.

AK Steel's Butler Works operations are not just an integral and critical part of our community, but as the last producer in North America of GOES, a material essential to the electric grid, these operations are crucial to the national and economic security of our entire country. As such, I encourage you to address and remedy the unfair trade and tariff circumvention that has undermined the market for electrical steel.

I commend the Department of Commerce and President Trump for taking a strong stance on enforcing our trade laws and standing up to the unfair trading practices of foreign producers, especially China. Over the past several years, I have fought alongside AK Steel to get one such trade

distorting practice stopped; that is, the circumvention of the Section 232 steel tariff and quotas on GOES through derivative downstream transformer laminations and cores being imported from Canada and Mexico. At countless Ways and Means Committee hearings when officials from the Department of Commerce and the U.S. Trade Representative's (USTR) office have testified, I have raised this issue. I have invited the former AK Steel Corporation CEO, Roger Newport, to testify at the Ways and Means Committee about the trade distorting issues facing the company, and I have written numerous letters to the Administration on the matter. For the record, I am enclosing several of those letters, including a letter recently sent to President Trump and signed by a bipartisan group of 25 Members of the U.S. House of Representatives requesting him to address this issue and ensure the preservation of the last producer of electrical steel in North America.

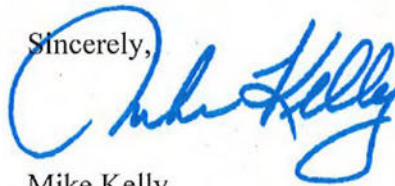
Unfortunately, once the President announced the Section 232 investigation and subsequent tariff and quotas on steel, bad actors quickly found ways to evade the tariff applying to GOES by taking advantage of Canada and Mexico's favored trade status. Companies have surged imports of GOES into Canada and Mexico where the GOES is being slightly altered into transformer laminations and cores, which is simply stacked or wound GOES. Those laminations and cores are then shipped to the U.S. virtually tariff-free for incorporation into transformers. These trade patterns were established as part of a clear effort to circumvent the steel tariffs and quotas designed to prevent imports of GOES from harming U.S. production. As I understand it, the value of these imports from Canada and Mexico are up 105% from 2016 to 2019, and 95% of Canadian and Mexican lamination and core exports are now coming into the United States, even though neither Mexico nor Canada have any domestic GOES production.

Cleveland-Cliffs has announced that it will idle the Butler and Zanesville plants in 2020, unless the circumvention of the national security tariffs is stopped. Failure to address this circumvention would leave the U.S. dangerously reliant on foreign producers in China and elsewhere to help us repair or restore our country's electricity grid in the event of a natural disaster or other major disruption. We cannot replace damaged transformers without GOES, and lead times for orders from offshore producers can be three months or more. As the COVID-19 response has illustrated, in times of crisis, the United States should not be dependent on foreign countries for critical product and materials. Losing the domestic production of GOES would pose a serious threat to our national security.

The Administration's work to maintain and restore production of materials and components deemed critical to national security and rebuild the U.S. steel industry. Consistent with these policy priorities, I urge the implementation of an effective trade enforcement strategy to address this tariff circumvention and to preserve domestic production of GOES. A swift resolution is critical to saving America's GOES production capabilities and the 1,400 steel jobs in Western Pennsylvania and Central Ohio.

Thank you, in advance, for your consideration of this important national and economic security matter.

Sincerely,



Mike Kelly
Member of Congress

Enclosure (2)

Congress of the United States
Washington, DC 20515

March 6, 2020

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

We write to express our urgent concerns threatening America's electrical steel market. We have strong reason to believe that unfairly traded imports of minimally transformed grain-oriented electrical steel (GOES) are pouring into Canada and Mexico, contrary to the intent of the administration's action pursuant to Section 232 of the Trade Expansion Act of 1962. These imports are then being used to create downstream products that are entering the U.S. at such low prices they are further eroding the U.S. electrical steel market. We urge you and the administration to address this matter immediately before the doors of the last American maker of electrical steel close.

We represent the nation's only producer of electrical steel, AK Steel, which will soon be acquired by Cleveland-Cliffs. This week, Lourenco Goncalves, chairman and chief executive officer of Cleveland-Cliffs testified before the Congressional Steel Caucus in Washington, D.C., that unless his company receives Section 232 tariff relief, he will be forced to close the two AK Steel plants in our districts. This would mean the loss of thousands of jobs in Butler, Pennsylvania, and Zanesville, Ohio. Moreover, if the AK Steel plants close, this country will no longer produce GOES that go into transformers for the electrical grid, which poses a serious national security risk.

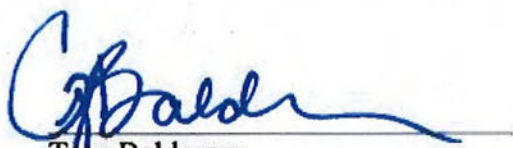
The United States cannot afford to lose the one remaining producer for grain-oriented electrical steel (GOES), for economic or national security reasons. GOES, which is used to make electrical transformers, is critical for our national power grid. Without AK Steel's GOES, the U.S. will be solely reliant on overseas production for material that supports America's critical infrastructure. If the national electrical grid were to be attacked or compromised by a natural disaster, the U.S. would need a dependable source of electrical steel to allow for rapid repair. Becoming wholly dependent on foreign producers for this vital product puts Americans at grave and unnecessary risk.

For now, U.S. imports of GOES are restricted by tariffs imposed under Section 232 of the Trade Expansion Act of 1962. However, there has been a *dramatic* increase in imported GOES into Canada and Mexico – two countries with no capacity to make GOES. GOES shipped to Canada and Mexico does not stay there. Instead, after very limited processing, much of it enters the U.S. market in the form of internal components of electric transformers. These products include

laminations, cores, and core assemblies – products that generally consist of GOES that has been merely stacked, slit, or wound.

We appreciate your valiant work to improve the U.S. global trade situation and national security, especially your work to rebuild and support the American steel industry and its workers. We implore the U.S. Trade Representative and the Department of Commerce to address this matter immediately before our communities lose thousands of jobs and our country sees the doors of the last American maker of electrical steel shuttered. America cannot afford to lose its last remaining producer of electrical steel.

Sincerely,



Troy Balderson
Member of Congress



Mike Kelly
Member of Congress

cc: Ambassador Robert Lighthizer
Secretary Wilbur Ross

Congress of the United States
Washington, DC 20515

April 15, 2020

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

We write to share our grave concern about the vulnerability of the electrical transformer supply chain and the fate of 1,500 jobs in Pennsylvania and Ohio. AK Steel, a wholly-owned subsidiary of Cleveland-Cliffs Inc., is the only producer of grain-oriented electrical steel (GOES) in North America. GOES is produced at AK Steel's mill in Butler, Pennsylvania, employing approximately 1,400 workers, and finishing occurs at its Zanesville, Ohio operation, employing approximately 100 workers.

GOES is a critical and irreplaceable material used in the manufacturing of power and distribution transformers that sustain America's electrical grid. In its 2018 Steel Section 232 report, the Department of Commerce extensively cited national security concerns associated with GOES and emphasized the importance of ensuring continued production by AK Steel.

While relief from direct imports of GOES was imposed by your Administration under the Section 232 steel tariff program, the bad actors have found a way to circumvent those tariffs and quotas. Because the Section 232 tariffs do not apply to derivative electrical steel articles including laminations and cores (i.e., simply cut and shaped electrical steel) imports of those products are now surging into the United States. Mexico and Canada are being used as a staging ground for this blatant circumvention of the Section 232 program. The value of these imports from Canada and Mexico are up 87% from 2017 to 2019, indicating that approximately 43,000 tons of U.S. GOES have been displaced by this circumvention activity. A stunning 95% of Canadian and Mexican lamination and core exports are now coming into the United States yet there is no domestic GOES production in either Canada or Mexico.

AK Steel has announced that, unless this circumvention of the national security tariffs can be stopped, it will have no choice but to idle the Butler and Zanesville plants in 2020. Such an idling of these facilities would result in approximately 1,500 layoffs and the loss of America's last electrical steel producer. Such an outcome would leave the United States dangerously dependent on GOES-producing countries including China, Japan, Korea, and Russia for the stability of our electric grid.

Mr. President, we respectfully urge you to issue a proclamation that would cover these derivative steel products under your Administration's steel Section 232 program. In order to effectively

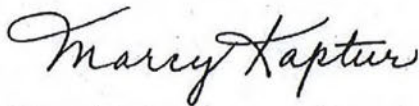
address circumvention and preserve this critical supply chain, tariffs must be applied to laminations and cores from Mexico and Canada.

Taking this action will not undermine the USMCA agreements already ratified by the U.S., Canada, and Mexico. In fact, when the new USMCA rules of origination are fully implemented, laminations and cores would rightly be considered originating from the country where the GOES was produced, not Canada or Mexico, which has no GOES production. This derivative product action would narrowly target intentional circumvention of the national security tariffs applying to GOES.

A successful resolution of this circumvention is critical to national security, the effectiveness of your administration's Section 232 steel program, and thousands of livelihoods in western Pennsylvania and central Ohio.

Thank you in advance for your consideration of this important economic and national security matter.

Sincerely,



Marcy Kaptur
Member of Congress

Troy Balderson
Member of Congress

Peter Stauber
Member of Congress

Steve Stivers
Member of Congress

Mike Bost
Member of Congress

Rick Crawford
Member of Congress

Scott Perry
Member of Congress

Peter J. Visclosky
Member of Congress

Bill Johnson
Member of Congress



Mike Kelly
Member of Congress

Glenn 'GT' Thompson
Member of Congress

Anthony Gonzalez
Member of Congress

Michael R. Turner
Member of Congress

Tim Walberg
Member of Congress

Tim Ryan
Member of Congress

Steve Chabot
Member of Congress

David P. Joyce
Member of Congress

Fred Keller
Member of Congress

Bob Gibbs
Member of Congress

Daniel T. Kildee
Member of Congress

Jack Bergman
Member of Congress

Conor Lamb
Member of Congress

Marcia L. Fudge
Member of Congress

Guy Reschenthaler
Member of Congress

Mike Doyle
Member of Congress

cc: USTR Ambassador Robert Lighthizer
Secretary of Commerce Wilbur Ross
Dr. Peter Navarro, Director of the Office of Trade and Manufacturing Policy

EXHIBIT 4

[REDACTED]

From: [REDACTED]@aksteel.com
Sent: Tuesday, September 15, 2020 5:45 PM
To: [REDACTED]
Cc: [REDACTED]@clevelandcliffs.com;
[REDACTED]@portman.senate.gov
Subject: Re: [EXT] RE: Thursday Call

Great, please use the following number:

10:00 AM, Thursday, Sept. 17

Dial-In: [REDACTED]

Conference room number: [REDACTED]

AK Steel

A CLEVELAND-CLIFFS COMPANY

[REDACTED]
Corporate Manager, Government and Public Relations

p [REDACTED] m [REDACTED]
[REDACTED]@aksteel.com

AK STEEL CORPORATION

9227 Centre Pointe Drive, West Chester, OH 45069

p 513.425.5000

From: [REDACTED]@mail.house.gov
To: [REDACTED]@mail.house.gov; [REDACTED]@portman.senate.gov; [REDACTED]@portman.senate.gov;
[REDACTED]@aksteel.com; [REDACTED]@aksteel.com; [REDACTED]@mail.house.gov; [REDACTED]
[REDACTED]@mail.house.gov
Cc: [REDACTED]@clevelandcliffs.com; [REDACTED]@clevelandcliffs.com
Date: 09/15/2020 05:38 PM
Subject: [EXT] RE: Thursday Call

10am works for me.

