

Stein David
Form 4
May 07, 2008

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)

C/O CHINA DIRECT, INC., 431
FAIRWAY DRIVE

(Street)

DEERFIELD BEACH, FL 33441

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
05/05/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Chief Operating Officer

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

___X___ 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 (A) or (D) Price | | | |
| Common Stock | 05/05/2008 | | M | 15,000 A \$ 2.5 | 2,098,115 | D | |
| Common Stock | 05/05/2008 | | S ⁽¹⁾ | 15,000 D \$ 10.01 | 2,083,115 | D | |
| Common Stock | 05/06/2008 | | M | 7,800 A \$ 2.5 | 2,090,915 | D | |
| Common Stock | 05/06/2008 | | S ⁽¹⁾ | 7,800 D \$ 10 | 2,083,115 | D | |
| Common Stock | 05/07/2008 | | M | 19,120 A \$ 2.5 | 2,102,235 | D | |

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Common Stock 05/07/2008 S⁽¹⁾ 19,120 D \$ 10.03 2,083,115 D

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 or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Option (Right to Buy) | \$ 2.5 | 05/05/2008 | | M | 15,000 | 01/01/2006 01/01/2011 | Common Stock | 15,000 |
| Stock Option (Right to Buy) | \$ 2.5 | 05/06/2008 | | M | 7,800 | 01/01/2006 01/01/2011 | Common Stock | 7,800 |
| Stock Option (Right to Buy) | \$ 2.5 | 05/07/2008 | | M | 19,120 | 01/01/2006 01/01/2011 | Common Stock | 19,120 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Stein David C/O CHINA DIRECT, INC. 431 FAIRWAY DRIVE DEERFIELD BEACH, FL 33441 | | X | Chief Operating Officer | |

Signatures

/s/ David Stein

05/07/2008

**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) Shares sold by the reporting person pursuant to a 10b5-1 trading plan adopted November 29, 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.