

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	Price	
Common Stock, \$0.0001 par value per share	01/22/2009		S <sup>(1)</sup>		2,800	D \$ 1.3661	1,998,000 D
Common Stock, \$0.0001 par value per share	01/23/2009		S <sup>(1)</sup>		200	D \$ 1.35	1,997,800 D
Common Stock,	01/26/2009		S <sup>(1)</sup>		4,800	D \$ 1.4002	1,992,800 D

\$0.0001  
par value  
per share

Common  
Stock,

\$0.0001 01/26/2009 X<sup>(2)</sup> 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.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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(9-02)

**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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Employee Stock Option (right to buy)	\$ 0.01	01/26/2009		X <sup>(2)</sup>	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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