From: [REDACTED]@mail.house.gov
Sent: Tuesday, September 15, 2020 5:36 PM
To: [REDACTED]@portman.senate.gov; [REDACTED]@aksteel.com; [REDACTED]@mail.house.gov; [REDACTED]
[REDACTED]@mail.house.gov; [REDACTED]@mail.house.gov
Cc: [REDACTED]@clevelandcliffs.com
Subject: RE: Thursday Call

Works for me as well.

From: <>
Sent: Tuesday, September 15, 2020 5:27 PM
To: <>>>>
Cc:
Subject: RE: Thursday Call

From: <>
Sent: Tuesday, September 15, 2020 5:25 PM
To: <>>>>
Cc:
Subject: Thursday Call

Hi All,
<> and I wanted to see if we could get a call scheduled for sometime Thursday, perhaps Thursday morning, for a status update/next steps conversation? Would 10AM happen to work Thursday for everyone? If not, please share some time frames that work. <> and <> we welcome your participation and ideas but also understand if you need to divide and conquer and let <> and <> do the call.
Thanks!
Best,
<>

AKSteel

A CLEVELAND-CLIFFS COMPANY

<>
Corporate Manager, Government and Public Relations
p <> m <>

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
p 513.425.5000
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[REDACTED]

From: [REDACTED]@aksteel.com
Sent: Tuesday, September 15, 2020 5:25 PM
To: [REDACTED]@portman.senate.gov; [REDACTED]
Cc: [REDACTED]@clevelandcliffs.com
Subject: Thursday Call

Hi All,
[REDACTED] and I wanted to see if we could get a call scheduled for sometime Thursday, perhaps Thursday morning, for a status update/next steps conversation? Would 10AM happen to work Thursday for everyone? If not, please share some time frames that work. [REDACTED] and [REDACTED] we welcome your participation and ideas but also understand if you need to divide and conquer and let [REDACTED] and [REDACTED] do the call.
Thanks!
Best,
[REDACTED]

AKSteel

A CLEVELAND-CLIFFS COMPANY

[REDACTED]
Corporate Manager, Government and Public Relations
p [REDACTED] m [REDACTED]
[REDACTED]@aksteel.com

AK STEEL CORPORATION

9227 Centre Pointe Drive, West Chester, OH 45069

p 513.425.5000

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[REDACTED]

From: [REDACTED] <[REDACTED]@clevelandcliffs.com>
Sent: Thursday, October 1, 2020 11:57 AM
To: [REDACTED]
Subject: FW: Letter attached
Attachments: SecretaryRoss.9.30.2020.pdf

From: Goncalves, Lourenco
Sent: Wednesday, September 30, 2020 7:29 PM
To: [REDACTED]@doc.gov' <[REDACTED]>
Subject: Letter attached

Secretary Ross,

The attached letter describes in summarized fashion the serious issue created by the unexpected concession of 41,446 net tons of GOES in Section 232 exclusions to South Korea last week.

I discussed the subject in phone calls with [REDACTED] yesterday and with Ambassador Lighthizer today, during our conversation regarding our announced acquisition of ArcelorMittal USA by Cleveland-Cliffs.

Due to the fact that the domestic market only requires 1,400 net tons each year of GOES wider than 920 mm, I can only believe that the concession of the exemption of 41,446 net tons was a clerical mistake. We need this mistake to be rectified right away, and I would appreciate your help on that.

I will be more than happy to explain the consequences of this exemption to you on the phone, and I can call you at your convenience.

Alternatively, please call me on my cell [REDACTED]

Respectfully,

Lourenco Goncalves

CLIFFS

CLIFFS
Cleveland, Ohio 44115-0001
440.362.1234

September 30, 2020

The Honorable Wilbur L. Ross, Jr.
Secretary of Commerce
Herbert Clark Hoover Building
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Secretary Ross:

I am writing on behalf of Cleveland-Cliffs Inc. and its wholly-owned subsidiary, AK Steel, to express my grave concern over Section 232 product exclusions for Grain Oriented Electrical Steel (GOES) recently granted by the Department of Commerce. On September 24, the Department of Commerce's Bureau of Industry Security (BIS) released information regarding eight separate product exclusions granted for GOES from Korea. The tonnages associated with these eight product exclusions total 37,600 metric tons (41,446 net tons) of GOES. AK Steel submitted substantive objections to all of these requests. As you know, domestic production of GOES is critical to U.S. national security, a fact acknowledged and highlighted by the Department of Commerce in its 2018 steel section 232 report. If not reversed, these product exclusion decisions will threaten the effectiveness of a potential Section 232 remedy covering transformer laminations and cores and jeopardize the integrity of President Trump's existing Section 232 program.

As explained below, these exclusions chart yet another path for circumvention of the existing steel Section 232 quotas applying to GOES. For each of the applications associated with the approved requests, AK Steel has existing products that meet or exceed customer specifications. The following table summarizes the eight product exclusion requests recently granted, totaling 37,600 metric tons. Note that, in each case, AK Steel has an alternative, equivalent or superior product to the imported steel article at issue.

Company	Exclusion Request	Grade	Volume (MT)	NOTES
ABB	77197	27PHD085	4,000	AK Steel equivalent X-1DR
Hyundai	56333	27PHD090	1,500	AK Steel equivalent H-1DR
POSCO	16947	27PHD085	6,000	AK Steel equivalent X-1DR
POSCO	16937	27PHD090	3,300	AK Steel equivalent H-1DR
POSCO	16928	23PHD085	2,000	AK Steel H-0DR has better core losses
POSCO	8011	27PH100	2,200	AK Steel equivalent H-1 Carlite
POSCO	8003	23PHD080	10,600	AK Steel equivalent H-0DR
POSCO	7956	23PHD085	8,000	AK Steel H-0DR has better core losses
			37,600 MT (41,446 NT)	

It is noteworthy that virtually identical product exclusion requests were reviewed by BIS and denied in 2019. Neither the electrical steel market or availability of domestic source GOES have changed since that time. Also noteworthy is the extremely high volume of GOES permitted under these exclusions. The entire domestic GOES market is approximately 250,000 – 260,000 net tons. These requests alone stand to permit 41,446 net tons of duty-free imports from South Korea. Significantly, this figure does not include GOES that can be imported from South Korea duty-free pursuant to the quota that has been established under Section 232. In total, the volume

that was just granted exclusion from the Section 232 is dramatically higher than the record levels of GOES imports from Korea that entered this market in 2017 (20,798 net tons) and 2018 (25,126 net tons). In other words, the exclusions rest on the groundless assumption that the U.S. market needs more imported GOES from Korea than U.S. companies have ever purchased.

There is no basis for such an assumption. These exclusion requests rely on a claim by the requesting companies that they require GOES wider than 920 MM (the maximum width produced by AK Steel). In reality, the domestic transformer market only requires approximately 1,400 net tons each year of GOES wider than 920 mm. The requesting companies that will now be permitted to bring in massive volumes of Korean GOES will undoubtedly slit most of the steel to reduced widths for application in transformer production. Such imports will compete directly with products that AK Steel makes, and that are vital to the success of our electrical steel operations.


For two years, AK Steel has made these points to the Department of Commerce, and Commerce apparently agreed with AK Steel when it rejected very similar exclusion requests last year. If the Department of Commerce is now willing to grant exclusions based on misleading claims regarding required widths of steel products, other importers will exploit the same loophole to bring in various types and grades of steel, tariff-free. Such an outcome would threaten the effectiveness of President Trump's Section 232 program and jeopardize tens of thousands of steel jobs.

The Department of Commerce self-initiated a Section 232 investigation in early May covering transformer laminations, transformer cores and transformers. I am grateful for DOC's efforts to diligently pursue this investigation of trade patterns harming the viability of AK Steel's electrical steel division, with 1,400 jobs between Butler, Pennsylvania and Zanesville, Ohio. We firmly believe a stringent tariff is necessary to address the circumvention of the Section 232 steel tariffs involving production of laminations and cores in Canada and Mexico using foreign GOES. However, these exclusions threaten the effectiveness of potential remedy on laminations and cores, casting doubt on the immediate future of AK Steel's Butler Works and Zanesville Works.

I ask that the Department of Commerce re-evaluate these product exclusions and the bases on which they were granted and reverse these approvals. If not reversed, the flood of imported GOES entering the country will be detrimental to 1,400 electrical steel jobs in Pennsylvania and Ohio and will have a profound, negative impact on President Trump's steel Section 232 program.

Thank you for your consideration of this time-sensitive matter.

Respectfully,


Lourenco Goncalves
Chairman, President & Chief Executive Officer
Cleveland-Cliffs Inc.

[REDACTED]

From: [REDACTED] <[REDACTED]@clevelandcliffs.com>
Sent: Thursday, October 1, 2020 12:43 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Update - Electrical Steel
Attachments: FW: Letter attached

Good afternoon, [REDACTED] and [REDACTED]

Lourenco Goncalves spoke to Ambassador Lighthizer late yesterday afternoon. We'd like to provide you with an important update on the status of the pending Section 232 investigation covering laminations, cores and transformers.

Please let us know if you'd have a few minutes to connect yet today.

In addition, please see the attached email/letter sent by Lourenco to Secretary Ross last evening.

Thanks,
[REDACTED]



CLEVELAND CLIFFS INC

10000 W. 100th Ave.

Minneapolis, MN 55426

Phone: 763.853.2000

www.clevelandcliffs.com

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[REDACTED]

From: [REDACTED]
Sent: Thursday, October 1, 2020 12:55 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Update - Electrical Steel

Sounds good.

From: [REDACTED] <[REDACTED]@clevelandcliffs.com>
Sent: Thursday, October 1, 2020 12:50 PM
To: [REDACTED] <[REDACTED]@mail.house.gov>; [REDACTED] <[REDACTED]@mail.house.gov>
Cc: [REDACTED] <[REDACTED]@aksteel.com>
Subject: RE: Update - Electrical Steel

Thank you both. Let's plan to talk at 2:30 PM Eastern today.

Please see the following teleconference invitation at that time.

Thank you,
[REDACTED]

Best,

From: [REDACTED] <[REDACTED]>
Sent: Thursday, October 1, 2020 12:47 PM
To: [REDACTED] <[REDACTED]>; [REDACTED] <[REDACTED]>
Cc: [REDACTED] <[REDACTED]>
Subject: [EXTERNAL] RE: Update - Electrical Steel

Sure thing. Let me know what works with you all and [REDACTED]

From: [REDACTED] <[REDACTED]>
Sent: Thursday, October 1, 2020 12:43 PM
To: [REDACTED] <[REDACTED]>; [REDACTED] <[REDACTED]>
Cc: [REDACTED] <[REDACTED]>
Subject: Update - Electrical Steel

Good afternoon, [REDACTED] and [REDACTED]

Lourenco Goncalves spoke to Ambassador Lighthizer late yesterday afternoon. We'd like to provide you with an important update on the status of the pending Section 232 investigation covering laminations, cores and transformers.

Please let us know if you'd have a few minutes to connect yet today.

In addition, please see the attached email/letter sent by Lourenco to Secretary Ross last evening.

Thanks,



CLEVELAND CLIFFS INC.

CLIFFS OF THE ROCKS
CLIFFS OF THE ROCKS
CLIFFS OF THE ROCKS

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Imposing tariffs, restrictions not beneficial

Oct 1, 2020 12:00 AM

The Sept. 20 article “[AK Steel’s Lobbying Effort to Obtain Protection from Competition Beyond Tariffs on Imported Electrical Steel](#)” provides an interesting account of the lobbying effort by AK Steel to obtain protection from competition beyond tariffs on imported electrical steel. However, the article failed to point out that the tariffs or quotas that could result from this “Section 232” investigation of electrical steel imports would damage, not enhance, national security, severely harm U.S. transformer producers and their workers, and raise the cost of electricity for American consumers.

