

SAGAMORE HILL CAPITAL MANAGEMENT LP
Form SC 13G/A
February 17, 2004

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No. 1)*

DIRECT CORPORATION

(Name of Issuer)

Common Stock, \$.0001 par value per share

(Title of Class of Securities)

266605104

(CUSIP Number)

December 31, 2003

(Date of Event which Requires Filing
of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
 Rule 13d-1(c)
 Rule 13d-1(d)

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

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

Continued on following pages
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SCHEDULE 13G

CUSIP No. 266605104

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1 Names of Reporting Persons

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I.R.S. Identification Nos. of above persons (entities only)

SAGAMORE HILL CAPITAL MANAGEMENT, L.P.

2 Check the Appropriate Box If a Member of a Group (See Instructions)
a.
b.

3 SEC Use Only

4 Citizenship or Place of Organization

DELAWARE

Number of Shares Beneficially Owned By Each Reporting Person With	5	Sole Voting Power 3,820,063
	6	Shared Voting Power 0
	7	Sole Dispositive Power 3,820,063
	8	Shared Dispositive Power 0

9 Aggregate Amount Beneficially Owned by Each Reporting Person

3,820,063

10 Check Box If the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

11 Percent of Class Represented By Amount in Row (9)

7.04%

12 Type of Reporting Person (See Instructions)

PN

SCHEDULE 13G

CUSIP No. 266605104

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1 Names of Reporting Persons
I.R.S. Identification Nos. of above persons (entities only)

SAGAMORE HILL CAPITAL ADVISORS, LLC

2 Check the Appropriate Box If a Member of a Group (See Instructions)
a.
b.

3 SEC Use Only

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4 Citizenship or Place of Organization

DELAWARE

Number of Shares Beneficially Owned By Each Reporting Person With	5 6 7 8	Sole Voting Power 3,820,063 Shared Voting Power 0 Sole Dispositive Power 3,820,063 Shared Dispositive Power 0
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9 Aggregate Amount Beneficially Owned by Each Reporting Person

3,820,063

10 Check Box If the Aggregate Amount in Row (9) Excludes Certain
Shares (See Instructions)

[]

11 Percent of Class Represented By Amount in Row (9)

7.04%

12 Type of Reporting Person (See Instructions)

OO

SCHEDULE 13G

CUSIP No. 266605104

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1 Names of Reporting Persons
I.R.S. Identification Nos. of above persons (entities only)

STEVEN H. BLOOM

2 Check the Appropriate Box If a Member of a Group (See Instructions)

a. []

b. [X]

3 SEC Use Only

4 Citizenship or Place of Organization

UNITED STATES

Number of Shares Beneficially Owned By Each Reporting	5 6 7	Sole Voting Power 3,820,063 Shared Voting Power 0 Sole Dispositive Power
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Person 3,820,063
With
8 Shared Dispositive Power
0

9 Aggregate Amount Beneficially Owned by Each Reporting Person
3,820,063

10 Check Box If the Aggregate Amount in Row (9) Excludes Certain
Shares (See Instructions)
[]

11 Percent of Class Represented By Amount in Row (9)
7.04%

12 Type of Reporting Person (See Instructions)
IN; HC

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Item 1(a) Name of Issuer:
Durect Corporation (the "Issuer")

Item 1(b) Address of the Issuer's Principal Executive Offices:
10240 Bubb Road, Cupertino, California 95014

Item 2(a) Name of Person Filing:
The Statement is filed on behalf of each of the following
persons (collectively, the "Reporting Persons"):
i) Sagamore Hill Capital Management, L.P. ("Sagamore Hill
Capital Management");
ii) Sagamore Hill Capital Advisors, LLC ("Capital Advisors");
and
iii) Steven H. Bloom ("Mr. Steven Bloom");

This statement relates to shares (as defined herein) held for
the account of the Sagamore Hill Hub Fund Ltd., a Cayman Islands corporation
("Hub Fund"). Pursuant to a portfolio management agreement, Sagamore Hill
Capital Management serves as investment manager of the Hub Fund. The General
Partner of Sagamore Hill Capital Management is Capital Advisors. Mr. Steven
Bloom is the sole member of Capital Advisors.

