

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/05/2008		M		15,000	A	\$ 2.5
Common Stock	05/05/2008		S <sup>(1)</sup>		15,000	D	\$ 10.01
Common Stock	05/06/2008		M		7,800	A	\$ 2.5
Common Stock	05/06/2008		S <sup>(1)</sup>		7,800	D	\$ 10
Common Stock	05/07/2008		M		19,120	A	\$ 2.5

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Common Stock      05/07/2008      S<sup>(1)</sup>      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.

**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 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.