The U.S. power grid cannot rely on domestic production to supply inputs for power transformers because the capacity simply does not exist. AK Steel, even with its competitors currently paying 25% steel tariffs put in place in 2018, cannot make its electrical steel competitive.

Furthermore, the notion that there is a “national security” issue regarding the imports of transformers, cores, laminations and other transformer inputs is not credible, given the fact that over 85% of imported cores and laminations come from two of our closest allies — Canada and Mexico.

Imposing tariffs or other trade restrictions on imports of transformer components would not address AK Steel’s chronic structural cost problems or force that company to make the significant capital investments clearly needed to regain competitiveness in the electrical steel market. Instead, import restrictions would result in job losses in the American transformer industry that employs far more American workers than AK Steel. The Post-Gazette should consider these points in future stories. Tariffs are taxes, and this is no time to impose more taxes on American companies and consumers.

GWYNNE JOHNSTON

Executive Director
The Core Coalition
Barrington, Ill.

First Published October 1, 2020, 12:00am

EXHIBIT 5

[REDACTED]

From: [REDACTED] <[REDACTED]@clevelandcliffs.com>
Sent: Thursday, October 1, 2020 12:55 PM
To: [REDACTED]
Subject: RE: Trump's Steel Election Trap WSJ Particle
Attachments: Imposing tariffs, restrictions not beneficial _ Pittsburgh Post-Gazette.pdf

Clicking here will take you directly to the article: [https://www.pittsburghpost-gazette.com/2020/09/28/trump-steel-election-trap-steel-industry/](#)

To read the full article, please visit the link above or click on the link below.

[REDACTED]

From: [REDACTED] <[REDACTED]@mail.house.gov>
Sent: Thursday, October 1, 2020 12:46 PM
To: [REDACTED] <[REDACTED]@clevelandcliffs.com>; [REDACTED] <[REDACTED]@aksteel.com>
Subject: [EXTERNAL] Trump's Steel Election Trap WSJ Particle

I'm sure you saw this article. Mike was texting with your boss. He thinks it's important that we push back on the article highlighting the national security angle as the last maker of electrical steel.

From: [REDACTED] <[REDACTED]>
Sent: Monday, September 28, 2020 1:52 PM
To: [REDACTED] <[REDACTED]>
Cc: [REDACTED] <[REDACTED]>; [REDACTED] <[REDACTED]>
Subject: RE: Cleveland-Cliffs Inc. to Acquire ArcelorMittal USA

Clicking here will take you directly to the article: [https://www.pittsburghpost-gazette.com/2020/09/28/trump-steel-election-trap-steel-industry/](#)

To read the full article, please visit the link above or click on the link below.

Click on

[REDACTED]

From: [REDACTED] <[REDACTED]>
Sent: Monday, September 28, 2020 9:58 AM
To: [REDACTED] <[REDACTED]>
Cc: [REDACTED] <[REDACTED]>; [REDACTED] <[REDACTED]>
Subject: [EXTERNAL] Re: Cleveland-Cliffs Inc. to Acquire ArcelorMittal USA

Sure thing. Let me know what would work tomorrow morning.

Sent from my iPhone

On Sep 28, 2020, at 9:35 AM, [REDACTED] <[REDACTED]> wrote:

Hi [REDACTED]

Please let me know what would work tomorrow morning.

On 9/28/20 at 6:41 AM, [REDACTED] wrote to General [REDACTED] on [REDACTED]

Thanks,
[REDACTED]

From: [REDACTED] <[REDACTED]>
Sent: Monday, September 28, 2020 7:32 AM
To: [REDACTED] <[REDACTED]>
Cc: [REDACTED] <[REDACTED]>; [REDACTED] <[REDACTED]>
Subject: [EXTERNAL] Re: Cleveland-Cliffs Inc. to Acquire ArcelorMittal USA

Wow! Thanks for the heads up, [REDACTED]

Sent from my iPhone

On Sep 28, 2020, at 6:41 AM, [REDACTED] <[REDACTED]> wrote:

Good morning, [REDACTED] and [REDACTED]

I hope you both had a great weekend.

Please see the attached press release announcing that Cleveland-Cliffs Inc. has entered into a definitive agreement with ArcelorMittal S.A., pursuant to which Cleveland-Cliffs will acquire substantially all of the operations of ArcelorMittal USA LLC and its subsidiaries.

Please let us know if you'd be available to briefly discuss by phone sometime today.

Thanks and kind regards,
[REDACTED]

<image001.jpg>

ATTENTION: [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

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EXHIBIT 6

[REDACTED]

From: [REDACTED] <[REDACTED]@mail.house.gov>
Sent: Tuesday, September 1, 2020 10:59 PM
To: [REDACTED]
Subject: Re: Draft Statement

That is not technically true.

On Sep 1, 2020, at 10:53 PM, [REDACTED] <[REDACTED]@mail.house.gov> wrote:

“Representative Kelly did not purchase stock in Cleveland Cliffs, Inc. The Congressman’s wife has assets that she owns independently of the congressman for which trade decisions are made and executed without her input.”

If this works we should say something like.

[REDACTED]
Communications Director
Rep. Mike Kelly | PA-16

On Sep 1, 2020, at 10:40 PM, [REDACTED] <[REDACTED]@mail.house.gov> wrote:

[REDACTED] I am running this by our financial guy for technical accuracy but can you review this. I spoke to Mike tonight about it. We will talk to him in the morning.

“Congressman Kelly did not purchase any stock in Cleveland Cliffs, Inc and is not the owner of the stock. The Congressman’s wife has assets that she solely owns in which a third party manages the account.”

EXHIBIT 7

From: [REDACTED] PII
Sent: Tuesday, September 15, 2020 2:19 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Re: [EXT] Re: Sept. Steel Event?

I haven't told participants otherwise....should we proceed and see if we get lucky and votes slip, and if not and we get cut super short, we can reschedule....?



[REDACTED]
Corporate Manager, Government and Public Relations

[REDACTED] PII

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
p [REDACTED] PII aksteel.com

[REDACTED] 09/15/2020 02:08:24 PM--okay -- still start at 3? From [REDACTED]

[REDACTED] PII

From [REDACTED] PII
To [REDACTED] PII
Cc [REDACTED] PII
Date: 09/15/2020 02:08 PM
Subject: Re: [EXT] Re: Sept. Steel Event?

okay -- still start at 3?

From: [REDACTED] PII
Date: Tuesday, September 15, 2020 at 12:29 PM
To: [REDACTED] PII, [REDACTED] PII
Cc: [REDACTED] PII
Subject: RE: [EXT] Re: Sept. Steel Event?

Just a heads up -- votes are now expected to be called between 3:00 and 3:30 so we will probably have to keep this on the shorter side.

From: [REDACTED] PII
Sent: Monday, September 14, 2020 6:49 PM
To: [REDACTED] PII
Cc: [REDACTED] PII; [REDACTED] PII

Subject: Re: [EXT] Re: Sept. Steel Event?

Thanks [REDACTED]! For Ford, for now, please use, [REDACTED] PII [REDACTED] who is their PAC coordinator.



A CLEVELAND-CLIFFS COMPANY

[REDACTED]
Corporate Manager, Government and Public Relations
[REDACTED]
[REDACTED] PII [REDACTED]

AK STEEL CORPORATION

9227 Centre Pointe Drive, West Chester, OH 45069

p [REDACTED] PII [REDACTED] aksteel.com

From: [REDACTED] PII [REDACTED]
To: [REDACTED] PII [REDACTED]
Cc: [REDACTED] PII [REDACTED], [REDACTED] PII [REDACTED]
Date: 09/14/2020 06:43 PM
Subject: Re: [EXT] Re: Sept. Steel Event?

Thank you! Link for zoom is below – I'll double check that I have them all –

[REDACTED] is inviting you to a scheduled Zoom meeting.

Topic: Mike Kelly Steel Industry Virtual

Time: Sep 15, 2020 03:00 PM Eastern Time (US and Canada)

Join Zoom Meeting

[REDACTED] PII [REDACTED]

Meeting ID: [REDACTED] PII [REDACTED]

Passcode: [REDACTED] PII [REDACTED]

One tap mobile

[REDACTED] PII [REDACTED] US (Germantown)
[REDACTED] PII [REDACTED] US (Chicago)

Dial by your location

[REDACTED] (Germantown)
[REDACTED] (Chicago)
[REDACTED] (New York)
[REDACTED] (Tacoma)
[REDACTED] (Houston)
[REDACTED] (San Jose)

Meeting ID: [REDACTED] PII [REDACTED]

Passcode: [REDACTED] PII

Find your local number: <https://us02web.zoom.us/j/kdxclqHONP>

From: [REDACTED] PII

Date: Monday, September 14, 2020 at 3:18 PM

To: [REDACTED] PII

Cc: [REDACTED] PII, [REDACTED] PII

Subject: Re: [EXT] Re: Sept. Steel Event?

Hi [REDACTED]

Here is my list of participants for tomorrow's virtual fundraiser at 3:00 PM. Do you have the virtual dial-in info. that I can circulate to them? I'll get you the Ford participant's name asap. Thanks!!

[REDACTED] and [REDACTED] (AKS/Cliffs)	\$2,500
[REDACTED] (AISI)	\$1,000
[REDACTED] (Nucor)	\$1,000
[REDACTED] (Kelley Drye)	\$1,000?
[REDACTED] (U.S. Steel)	\$1,000?
[REDACTED] (SSAB)	\$1,000
[REDACTED] (King & Spalding)	\$1,000?
Awaiting participant name for Ford	\$1,000
[REDACTED] (SMA)	\$500



A CLEVELAND-CLIFFS COMPANY

[REDACTED]
Corporate Manager, Government and Public Relations

[REDACTED] PII

AK STEEL CORPORATION

9227 Centre Pointe Drive, West Chester, OH 45069

p [REDACTED] PII aksteel.com

From: [REDACTED] PII

To: [REDACTED] PII

Cc: [REDACTED] PII, [REDACTED] PII

Date: 09/10/2020 12:59 PM

Subject: Re: [EXT] Re: Sept. Steel Event?

Will send one.

Sent from my iPhone

On Sep 10, 2020, at 12:50 PM, [REDACTED] <[REDACTED] PII> wrote:

[REDACTED] do you have a Zoom link for us?

From: [REDACTED] PII

Sent: Thursday, September 10, 2020 12:42 PM

To: [REDACTED] PII

Cc: [REDACTED] PII [REDACTED] PII

Subject: Re: [EXT] Re: Sept. Steel Event?

We are all good on my end!

<image001.gif>

[REDACTED]
Corporate Manager, Government and Public Relations

[REDACTED] PII

AK STEEL CORPORATION

9227 Centre Pointe Drive, West Chester, OH 45069

p [REDACTED] PII aksteel.com

From: [REDACTED] PII

To: [REDACTED] PII

Cc: [REDACTED] PII

Date: 09/10/2020 12:35 PM

Subject: Re: [EXT] Re: Sept. Steel Event?

Hi [REDACTED]

Just making sure we are still good for 3pm on Tuesday.

Thanks,

[REDACTED]
From: [REDACTED] PII

Date: Tuesday, August 11, 2020 at 2:50 PM

To: [REDACTED] PII, [REDACTED]

[REDACTED] PII

Cc: [REDACTED] PII
Subject: Re: [EXT] Re: Sept. Steel Event?

