

Stein David
Form 4
January 26, 2009

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Stein David

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
431 FAIRWAY DRIVE, SUITE 200

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

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

(Street)

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

DEERFIELD BEACH, FL 33441

(City) (State) (Zip)

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 Ownership Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, \$0.0001 par value per share	01/22/2009		S ⁽¹⁾		2,800	D	\$ 1.3661
Common Stock, \$0.0001 par value per share	01/23/2009		S ⁽¹⁾		200	D	\$ 1.35
Common Stock, \$0.0001 par value per share	01/26/2009		S ⁽¹⁾		4,800	D	\$ 1.4002

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\$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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(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 ⁽²⁾	200,000	06/01/2005 02/01/2010	Common Stock 200,0

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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