Item 2(b) Address of Principal Business Office or, if None, Residence:
The address of the principal business office of each of the
Reporting Persons is 2 Greenwich Office Park, Greenwich, CT 06831.

Item 2(c) Citizenship:

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- 1) Sagamore Hill Capital Management is a Delaware limited partnership;
- 2) Capital Advisors is a Delaware limited liability company; and
- 3) Mr. Steven Bloom is a citizen of the United States.

Item 2(d) Title of Class of Securities:
Common stock, \$0.0001 par value per share (the "Shares").

Item 2(e) CUSIP Number:
266605104

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Item 3. If this statement is filed pursuant to Rule 13d-1(b), or 13d-2(b) or (c), check whether the person filing is a:

This Item 3 is not applicable.

Item 4. Ownership:

Item 4(a) Amount Beneficially Owned:

Each of Sagamore Hill Capital Management, Capital Advisors and Mr. Steven Bloom may be deemed the beneficial owner of 3,820,063 Shares (assuming the conversion of certain convertible bonds held for the account of the Hub Fund). Of this amount, (i) 703,515 Shares are held for the account of the Hub Fund, and (ii) 3,141,269 Shares are issuable upon the conversion of certain convertible bonds held for the account of the Hub Fund.

Item 4(b) Percent of Class:

The number of Shares of which each of Sagamore Hill Capital Management, Capital Advisors and Mr. Steven Bloom may be deemed to beneficially own constitutes 7.04% of the total number of Shares outstanding (assuming the conversion of certain convertible bonds held for the account of the Hub Fund) (based upon information provided by the Issuer in its most recent quarterly report on Form 10-Q, the number of Shares outstanding was 51,148,588 as of October 31, 2003).

Item 4(c) Number of shares as to which such person has:

Sagamore Hill Capital Management

(i)	Sole power to vote or direct the vote:	3,820,063
(ii)	Shared power to vote or to direct the vote	0
(iii)	Sole power to dispose or to direct the disposition of	3,820,063
(iv)	Shared power to dispose or to direct the disposition of	0

Capital Advisors

(i)	Sole power to vote or direct the vote:	3,820,063
(ii)	Shared power to vote or to direct the vote	0
(iii)	Sole power to dispose or to direct the disposition of	3,820,063
(iv)	Shared power to dispose or to direct the disposition of	0

Mr. Steven Bloom

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(i) Sole power to vote or direct the vote: 3,820,063
(ii) Shared power to vote or to direct the vote 0
(iii) Sole power to dispose or to direct the disposition of 3,820,063
(iv) Shared power to dispose or to direct the disposition of 0

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Item 5. Ownership of Five Percent or Less of a Class:

This Item 5 is not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person:

The shareholders of the Hub Fund have the right to participate in the receipt of dividends from, or proceeds from the sale of, the Shares held by the Hub Fund in accordance with their ownership interests in the Hub Fund.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person:

This Item 7 is not applicable.

Item 8. Identification and Classification of Members of the Group:

This Item 8 is not applicable.

Item 9. Notice of Dissolution of Group:

This Item 9 is not applicable.

Item 10. Certification:

By signing below each of the Reporting Persons certifies that, to the best of such person's knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the Issuer of such securities and were not acquired and are not held in connection with or as a participant in any transaction having such purpose or effect.

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SIGNATURES

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

Date: February 17, 2004

SAGAMORE HILL CAPITAL MANAGEMENT, L.P.

By: /s/ Steven H. Bloom

Name: Steven H. Bloom

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Title: President

Date: February 17, 2004

SAGAMORE HILL CAPITAL ADVISORS, LLC

By: /s/ Steven H. Bloom

Name: Steven H. Bloom

Title: Sole Member

Date: February 17, 2004

STEVEN H. BLOOM

/s/ Steven H. Bloom