From: [REDACTED] PII
Date: Tuesday, August 11, 2020 at 2:28 PM
To: [REDACTED] PII
Cc: [REDACTED] PII, [REDACTED] PII
Subject: Re: [EXT] Re: Sept. Steel Event?

Great, 9/15 at 3PM it is, thanks!

<image002.gif>

[REDACTED]
Corporate Manager, Government and Public Relations

[REDACTED] PII
[REDACTED]

AK STEEL CORPORATION

9227 Centre Pointe Drive, West Chester, OH 45069

p [REDACTED] PII aksteel.com

From: [REDACTED] PII
To: [REDACTED] PII
Cc: [REDACTED] PII, [REDACTED] PII
Date: 08/11/2020 02:17 PM
Subject: Re: [EXT] Re: Sept. Steel Event?

Let's go with 9/15. Thanks [REDACTED]

From: [REDACTED] PII
Date: Tuesday, August 11, 2020 at 1:57 PM
To: [REDACTED] PII
Cc: [REDACTED] PII, [REDACTED] PII
Subject: Re: [EXT] Re: Sept. Steel Event?

Looks like both those dates and times work for the group I polled, do you have a preference given the Congressman's schedule?

[REDACTED], once the date is selected, can you put together and send me an invitation and I will get it around to folks?

Thanks!

<image003.gif>

Corporate Manager, Government and Public Relations

PII

AK STEEL CORPORATION

9227 Centre Pointe Drive, West Chester, OH 45069

p. PII aksteel.com

From: PII

To: PII, PII, PII

Date: 08/06/2020 12:04 PM

Subject: [EXT] Re: Sept. Steel Event?

How about 3 PM on 9/15 or 9/16?

From: PII

Date: Wednesday, August 5, 2020 at 5:15 PM

To: PII

Cc: PII, PII

Subject: Re: Sept. Steel Event?

Awesome PII – we would love to. PII – can we offer a couple dates?

From: PII

Date: Tuesday, August 4, 2020 at 1:14 PM

To: PII

Cc: PII, PII

Subject: Re: Sept. Steel Event?

That would be great PII. I'm also adding PII to coordinate Mike's schedule.

Thanks again!

On Tue, Aug 4, 2020 at 12:30 PM <PII> wrote:

Hi [REDACTED] and [REDACTED]

Hope all is well. We wanted to see if you all were doing any virtual fundraiser events with Rep. Kelly as we have a group of our steel friends who would like to support his re-elect. We were hoping to get a few September dates to run by folks and check on availability.

Thanks,
[REDACTED]

<image004.gif>

[REDACTED]
Corporate Manager, Government and Public Relations

[REDACTED]
PII
[REDACTED]

AK STEEL CORPORATION

9227 Centre Pointe Drive, West Chester, OH 45069

p [REDACTED] PII [REDACTED] aksteel.com

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EXHIBIT 8

From:
To:
Subject:
Date:

Begin forwarded message:

From: [REDACTED]@aksteel.com
Date: October 30, 2020 at 9:31:10 AM EDT
To: [REDACTED] <[REDACTED]@gmail.com>
Cc: [REDACTED] <[REDACTED]@gmail.com>, [REDACTED] <[REDACTED]@gmail.com>, [REDACTED]@clevelandcliffs.com
Subject: Re: [EXT] Rep. Kelly just spoke with Mark Meadows

Great, let's use the following number at 10AM.
Thanks,

[REDACTED]

Dial-In: [REDACTED]
Conference Room number: [REDACTED]



[REDACTED]
Corporate Manager, Government and Public Relations
p [REDACTED] m [REDACTED]
[REDACTED]@aksteel.com

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
p 513.425.5000 aksteel.com

From: [REDACTED] <[REDACTED]@gmail.com>
To: [REDACTED]@aksteel.com
Cc: [REDACTED] <[REDACTED]@gmail.com>, [REDACTED] <[REDACTED]@gmail.com>, [REDACTED]@clevelandcliffs.com" <[REDACTED]@clevelandcliffs.com>
Date: 10/30/2020 09:28 AM
Subject: Re: [EXT] Rep. Kelly just spoke with Mark Meadows

Hello -

Yes we can [REDACTED] Mike and I are all together and can talk

On Fri, Oct 30, 2020 at 9:11 AM <[REDACTED]@aksteel.com> wrote:
Hey guys, can we connect this morning? Maybe 10AM?



Corporate Manager, Government and Public Relations
p [REDACTED] m [REDACTED]
[REDACTED]@aksteel.com

AK STEEL CORPORATION
9227 Centre Pointe Drive, West Chester, OH 45069
p 513.425.5000 aksteel.com

From: [REDACTED] <[REDACTED]@gmail.com>
To: [REDACTED] <[REDACTED]@gmail.com>, [REDACTED] <[REDACTED]@gmail.com>, [REDACTED] <[REDACTED]@clevelandcliffs.com> <[REDACTED]@clevelandcliffs.com>, [REDACTED] <[REDACTED]@aksteel.com>
<[REDACTED]@aksteel.com>
Date: 10/29/2020 11:43 AM
Subject: [EXT] Rep. Kelly just spoke with Mark Meadows

Team -

Mark Meadows just asked that we text him talkers for what we want POTUS to say in the speech, and that he and Robert Lighthizer will work on getting something into the speech that they feel is appropriate to say.

These are the talking points Mike and I just put together. They are very high level, which is all we need and all POTUS would do anyway given his style.

- We're in Butler, Pennsylvania, home of Cleveland Cliffs' AK Steel plant, the last domestic producer of grain oriented electrical steel in America.
- I have good news for workers at this plant.
- You are vital to our national security, because you build critical parts of our our electrical

infrastructure

- My Department of Commerce acted this week to make sure that your hard work isn't undermined by the flow of Chinese electrical steel into America through Mexico and Canada
- We're going to protect this plant and your jobs, and we appreciate what you do for America. Thank you!

We plan to send this over and once we get confirmation that they will get it in the speech, we need to immediately start working on rallying plant workers to attend, and we'll work with the campaign to get them a section at the rally.

Also, if this all works out, Mike just said he would love to for Mr. Goncalves to come in and be there for this rally too.



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EXHIBIT 9

[REDACTED]

From: [REDACTED]
Sent: Thursday, April 30, 2020 12:21 PM
To: [REDACTED]
Subject: (File OB) FW: Pls Confirm Purchase

VICTORIA P KELLY TRUST ICA: [REDACTED]

Please file OnBase in 2 places:

- Trade Authorization- Direction to purchase unapproved stock, CLF
- Trust, Investment- Direction to purchase unapproved stock, CLF.

Thanks,
[REDACTED]

[REDACTED]
Senior Vice-President
Senior Investment Adviser
Hawthorn

The Tower at PNC Plaza
300 Fifth Avenue, 27th Floor
Pittsburgh, PA 15222

[REDACTED]
[REDACTED]@Hawthorn.PNC.com



From: Victoria Kelly [mailto:[REDACTED]@hotmail.com]
Sent: Wednesday, April 29, 2020 8:00 PM
To: [REDACTED] <[REDACTED]@hawthorn.pnc.com>
Subject: EXTERNAL: Re: Pls Confirm Purchase

**** This email has been received from outside the organization – Think before clicking on links, opening attachments, or responding. ****

Thank you for buying those shares. Victoria Kelly

Sent from my iPhone

On Apr 29, 2020, at 10:11 AM, [REDACTED] <[REDACTED]@hawthorn.pnc.com> wrote:

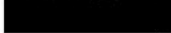
Hi Vicki, Thanks for your call today. I am so glad to hear that you and Mike are feeling better; I hope you stay well. Per your direction, I purchased 5,000 shares of Cleveland Cliffs (CLF), for a little more than \$20,000. Because this stock is not currently covered by our analysts, I will take all trade direction from you (future buys or sells). Please respond with your authorization.

Great to talk to you; please take care.



[Redacted]
Senior Vice-President
Senior Investment Adviser
Hawthorn

The Tower at PNC Plaza
300 Fifth Avenue, 27th Floor
Pittsburgh, PA 15222



[Redacted]@Hawthorn.PNC.com

<image003.jpg>

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EXHIBIT 10

New iMessage

Cancel

To: [REDACTED]

Wed, Sep 2, 9:01 AM

When is a good time to call you

Wed, Sep 2, 12:03 PM

Thoughts before we go to Mike? "Representative Kelly did not purchase stock in Cleveland Cliffs, Inc." His wife has assets that she solely owns independently of the congressman. At a time when the entire Butler community was concerned about the potential closure of the AK Steel plant, she made a relatively small investment to show her support for the management and workers of this 100-year old bedrock of their home town, of which they are life-long residents."

Call was good, but what we expected. Call me when you're free and we can talk about it

Honestly, what if we left it at this: "At a time when the entire Butler community was rallying to save the AK Steel plant and its 1400 jobs, Representative Kelly's wife made a small investment to show her support for the management and workers of this 100-year old bedrock of their home town, of which she and Representative Kelly are life-long residents."

If we start talking about who owns what accounts and who was involved in the transaction, it looks like we're either dumping the issue onto Vicky or trying to create a distinction that in the minds of any reader does not exist. Simply saying she made a small investment to support the plant might suffice for what we're trying to do

*****"At a time when the entire Butler community was rallying to save the AK Steel plant and its 1400 jobs, Representative Kelly's wife made a small investment to show her support for the management and workers of this 100-year old bedrock of their home town, of which she and the congressman are life-long residents."

I like it. It's less defensive.

Yep

If more questions come, we can address them later

EXHIBIT 11

New iMessage

Cancel

To: [REDACTED]

1/2

Fri, Sep 4, 9:22 AM

Adding To this thread to think about this:

Covering the bases here and trying to think through this. What if we were to respond with something like this:

Q1-2: "There was nothing certain about whether the 232 investigation would be launched until Secretary Ross confirmed the plan in a private phone conversation with the congressman on May 1."

Q3-4: "That is correct, the congressman does not directly own any investments. His wife solely owns investment accounts that are collaboratively managed with a third party."

Q5: I think I would call [REDACTED] off-record and ask if he is willing to not write that we refused an interview since these responses are sufficient answers to his questions and see how he responds...

Fri, Sep 4, 12:40 PM

Where are we on this?

Fri, Sep 4, 2:57 PM

[REDACTED]
I'm fine with this.

What about changing 3/4 to the following? This was our original statement to [REDACTED] and it seems to fit here.

"Correct, Congressman Kelly did not purchase any stock in Cleveland Cliffs, Inc and is not the owner of the stock. The Congressman's wife has assets that she solely owns in which a third party manages the account."

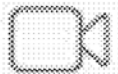
EXHIBIT 12

6:04

LTE 



Mike >



Sep 1, 2020 at 9:57 PM

Let me know how we answer the PG's question about my wife's investment in our hometown steel mill before we release it.
Thanks

Definitely! I was going to call you in the morning and go over the draft.

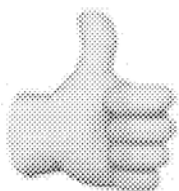


EXHIBIT 13

Analysis for Office of Congressional Ethics Review No. 21-9221

Ankura Consulting Group, May 24, 2021¹

I. Introduction

1. We have been asked by the Office of Congressional Ethics, as part of the OCE Review No. 21-9221, to analyze and provide our opinion as to whether the purchase of common stock of Cleveland-Cliffs, Inc. by Victoria Kelly, the spouse of Representative Mike Kelly, may be deemed to constitute trading on the basis of material, nonpublic information and may therefore have been in violation of Federal law related to insider trading.

