

Stein David
Form 4
January 26, 2009

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Stein David

(Last) (First) (Middle)

431 FAIRWAY DRIVE, SUITE 200

(Street)

DEERFIELD BEACH, FL 33441

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
China Direct, Inc. [CDII]

3. Date of Earliest Transaction (Month/Day/Year)
01/22/2009

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director 10% Owner
____ Officer (give title below) ____ Other (specify below)

6. Individual or Joint/Group Filing (Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount		
Common Stock, \$0.0001 par value per share	01/22/2009		S ⁽¹⁾		2,800	D	\$ 1.3661 1,998,000
Common Stock, \$0.0001 par value per share	01/23/2009		S ⁽¹⁾		200	D	\$ 1.35 1,997,800
Common Stock,	01/26/2009		S ⁽¹⁾		4,800	D	\$ 1.4002 1,992,800

\$0.0001
par value
per share

Common
Stock,

\$0.0001 01/26/2009 X⁽²⁾ 200,000 A \$ 0.01 2,192,200 D
par value
per share

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

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Number of Shares
Employee Stock Option (right to buy)	\$ 0.01	01/26/2009		X ⁽²⁾	200,000	06/01/2005 02/01/2010	Common Stock	200,000	

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Stein David
431 FAIRWAY DRIVE, SUITE 200
DEERFIELD BEACH, FL 33441

X

Signatures

David Stein 01/26/2009

Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Transactions were made pursuant to a duly adopted trading plan under Rule 10b5-1.
- (2) Stock options were awarded to reporting person on June 1, 2005.
- (3) Employee stock option award.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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