2. U.S. securities law, under the authority of the Securities Exchange Act 1934, has created a two-part test for prohibited insider trading. In simplest terms, the first part is that insider trading pertains to purchasing or selling securities on the basis of material non-public information. The second part is that the individual trading the securities must have violated a duty not to trade on such information stemming from the individual's position as a corporate insider or some other position of trust or have been tipped by such an individual.²

¹ This report was prepared by an Ankura team led by [REDACTED], Senior Managing Director [REDACTED] ([\[REDACTED\]@ankura.com](mailto:[REDACTED]@ankura.com)), and including [REDACTED], Senior Director, and [REDACTED], Senior Associate.

² See, for example, Bryan B. House and Joseph D. Edmondson, § 5.04, Implied Civil Liabilities under Section 10(b) and Rule 10b-5, in Federal Securities Exchange Act of 1934, Matthew Bender & Company, Inc., 2021.

3. The Stop Trading on Congressional Knowledge Act of 2012 (“STOCK Act”) added Section 21A(g) to the Securities Exchange Act of 1934. This provides that, with regard to insider trading prohibitions, “each Member of Congress...owes a duty arising from a relationship of trust and confidence to the Congress, the United States Government, and the citizens of the United States with respect to material, nonpublic information derived from such person’s position as a Member of Congress...”. SEC Rule 10b5-2 generally extends “duties of trust or confidence” in insider trading cases to spouses of those with a primary duty of trust or confidence.³

4. Our analysis has three parts. We first consider the investment of Ms. Kelly in Cleveland-Cliffs, and the degree to which was either routine or atypical of the Kellys’ investment behavior. To the extent the Cleveland-Cliffs investment was atypical, the possibility that Ms. Kelly came into possession of material non-public information regarding the company may have been one explanation. On the other hand, an investment that appears entirely routine is less likely to have been undertaken on the basis of material nonpublic information that indicated the likelihood of high risk-adjusted returns.

5. We next consider what nonpublic information may have been available to Ms. Kelly at the time of her investment in Cleveland-Cliffs. We make use of documents that have been provided to the OCE regarding communications between Cleveland-Cliffs, the Department of Commerce (“DOC”), and Rep. Kelly’s office.⁴ We note that we

³ See 17 CFR § 240.10b5-2.

⁴ All references in this report to Rep. Kelly refer to Representative Mike Kelly.

do not have any direct evidence on whether information regarding the DOC's intent to open a Section 232 investigation reaching Rep. Kelly's office was in fact communicated to Rep. Kelly himself or to Ms. Kelly in advance of her investment in Cleveland-Cliffs.

6. Finally, we evaluate whether the nonpublic information available to Rep. Kelly's office (and presumably to Ms. Kelly) would be considered material. Our standard for materiality, discussed in greater detail below, is whether the information changed the total mix of information sufficiently to change the investment decision of a reasonable investor. The economic context for such analysis is the principle that investors are primarily concerned with the expected return and risk of their investments.⁵ Information matters to such investors and is "material" to the extent that it bears on either the expected return or the risk of that investment sufficiently to be relevant to their investment decisions. An important component of this analysis is an "event study" of the impact on Cleveland-Cliffs stock price of the public release of the previously nonpublic information related to the initiation of the Section 232 investigation. We also consider other information that indicated whether the information was material.

7. Our findings, detailed in this report, may be summarized as follows:

- a) Ms. Kelly's purchase of Cleveland-Cliffs stock on April 29, 2020 represented a sharp departure from her investment behavior, leading to the inference that this investment was due to some special event or consideration, such as the receipt of material nonpublic information.

⁵ Investors may of course have a variety of other, non-pecuniary objectives for making particular investments. We do not consider such objectives in this report.

- b) The intention of the DOC to initiate a Section 232 investigation into electrical transformers and coils was nonpublic information communicated to Rep. Kelly's office on April 28, 2020, a day before Ms. Kelly's investment in Cleveland-Cliffs.
- c) There is substantial doubt as to whether the information regarding the DOC's initiation of the Section 232 was material to investors in Cleveland-Cliffs. Among other factors, our event-study analysis does not find a statistically significant price reaction to the announcement of the investigation after market-close on May 4, 2020.
- d) Although Ms. Kelly may have traded while possessing nonpublic information, the evident lack of materiality of this information makes it unlikely, in our view, that she would be found to have violated Federal law against insider trading.

II. Background

8. Section 232 of the Trade Expansion Act of 1962 allows the President of the United States to impose restrictions on specific imports based on a DOC investigation concluding that the product(s) are "being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security."⁶ Once an investigation is initiated by the DOC, government officials (and sometimes the public) are consulted, and a report on the DOC's findings and recommendations is submitted to the President within 270 days. If the DOC concludes the imports constitute a threat to impair national security, the President has 90 days to

⁶ 19 U.S. Code § 1862.

determine whether to concur with the finding of the Commerce Secretary and, if so, another 15 days to “take action to adjust imports.”⁷

9. In 2017, the Trump Administration initiated the first Section 232 investigation since February 2001.⁸ In total, the Trump Administration initiated eight Section 232 investigations, five of which resulted in reports by the DOC.⁹ All five reports concluded that the investigated import(s) threatened to impair national security (prior to those, the last positive DOC finding was in 1999).^{10,11} President Trump concurred and acted on four of the five positive DOC reports, including imposing tariffs on steel and aluminum imports on March 23, 2018. Exhibit 1 within the Appendix (at the end of this report) summarizes the Section 232 investigations initiated under the Trump Administration.

10. On May 4, 2020, the DOC initiated a Section 232 investigation into imports of electrical transformers and components. The DOC’s initial investigation statement referred to laminations and cores as “critical transformer components” made from grain-oriented electrical steel (“GOES”), an electrical steel “necessary for power distribution transformers.”¹²

⁷ Ibid.

⁸ Prior to the Trump Administration, the last Section 232 investigation was a February 2001 investigation into iron ore and semi-finished steel. See:

<https://www.bis.doc.gov/index.php/other-areas/office-of-technology-evaluation-ote/section-232-investigations>

⁹ “Trump Administration Tariff Actions: Frequently Asked Questions,” Congressional Research Service, December 15, 2020 (Update).

¹⁰ Ibid.

¹¹ Prior to the Trump Administration, the last positive conclusion by the DOC was on imports of crude oil. See:

<https://www.bis.doc.gov/index.php/other-areas/office-of-technology-evaluation-ote/section-232-investigations>

¹² “U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators,” Department of Commerce, May 4, 2020.

11. GOES is a steel product “specially processed so that optimal magnetic properties are developed.”¹³ Since 2016, the sole U.S. producer of GOES has been AK Steel/Cleveland-Cliffs.¹⁴ AK Steel claimed that following the inclusion of GOES in the Trump Administration’s March 2018 steel tariffs, domestic prices were suppressed due to imports of downstream products made principally of GOES (e.g., laminations and cores).¹⁵

12. According to The Core Coalition, in 2019 (the first year after the original steel tariffs), U.S. imports of GOES metal dropped by about 31,000 tons (-52.5%) while the estimated imports of GOES as cores, stacks and laminations increased by about 25,000 tons (+57%).¹⁶ That year, despite contributing an estimated \$425 million to \$511 million in sales to AK Steel (see Exhibit 2), GOES reportedly generated about \$40 million in EBITDA losses to the firm.¹⁷

13. In March 2020, AK Steel merged with Cleveland-Cliffs, Inc. As shown in Exhibit 3, on March 5, 2020, about two weeks prior to consummation of the deal, Lourenco C. Goncalves, the CEO of Cleveland-Cliffs, warned that due to imports of laminations and cores, the company’s two GOES plants, located in Zanesville, Ohio and

¹³ The definition of GOES obtained from “Electrical Steel and Transformer-Related Parts 232 Survey,” Bureau of Industry and Security, 2020.

¹⁴ In 2016 Allegheny Technologies, Inc exited the market for GOES. See “ATI Exits GOES Business, AK Steel Last US GOES Producer,” *MetalMiner*, November 9, 2016.

¹⁵ AK Steel SEC Form 10-K, filed February 20, 2020.

¹⁶ In 2019, U.S. imports of GOES dropped by 31,000 tons (from 59,000 in 2018 to 28,000 in 2019), while the estimated volume of GOES imported as cores, stacks, and laminations increased by 24,764 tons (43,373 in 2018 to 68,137 in 2019). See Table 1 and Table 2 of “Public Comments on behalf of The Core Coalition LLC” submission to the U.S. Department of Commerce (pursuant to the May 19, 2020 Federal Register Document 2020-10715), dated July 3, 2020.

¹⁷ See “Q1 2020 ClevelandCliffs Inc Earnings Call – Final,” CQ FD Disclosure, May 11, 2020.

Butler, Pennsylvania, were unprofitable and would close unless those components were included in Section 232 tariffs.¹⁸

14. In the two months that followed, pressure for Section 232 action was evident in both public and private communications. On March 6, 2020, the day after Mr. Goncalves's warning, Rep. Kelly, along with Rep. Troy Balderson of Ohio, sent the Trump Administration an open letter imploring the DOC to address imports of "minimally transformed" GOES.¹⁹ On April 15, 2020, they and several additional Representatives sent a second open letter to the Administration.²⁰ Intensive communication between Cleveland-Cliffs, the DOC, and key legislators occurred in late April 2020, culminating the DOC initiating a Section 232 investigation into electrical transformers & components on May 4, 2020.

III. Investment activity of Victoria Kelly

15. Title I of the Ethics in Government Act of 1978 requires members of the U.S. House of Representatives to file Financial Disclosure Statements with the Clerk of the House of Representatives. Among other information, these statements report year-end assets valued at more than \$1,000 held by the member, member's spouse, and any dependent children.²¹ In addition, the STOCK Act requires members of Congress, their spouses, and any dependent children to file Periodic Transaction Reports ("PTRs") for

¹⁸ "AK Steel buyer warns of plant closures without stronger U.S. import curbs," Reuters, March 5, 2020.

¹⁹ Letter signed by Rep. Kelly and Rep. Balderson to President Trump, Congress of the United States, March 6, 2020.

²⁰ Letter signed by Rep. Kelly and Rep. Kaptur to President Trump, Congress of the United States, April 15, 2020.

²¹ Ethics in Government Act of 1978, Pub. L. No. 95-521.

all financial securities transactions exceeding \$1,000 within 30 days of notice of the transaction.²²

16. On April 29, 2020, before the DOC's Section 232 investigation was initiated, Victoria Kelly purchased between \$15,001 and \$50,000 worth of Cleveland-Cliffs stock. Rep. Kelly reported this transaction in a PTR submitted May 15, 2020.²³ On February 12, 2021, Rep. Kelly submitted another PTR indicating that Ms. Kelly had sold between \$50,001 and \$100,000 of Cleveland-Cliffs' stock on January 11, 2021.²⁴

17. The Cleveland-Cliffs investment was a relatively small portion of the Kellys' overall investment portfolio. The Kellys' overall investment portfolio at year-end 2019 fell in a range between \$4.3 million and \$9.9 million in total value. See Exhibit 4. Based on this overall portfolio value, Ms. Kelly's \$15,001-50,000 Cleveland-Cliffs investment on April 29, 2020 was at most 1.14% of their total investment portfolio.

18. Rep. Mike Kelly's 2018 Financial Disclosure Statement reports holdings in 61 individual stocks. See Exhibit 5. On May 28, 2019 the Kellys reported their last stock purchase of the 2019 calendar year before liquidating all single stock positions and investing in mutual funds in June 2019.²⁵ Cleveland-Cliffs was the only single stock the Kellys held in their portfolio in 2020.²⁶

19. Other notable aspects of the Cleveland-Cliffs investment include:

²² U.S House of Representatives Committee on Ethics Instruction Guide - Financial Disclosure Statements and Periodic Transaction Reports – Calendar Year 2020; Congressional Research Service - The STOCK Act, Insider Trading, and Public Financial Reporting by Federal Officials (April 18, 2013)

²³ May 15, 2020 George (Mike) Kelly, Jr. Periodic Transaction Report

²⁴ February 12, 2021 George (Mike) Kelly, Jr. Periodic Transaction Report

²⁵ George (Mike) Kelly, Jr. Financial Disclosure Statements (2019) Schedule B

²⁶ George (Mike) Kelly, Jr. Financial Disclosure Statements (2019) Schedule A; 2020 Periodic Transaction Reports

- a) Cleveland-Cliffs had a substantially smaller stock market capitalization than the stocks the Kellys purchased in 2019.²⁷
- b) Most of Victoria Kelly's earlier single-stock investments involved purchases spread over multiple days. See Exhibit 6. In contrast, her entire Cleveland-Cliffs investment was made on a single day.
- c) The size of the Cleveland-Cliffs position investment was comparable in size to those of the Kellys' other single stock positions held in 2018 and the first half of 2019. See Exhibit 5.

20. In summary, Victoria Kelly's investment in Cleveland-Cliffs represented a clear departure from her investment practices at the time. It was her first purchase of a single stock (as opposed to a bond or mutual fund) in eleven months and her first holding of a single stock in ten months. Based on market capitalization, Cleveland-Cliffs was a substantially smaller stock than her 2019 stock investments. She also made her investment in Cleveland-Cliffs more quickly than most of her earlier investments. On the other hand, the amount of her investment in Cleveland-Cliffs was in line with her earlier stock investments.

IV. Timing of information related to Section 232 investigation

21. Possible circumvention of Section 232 tariffs on GOES metal through imports of downstream products (and persistent requests for DOC action) were mentioned by market participants at least as early as 2018, as indicated in Exhibit 7.

²⁷ Market capitalization data from Bloomberg L.P. The market capitalization of Cleveland-Cliffs on April 29, 2020 was \$1.9 billion. Among the stocks purchased in 2019, the next smallest market capitalization was that of Ingersoll-Rand PLC, which was approximately \$5.5 billion when purchased in April 2019.

Concerns regarding downstream GOES products—expressed both privately as well as through disclosures by Cleveland-Cliffs and statements by members of Congress—predated the Trump Administration's implementation of steel tariffs in April 2018 and intensified after the December 3, 2019 announced acquisition of AK Steel by Cleveland-Cliffs. In the weeks leading up to the March 13, 2020 finalization of the AK Steel acquisition, the CEO of Cleveland-Cliffs threatened to close the two GOES plants in Pennsylvania and Ohio unless Section 232 action was taken, while Reps. Kelly & Balderson publicly wrote to President Trump.

22. Lobbying for Section 232 tariffs on downstream GOES products intensified in April 2020, including in an additional letter to President Trump on April 15th led by Rep. Kelly and Rep. Kaptur and signed by 23 additional representatives. Exhibit 8 also shows that private communications indicate Cleveland-Cliffs advised legislators and the DOC of the imminent closure of the two GOES steel plants by the end of April 2020 unless action was taken. That month, the CEO of Cleveland-Cliffs continued to push for action through private communications with the DOC while publicly warning of inaction theretofore by Commerce Secretary Ross.

23. On April 28, 2020, Cleveland-Cliffs informed Rep. Kelly's office of the DOC's intention to initiate a Section 232 investigation into transformer laminations and cores. The DOC publicly disclosed its initiation of an investigation after the stock market closed in the afternoon of May 4, 2020.

V. Analysis of materiality

24. The standard for materiality identified in Supreme Court decisions in the context of information omitted from a disclosure has been that “there must be a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of information made available.”²⁸ Courts have tended to place substantial weight on event-study analyses in assessing materiality, but have also considered other factors.²⁹ The Supreme Court’s test has also been phrased as, “a fact is material if there is a substantial likelihood a reasonable investor would consider it important in making an investment decision.”³⁰ In addition to analysis of the stock price reaction to the release of relevant news (event-study analysis), courts have sometimes considered the impact of the issue on a company’s financials, focusing on the percentage change in (for example) earnings or revenue. They have emphasized, however, that should be no bright-line threshold for such percentages.³¹

25. Courts have cited *SEC Staff Accounting Bulletin No. 99 – Materiality*, Aug. 12, 1999. The Bulletin states:

One rule of thumb in particular suggests that the misstatement or omission of an item that falls under a 5% threshold is not material in the absence of particularly egregious circumstances, such as self-dealing or misappropriation by senior management. The staff reminds registrants and the auditors of their financial statements that exclusive reliance on this

²⁸ *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438, 96 S. Ct. 2126 (1976).

²⁹ See Section 4.02, “The Concept of Materiality,” in *Insider Trading: Liability and Compliance*, Matthew Bender & Company, Inc., 2013.

³⁰ *U.S. v. Bachynsky*, 415 F. App’x 167 (11th Cir. 2011).

³¹ See House and Edmondson, Section 4.

or any percentage or numerical threshold has no basis in the accounting literature or the law.

The use of a percentage as a numerical threshold, such as 5%, may provide the basis for a preliminary assumption that – without considering all relevant circumstances – a deviation of less than the specified percentage with respect to a particular item on the registrant's financial statements is unlikely to be material. The staff has no objection to such a "rule of thumb" as an initial step in assessing materiality. But quantifying, in percentage terms, the magnitude of a misstatement is only the beginning of an analysis of materiality; it cannot appropriately be used as a substitute for a full analysis of all relevant considerations. Materiality concerns the significance of an item to users of a registrant's financial statements. A matter is "material" if there is a substantial likelihood that a reasonable person would consider it important. In its Statement of Financial Accounting Concepts No. 2, the FASB stated the essence of the concept of materiality as follows:

The omission or misstatement of an item in a financial report is material if, in the light of surrounding circumstances, the magnitude of the item is such that it is probable that the judgment of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the item.

26. We conducted an "event study" analysis of the impact of the public announcement of the Commerce Department investigation. An event study is a standard tool in financial economics and is frequently used in investigations and litigation related to information disclosures about corporations, including in securities class actions and in insider trading cases. The theory of efficient financial markets holds that, to the extent information is important to investors' assessment of the value of a security, the price of that security should react promptly to the public release of that information.

27. An event study is based on a "market model," which is a regression analysis of the relationship of the daily changes (or returns) in the prices of a company's

common stock (or another security) with the returns of either broad market indices or indices of related companies. For our analysis, we chose a market model relating Cleveland-Cliffs's daily common stock returns with the daily returns of the S&P SmallCap 600 market index. The market capitalization of Cleveland-Cliffs fell within the size range of companies included in this index.³² To ensure that our results were not sensitive to our choice of index, we also considered another market index (the Russell 2000 Index), as well as an index of metals and mining stocks (the S&P Metals & Mining Select Industry Index). We estimated the market model using daily returns over the period February 12, 2020 -September 25, 2020. This was the period between a disclosure that AK Steel and Cleveland-Cliffs anticipated an earlier-than-expected consummation of their merger and a disclosure that Cleveland-Cliffs would acquire Arcelor-Mittal USA.³³ The nature and composition of Cleveland-Cliffs's business over this period should therefore have been relatively stable. We also considered several other regression sample periods as sensitivity checks. The sensitivity checks indicate that our results are not sensitive to our choices of the market index and regression period.

³² Cleveland-Cliffs is also a member of this index, which generally includes companies with market capitalizations ranging from \$750 million to \$3.3 billion. Bloomberg L.P.; S&P U.S. Indices Methodologies.

³³ See "Cleveland-Cliffs Inc. and AK Steel Holding Corporation Announce the Extension of the Expiration Date for Exchange Offers and Consent Solicitations," *BusinessWire*, February 11, 2020 5:42 PM and "Cleveland-Cliffs Inc. to Acquire ArcelorMittal USA," *BusinessWire*, September 28, 2020 1:40 AM.

28. The results of the market model regression are shown below in Table 1.

Table 1: Market model regression

	Coefficient	t stat	p value ³⁴	
Constant	0.000	0.044	0.965	
S&P SmallCap 600 Index	1.415	16.900	0.000	*
R-squared:	0.647			
No. Observations:	158			

29. The regression model is based on logarithmic returns (that is, the daily changes in the logarithms of the stock price and the explanatory index). A log return is approximately equivalent to a percentage return divided by one hundred. The coefficient on the explanatory index, the S&P SmallCap 600 Index, is 1.415, indicating that for a 0.01000 return in the index, a 0.01415 return in Cleveland-Cliff's stock would be expected. This coefficient is sometimes referred to as the "beta" of the stock. The constant term, which is estimated to be zero, is the return in the stock that would be expected given no change in the market index. A stock return on any given day will differ from its expected return by an amount known as the excess, or abnormal, return. The R-squared of the regression, 0.647, is the portion of overall variation in Cleveland-Cliffs stock returns explained by the regression model. The remainder can be attributed to random market fluctuations (or "noise") and to company-specific events.

³⁴ One star (*) indicates statistical significance at the 5% level.

30. Public news of the Commerce Department’s investigation came out after the 4 pm ET close of stock market trading on Monday May 4, 2020. We no longer have access to the Commerce Department’s press release, but a Reuters news article as well as a Tweet by Commerce Secretary Ross both carry timestamps after 4 pm. The relevant trading day to assess the market impact of the announcement is, therefore, the following trading day, May 5. Our analysis of the market impact of this announcement is in Table 2.

Table 2: Event study of Cleveland-Cliffs stock in response to the DOC’s May 4, 2020 initiation of Section 232 Investigation³⁵

Date	Cleveland-Cliffs Stock Price	Actual Return	S&P SmallCap 600 Return	Predicted Return	Excess Return	t-statistic
5/4/2020	\$4.31					
5/5/2020	\$4.38	0.016	0.004	0.005	0.011	0.304

31. The actual return in Cleveland-Cliffs stock that day was 0.016. Of this return, our market model leads us to expect a 0.005 return (given the S&P SmallCap 600 return of 0.004 that day). The excess return of Cleveland-Cliffs stock, above what was expected, was therefore 0.011. The “t-statistic” is a statistical measure off the size of this return relative to normal price variation for the stock. Economists typically look for a t-statistic indicating statistical significance at the 5% level (in our model, this requires a t-statistic greater than 1.975 in absolute value) or sometimes at the 10% level

³⁵ “U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators,” U.S. Department of Commerce, May 4, 2020. This information was released after the close of trading on May 4, 2020.

(greater than 1.655 in absolute value). The t-statistic shown, 0.304, is well below these levels, leading us to conclude that the impact of the Section 232 announcement on Cleveland-Cliffs stock price was not statistically significant. This suggests that the information did not generally cause investors to change their assessment of the value of Cleveland-Cliffs, and therefore suggests the information was not material.

32. We also considered the market impact of several earlier announcements related to the Section 232 investigation. The results of our event studies of these events are summarized in Table 3, and descriptions of each relevant disclosure may be found in Exhibit 3. None of events led to a statistically significant stock price reaction.

Table 3: Event study summary for other announcements

Event Date	Actual Return	S&P SmallCap	Predicted Return	Excess Return	t-statistic
		600 Return			
3/5/2020	-0.047	-0.036	-0.051	0.005	0.138
3/9/2020	-0.108	-0.101	-0.143	0.035	0.996
4/15/2020	-0.117	-0.050	-0.070	-0.047	-1.308
4/22/2020	0.000	0.009	0.012	-0.012	-0.351
11/5/2020	0.068	0.028	0.039	0.029	0.803

33. Finally, given the allegations of insider trading, it is conceivable that such trading had a market impact in the days preceding the public announcement after-hours on May 4. For this reason, Table 4 shows our analysis of the cumulative excess return of Cleveland-Cliffs stock over various intervals ending on May 5. The t-statistics

indicate that none of these cumulative excess returns are statistically significant, confirming our findings for the single-day excess return on May 5, described above.

Table 4: Cumulative excess returns of Cleveland-Cliffs stock through May 5, 2020

Cumulative Excess Return Through May 5,		
Initial Date	2020	t-statistic
4/24/2020	0.093	0.984
4/27/2020	0.086	0.989
4/28/2020	0.081	1.019
4/29/2020	0.047	0.659
4/30/2020	0.060	0.978
5/1/2020	0.049	0.973
5/4/2020	0.011	0.304

34. Information relevant to materiality, in addition to the above event studies of Cleveland-Cliffs stock, may include (1) whether sales of GOES metal played a significant role in the operations of AK Steel/Cleveland-Cliffs, (2) analyst perspectives on GOES relative to the combined business, and (3) uncertainties regarding the outcome of the Section 232 investigation and any resulting Presidential action.

35. We estimate that in 2019, AK Steel/Cleveland-Cliffs sold between \$425 million and \$511 million worth of GOES steel, or about 5% to 6% of combined-company revenue.³⁶ About 193,000 metric tons of GOES was sold (representing an average capacity utilization of 73%) at an estimated domestic price ranging from \$2,205 to

³⁶ \$425 to \$511 million is approximately 5% to 6% of combined-company revenue of \$8,349.3 million.

\$2,646 per ton. Details and sources may be found in Exhibit 2. Since the Trump Administration's 2018 action on steel tariffs, imported GOES metal has been subject to a 25% tariff.³⁷ As discussed in Section IV of this report, concerns were raised that further Section 232 action was needed to resolve circumvention of the 25% tariff. Assuming Presidential action stemming from the Section 232 investigation initiated on May 4, 2020 results in a 25% increase in the domestic price of GOES, prices would increase by \$551 to \$661 per metric ton. At 2019 production levels, that equates to an increase of between \$106 million and \$128 million in revenue to AK Steel/Cleveland-Cliffs (or about 1.3% to 1.5% over 2019 combined company revenue). Further assuming that production increases to firm capacity, revenue is estimated to increase by \$304 million to \$366 million (or about 3.7% to 4.4% over 2019). We do not, unfortunately, have any means to judge, independent of our event study, whether such a revenue increase would cause many investors to change their evaluation of the value of Cleveland-Cliffs stock. It is greater than the 3% level cited by at least one court.³⁸ But courts and the SEC have cautioned about using such thresholds without considering the context.

36. We have also reviewed nine securities-analyst reports by five different research teams following Cleveland-Cliffs, published between April 1, 2020 and May 12,

³⁷ GOES relevant to the DOC's Section 232 investigation was classifiable under subheadings 7225.11.0000, 7226.11.1000, 7226.11.9030, and 7226.11.9060 of the Harmonized Tariff Schedule of the United States (HTS), according to "Electrical Steel and Transformer-Related Parts 232 Survey," Bureau of Industry and Security, 2020. The Trump Administration's 2018 steel tariffs included, among other articles, those defined at the HTS as 7216.99 through 7301.10, according to "Adjusting Imports of Steel Into the United States," Proclamation 9705 of March 8, 2018, Federal Register Vol. 83, No. 51.

³⁸ See House and Edmondson.

2020. Except for one report, published by Cowen and Company, LLC, on May 5, 2020, right after the DOC announcement, none of these reports mentions GOES or the prospect of any expansion of Section 232 tariffs related to downstream GOES products. Analysts tended to focus most on the effects of the COVID pandemic, including shutdowns in automobile production, on Cleveland-Cliffs business. This suggests that the prospect of these tariffs was not generally an important consideration for most investors.

37. It is also worth noting that the May 4, 2020 announcement by the DOC was only the announcement of the initiation of an investigation. It was not the announcement of a positive outcome of such an investigation for Cleveland-Cliffs or of any eventual imposition of additional tariffs by the President. Even if the imposition of such tariffs may have been material, if and when it occurred, the announcement of the initiation of the investigation arguably only raised the probability of such tariffs, but certainly did not make such tariffs a certainty.

VI. Conclusions

38. As described above, Victoria Kelly made what was for her a highly unusual investment in Cleveland-Cliffs stock on April 29, 2020, although this investment did not represent a large share of the Kellys' overall investment portfolio. This investment occurred one day after Cleveland-Cliffs informed Rep. Kelly's staff that the DOC would be initiating an investigation into downstream GOES products, information that was not yet public. We do not have any direct information on whether this information reached Ms. Kelly before her investment.

39. In order to assess the materiality of this information, we conducted an event study of the reaction of Cleveland-Cliff stock price to the public release of this information, after hours on May 4, 2020. The lack of a statistically significant price reaction suggests the information may not have been material. Our analysis of movements of the stock on other days is consistent with this negative finding. We also estimate that in the still highly uncertain event that tariffs were imposed on downstream GOES products, Cleveland-Cliffs likely would have realized incremental revenue of at most 4.4% of its revenue. Perhaps for this reason, the prospect of such tariffs does not seem to have been a major focus for analysts covering Cleveland-Cliffs during this period. For these reasons, we conclude that the information provided to Rep. Kelly regarding the pending announcement of the DOC's investigation would not have been considered material by most investors.

Appendix

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Exhibit 1: Section 232 Investigations Initiated by the Trump Administration¹

Import Investigated	Date of	
	DOC Investigation Initiation	Presidential Action
steel	4/20/2017	3/23/2018
aluminum	4/27/2017	3/23/2018
motor vehicles/parts	5/23/2018	5/17/2019
uranium	7/18/2018	None ²
titanium sponge	3/4/2019	2/27/2020
electrical transformers & components	5/4/2020	N/A ³
mobile cranes	5/6/2020	None ⁴
vanadium	6/3/2020	N/A ⁵

Sources and notes:

¹ Investigations and dates obtained from "Trump Administration Tariff Actions: Frequently Asked Questions," Congressional Research Service, December 15, 2020 (Update).

² *ibid.* President Trump did not concur with the DOC's findings. The U.S. Nuclear Fuel Working Group was established to develop recommendations to revive domestic industry.

³ The DOC "concluded its investigation and delivered its report to President Trump on October 16, 2020, but it has not been made public." The only related action taken by the Trump Administration was to waive further Section 232 action against Mexico after they agreed to establish a monitoring system. See Section 232 Investigations: Overview and Issues for Congress, Congressional Research Service, May 18, 2021.

⁴ The Commerce Department terminated the Section 232 investigation into mobile cranes following a September 8, 2020 request by the applicant, citing a changing economic environment due to the Covid-19 pandemic. See "Commerce Department Terminates Section 232 Investigation into Mobile Crane Imports," Bureau of Industry and Security, December 4, 2020.

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Exhibit 1: Section 232 Investigations Initiated by the Trump Administration¹

⁵ The DOC “concluded its investigation and delivered its report to President Biden on February 22, 2021; it has not been made public.” If there was an affirmative finding, according to the Congressional Research Service, President Biden has until May 23, 2021 “to determine the appropriate response.” See Section 232 Investigations: Overview and Issues for Congress, Congressional Research Service, May 18, 2021, p. 25.

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Exhibit 2: Estimated Impact of Section 232 Action on Revenue of Cleveland-Cliffs

A. 2019 AK Steel GOES production 193,000 metric tons¹

B. 2019 AK Steel GOES production capacity 265,000 metric tons¹

Estimated Range of Domestic Price of GOES

C. Low \$ 2,205 per metric ton²

D. High \$ 2,646

Estimated Range of 2019 Revenue from GOES

E. Low (A) * (C) \$ 425 million³

F. High (A) * (D) \$ 511 million³

Estimated Range of Domestic GOES Price Assuming a 25% Price Increase due to Section 232 Action on Laminations and Cores³

G. Low 1.25 * (C) \$ 2,756

H. High 1.25 * (D) \$ 3,307

Estimated Range of GOES Revenue Relative to 2019 Total Revenue⁴

Assuming a 25% GOES price increase and production at 2019 level

I. Low (A)*(G) - E \$ 106 million (1.27% of total 2019 revenue)

J. High (A)*(H) - F \$ 128 million (1.53% of total 2019 revenue)

Assuming a 25% GOES price increase and production at 2019 production capacity

K. Low (B)*(G) - E \$ 305 million (3.65% of total 2019 revenue)

L. High (B)*(H) - F \$ 366 million (4.38% of total 2019 revenue)

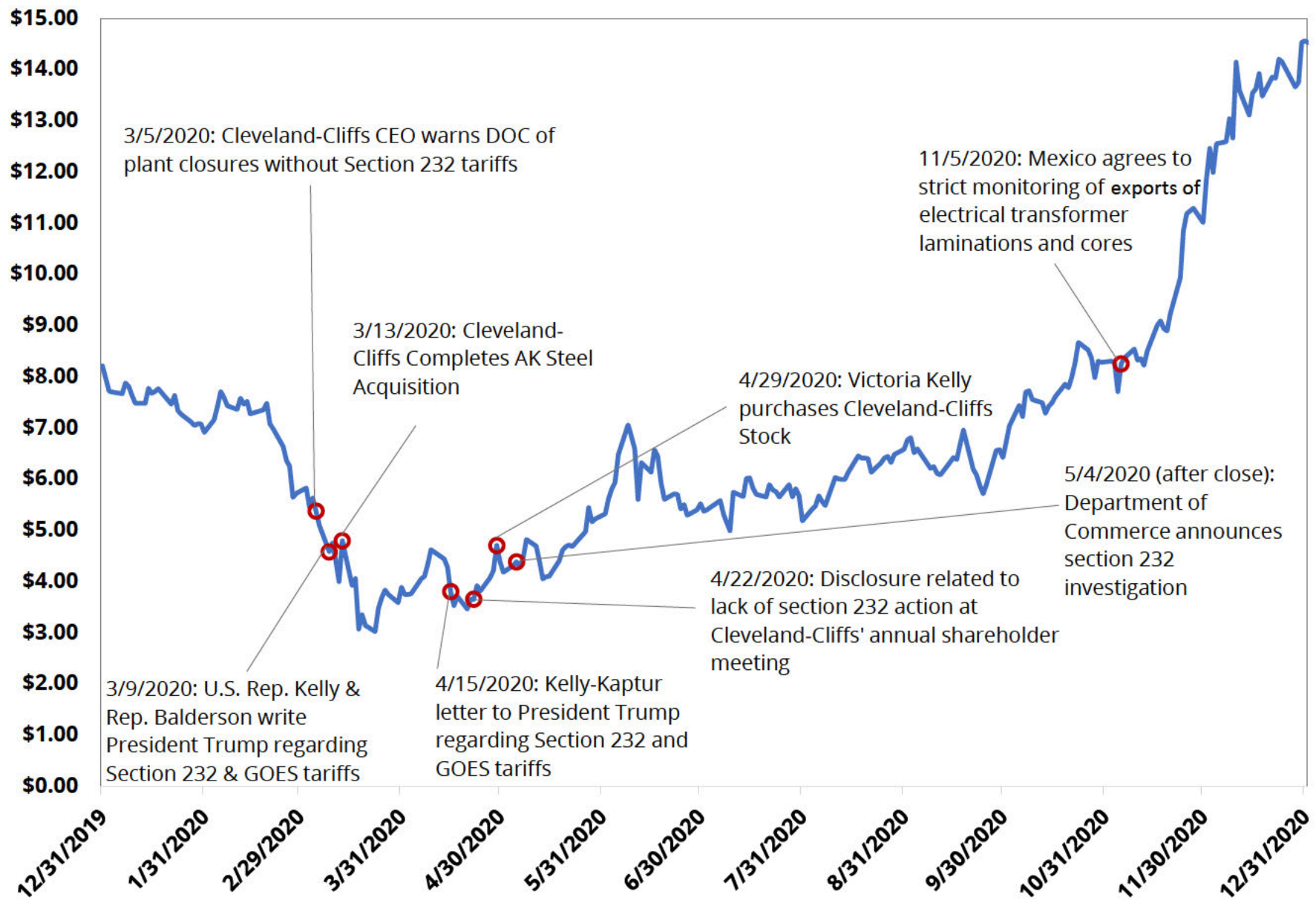
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Exhibit 2: Estimated Impact of Section 232 Action on Revenue of Cleveland-Cliffs

Sources and notes:

- ¹ Obtained from "Public Comments on behalf of The Core Coalition LLC" submission to the U.S. Department of Commerce (pursuant to the May 19, 2020 Federal Register Document 2020-10715), dated July 3, 2020.
- ² Estimated based on the "typical" domestic price of \$2,000 to \$2,400 per short ton for medium and higher grade GOES according to market participants, as-obtained from "New Section 232 probe may increase GOES prices," Metal Bulletin Daily, May 7, 2020. The price per metric ton is calculated by multiplying the short ton price by 1.1023.
- ³ A 25% increase in the domestic price of GOES is assumed since the objective of the Section 232 action on downstream GOES products is to mitigate circumvention of the original 25% tariff on GOES metal. Industry commentary implies that a 25% domestic price increase in GOES is an upper limit: a U.S. cores manufacturer stated that a 25% tariff on the "downstream items [i.e. laminations and cores] won't always close that gap" between the domestic price of GOES and the import price that's already subject to a 25% tariff. See "New Section 232 probe may increase GOES prices," Metal Bulletin Daily, May 7, 2020.
- ⁴ Total 2019 combined Cleveland-Cliffs and AK Steel revenue equals \$8,349.3 million. This is calculated as the sum of \$6,359.4 million in AK Steel revenue and \$1,989.9 million in Cleveland-Cliffs revenue. See SEC Forms 10-K for each firm filed on February 20, 2020.

Exhibit 3: Cleveland-Cliffs Stock Price 12/31/2019 - 12/31/2020



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Exhibit 4: 2019 Year End Asset Summary

Block B Category	Low end of range	High end of range	Count of Assets in Category ¹			Total ²
			Stocks	Bonds	Mutual Funds	
B	\$1	\$1,000	0	0	0	0
C	\$1,001	\$15,000	0	0	0	0
D	\$15,001	\$50,000	0	2	0	2
E	\$50,001	\$100,000	0	5	3	8
F	\$100,001	\$250,000	0	17	5	22
G	\$250,001	\$500,000	0	0	3	3
H	\$500,001	\$1,000,000	0	0	2	2
I	\$1,000,001	\$5,000,000	0	0	0	0
Total	\$4,380,037	\$9,900,000	0	24	13	37

Cleveland-Cliffs Purchase³ \$15,001 \$50,000

	Purchase as % of Total	
	Low Purchase Price	High Purchase Price
Low Portfolio Value	0.34%	1.14%
High Portfolio Value	0.15%	0.51%

Sources and notes:

¹ George (Mike) Kelly, Jr. United States House of Representatives 2019 Financial Disclosure Statement - Schedule A

² Total only includes stocks, bonds, and mutual fund assets

³ May 15, 2020 George (Mike) Kelly, Jr. Periodic Transaction Report

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Exhibit 5: 2018 Year End Asset Summary

Block B Category	Low end of range	High end of range	Count of Assets in Category ¹			Total ²
			Stocks	Bonds	Mutual Funds	
B	\$1	\$1,000	0	0	0	0
C	\$1,001	\$15,000	34	0	0	34
D	\$15,001	\$50,000	27	1	0	28
E	\$50,001	\$100,000	0	3	3	6
F	\$100,001	\$250,000	0	20	4	24
G	\$250,001	\$500,000	0	0	3	3
H	\$500,001	\$1,000,000	0	0	2	2
I	\$1,000,001	\$5,000,000	0	0	0	0
Total	\$4,870,063	\$11,500,000	61	24	12	97

Sources and notes:

¹George (Mike) Kelly, Jr. United States House of Representatives 2018 Financial Disclosure Statement - Schedule A

²Total only includes stocks, bonds, and mutual fund assets

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Exhibit 6: 2019 and 2020 Stock Purchases

2019 Stock Purchases			
Company	Low End of Purchases	High end of purchases	Days to complete purchase
Accenture PLC Class A	\$2,002	\$30,000	2
Alexion Pharmaceuticals	\$2,002	\$30,000	2
Alphabet Inc	\$50,001	\$100,000	1
Bank of America Corp	\$3,003	\$45,000	3
Berry Global Group Inc	\$4,004	\$60,000	4
Boeing Corp	\$1,001	\$15,000	1
Booz Allen Hamilton Holdings	\$4,004	\$60,000	4
BP PLC Sponsored	\$2,002	\$30,000	2
Broadcom Inc	\$2,002	\$30,000	2
Church & Dwight Inc	\$2,002	\$30,000	2
Cintas Corp	\$3,003	\$45,000	3
Costco Wholesale Corp	\$1,001	\$15,000	1
Darden Restaurants	\$2,002	\$30,000	2
E*Trade Financial	\$2,002	\$30,000	2
Estee Lauder Cos Inc	\$2,002	\$30,000	2
HCA Healthcare	\$1,001	\$15,000	1
Ingersoll-Rand PLC	\$3,003	\$45,000	3
International Flavors & Fragrances	\$3,003	\$45,000	3
M&T Bank Corp	\$5,005	\$75,000	5
Proctor & Gamble Co	\$3,003	\$45,000	3
Progressive Corp Ohio	\$3,003	\$45,000	3

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Exhibit 6: 2019 and 2020 Stock Purchases

2020 Stock Purchases			
Company	Low End of Purchases	High end of purchases	Days to complete purchase
Cleveland-Cliffs	\$15,001	\$50,000	1

Sources:

George (Mike) Kelly, Jr. United States House of Representatives Financial Disclosure Statements (2019); May 15, 2020 George (Mike) Kelly, Jr. Periodic Transaction Report

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Exhibit 7: Public Disclosures Related to Initiation of a Section 232 Investigation into Downstream GOES Products

Date	Public Disclosure
3/8/18	Senators Casey, Portman & Brown write to President Trump regarding Section 232 steel tariffs and downstream GOES products ¹
3/23/18	The Trump Administration enacts Section 232 tariffs on steel ²
4/30/18	AK Steel discloses that circumvention of tariffs on GOES metal through downstream products may adversely affect their electrical steel business and that the firm raised concerns with the U.S. gov't ³
11/20/19	Reps. Kelly & Balderson write to the U.S. Trade Rep. regarding Section 232 and downstream GOES products ⁴
12/3/19	Cleveland-Cliffs announces acquisition of AK Steel ⁵
3/5/20	Cleveland-Cliffs CEO warns of plant closures w/o Section 232 action ⁶
3/6/20	Reps. Kelly & Balderson write to President Trump regarding Section 232 and downstream GOES products ⁷
3/13/20	Cleveland-Cliffs closes deal to buy AK Steel, the sole producer of GOES metal in the United States ⁸
4/15/20	Kelly-Kaptur letter to President Trump regarding Section 232 and downstream GOES products ⁹
4/22/20	Cleveland-Cliffs CEO states that "Secretary Wilbur Ross is sitting on a proclamation to take the President Trump for his signature, and he's not acting." ¹⁰
5/4/20	Dept. of Commerce announces Section 232 Investigation into electrical transformers & components ¹¹

Sources and notes:

- ¹ Senator Portman, "Portman, Brown, Casey Ask President Trump to Prioritize Electrical Steel in Trade Remedy," press release, March 8, 2018.
- ² Section 232 Investigations: Overview and Issues for Congress, Congressional Research Service, May 18, 2021.
- ³ AK Steel SEC Form 10-Q, filed April 30, 2018.
- ⁴ Letter to Ambassador Robert E. Lighthizer from Reps. Balderson and Kelly, November 20, 2019.
- ⁵ "Cleveland-Cliffs to Acquire AK Steel," BusinessWire, December 3, 2019.
- ⁶ "AK Steel buyer warns of plant closures without stronger U.S. import curbs," Reuters, March 5, 2020, 2:37 PM EST.
- ⁷ Letter to President Donald Trump from Reps. Balderson and Kelly, March 6, 2020.
- ⁸ "Cleveland-Cliffs Completes Acquisition of AK Steel," Business Wire, March 13, 2020.
- ⁹ Letter to President Donald Trump from Reps. Kaptur and Kelly, April 15, 2020.
- ¹⁰ "Cleveland Cliffs Inc Annual Shareholders Meeting - Final, CQ FD Disclosure," April 22, 2020.
- ¹¹ "U.S. Secretary of Commerce Wilbur Ross to Initiate Section 232 Investigation into Imports of Laminations and Wound Cores for Incorporation into Transformers, Electrical Transformers, and Transformer Regulators," U.S. Department of Commerce, May 4, 2020.

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Exhibit 8: Private Disclosures Related to Initiation of a Section 232 Investigation into Downstream GOES Products

Date	Nonpublic Communications
1/15/20	Cleveland-Cliffs contacts DOC Sec. Ross regarding GOES and pending AK Steel acquisition ¹
2/19/20	Meeting between Cleveland-Cliffs CEO and Sec. Ross at the DOC (resulting from 1/15/20 email) ²
3/11/20	Planned meeting between AK Steel, Cleveland-Cliffs, and the DOC regarding GOES is cancelled ³
4/22/20	Cleveland-Cliffs requests meeting with DOC Sec. Ross to discuss time-sensitive matter involving electrical steel business (8:37 AM) ⁴
4/22/20	DOC informs Rep. Kelly's office that the DOC continues to look into the matter (10:22 AM) ⁵
4/22/20	Cleveland-Cliffs informs Rep. Kelly of "potential layoffs at Butler Works" ⁶
4/24/20	Cleveland-Cliffs informs Rep. Kelly's staff that "the DOC had declined to pursue coverage of laminations and cores as 'derivative products' under existing steel Section 232 tariffs/quotas." ⁷
4/28/20	Cleveland-Cliffs provides notification to Rep. Kelly's staff of the DOC's intent to initiate a Section 232 investigation covering transformer laminations and cores ⁸
4/29/20	Rep. Kelly's staff expresses that the DOC still needs "to get their legal ducks in a row" and "it ain't over until commerce makes that announcement." ⁹
5/1/20	Rep. Kelly's staff reference a "great call" that day with DOC Sec. Ross. Rep. Kelly states that he'll "be more upbeat once we get it off our lot and in his driveway." ¹⁰

Sources and notes:

¹ Commerce-OCE-RFI-21-9221-0000092-97

² Commerce-OCE-RFI-21-9221-0000092-97

³ Commerce-OCE-RFI-21-9221-0000118-20

⁴ Commerce-OCE-RFI-21-9221-0000154

⁵ [REDACTED]_0027

⁶ Call Summaries – CC_OCE000126

⁷ CC_OCE-000037-38; Call Summaries – CC_OCE000126

⁸ Call Summaries – CC_OCE000126

⁹ [REDACTED]_0010

¹⁰ [REDACTED]_0011